

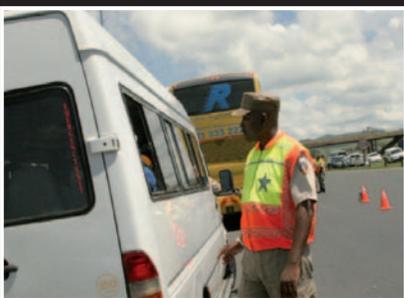


KWAZULU-NATAL

DEPARTMENT OF TRANSPORT

ANNUAL REPORT

2006/07



“prosperity through mobility”



KWAZULU-NATAL DEPARTMENT OF TRANSPORT

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 organisational culture. It encapsulates the motto: "the way we do things around here". A corporate identity has the purpose of graphically differentiating an organisation 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 organisation.

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.

The Zig-Zag partition

This alludes to the majestic Drakensberg 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 inter-linking and inter-dependence of the inhabitants of the Province.

The White Star

Represents the star signalling the birth of Christ (Vas coda 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 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 Bulid".

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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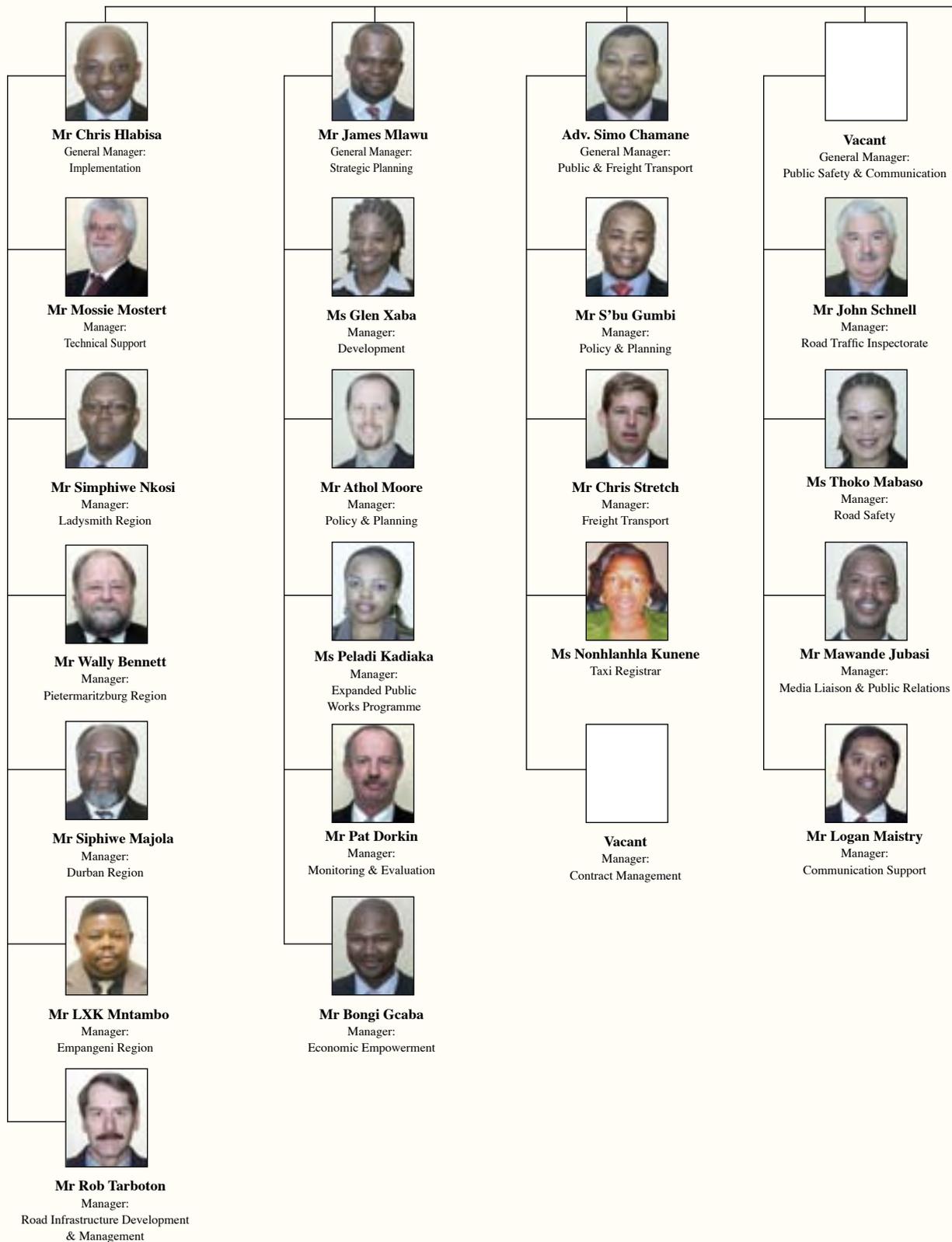
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Organogram





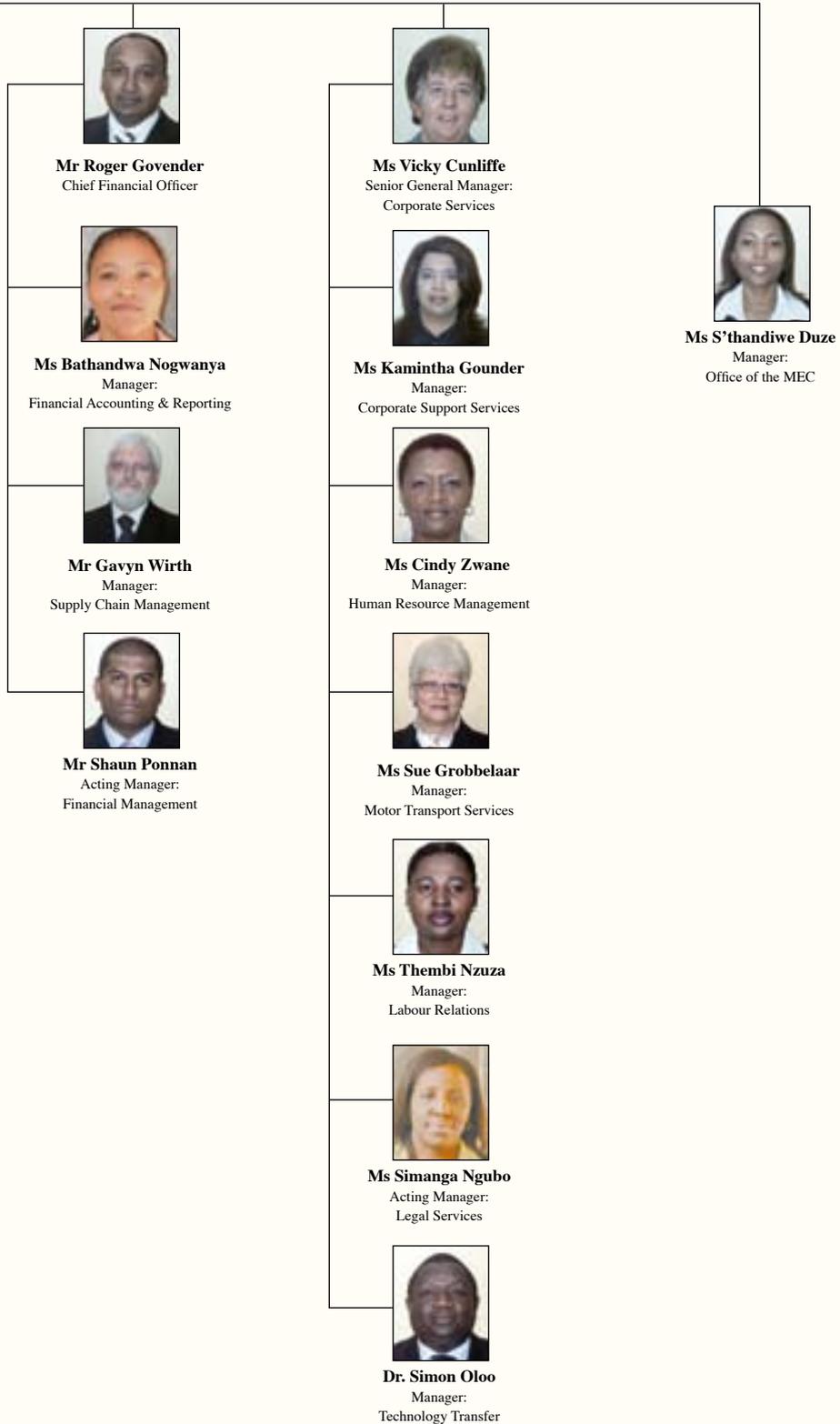
Minister Bheki Cele

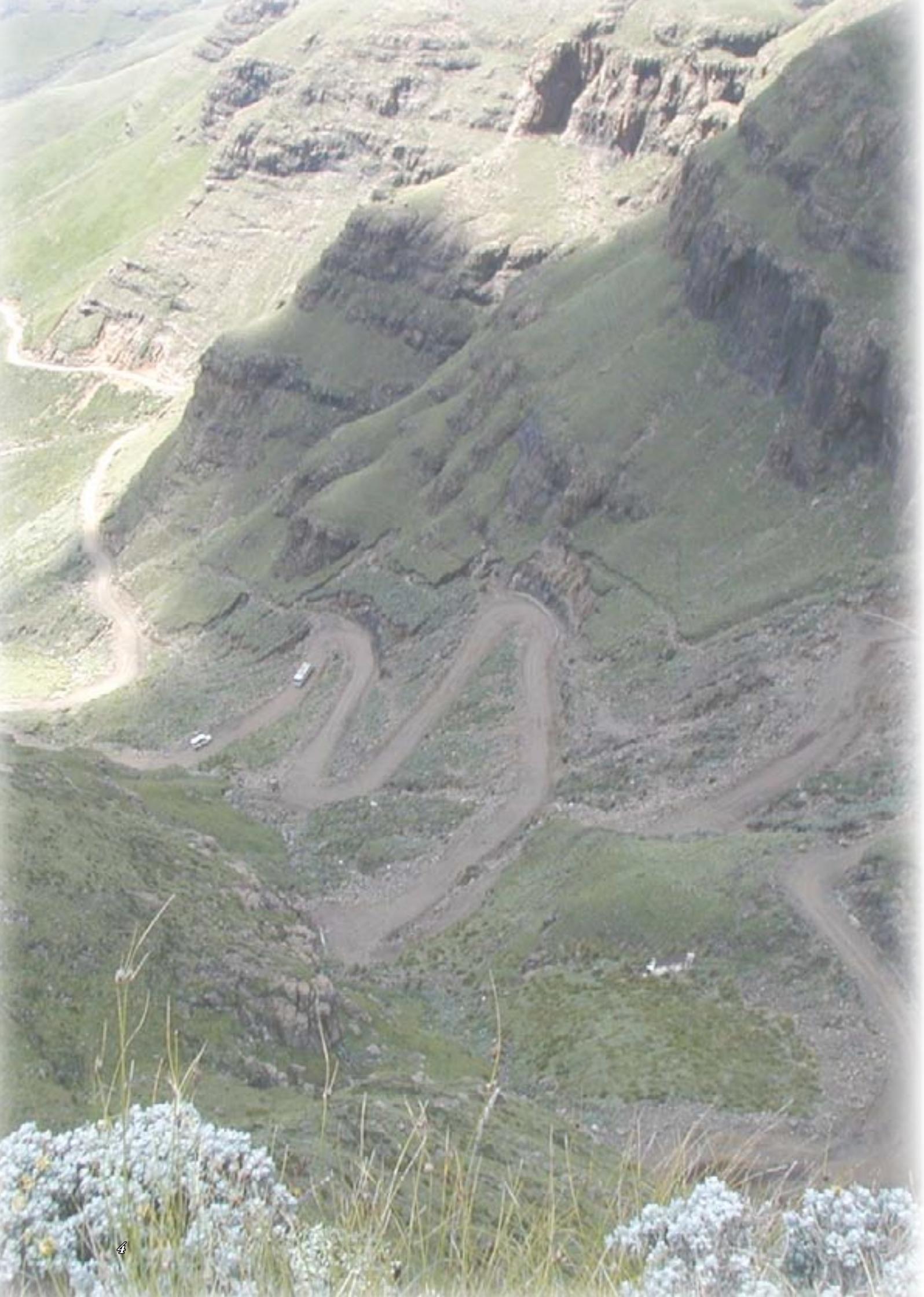
KwaZulu-Natal MEC for Transport,
Community Safety & Liaison



Dr Kwazi Mbanjwa

Head of Department





Part 1

General Information

Section 1: Strategic Vision

Section 2: Report of the Executive Authority

STRATEGIC VISION

S E C T I O N O N E

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

Vision

*“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 citizens of the Province.

Mission Statement

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

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.

A N D

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

STRATEGIC VISION

LEGISLATIVE MANDATE AND CORE FUNCTIONS

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 formalisation 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. Accordingly it deals with the institutionalisation of mechanisms such as taxi associations, allocation of taxi routes, dispute resolution mechanism, 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; the provision and development of equitable road access to all communities within the province, including previous 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.

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.

STRATEGIC VISION

KZN Public Transport Act (Act 3, 2005)

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 perform these core functions effectively and to deliver and provide services to the public effectively, 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.

REPORT OF THE EXECUTIVE AUTHORITY



Mr. Bheki Cele
MEC For
Transport, Community Safety & Liaison

SECTION TWO

REPORT OF THE EXECUTIVE AUTHORITY

The 2006/07 financial year sent a resounding message to us at Transport: that indeed the struggle to build South Africa must go on, as *'South Africa cannot be built overnight'* (Chief Albert Luthuli, *Let My People Go*). This became evident as we travel the length and breadth of this province, this country and internationally. For us at Transport, this is a struggle towards infrastructure development, provision of access to our people, provision of public transport systems, road safety measures, skills development, empowerment, employee wellness and capacity building of both our internal and external stakeholders. Notwithstanding the many challenges, particularly financial resources, I am happy to report that we have achieved the targets we have set ourselves as a Department for the 2006/07 financial year.

Our struggle to build South Africa remains biased towards *'Defending the Weak'*. To this end, the past financial year saw us intensifying our community participation in departmental programmes. It is my pleasure to report on the progress made in public transport in this regard. The bus industry is now formalised and organised with the formation of the KwaZulu-Natal Bus Council (KWANABUCO) under the leadership of Mr A Ndlovu who is the chairperson of this body. Transformation in this sector is urgent and critical. We look forward to the meaningful participation that this structure will bring to the Department particularly in this regard. Furthermore, commuters now have a voice in this province. The formation of commuter associations announced in the 2006 budget speech became a reality. We look forward to the finalisation of this process in the next financial year, culminating in the election of a provincial body which is representative of all regions.

The consultative structures aimed at facilitating transparency, public participation, consultation and development dialogue with communities remain central to our cause. I am happy to announce that elections of Community Road Safety Councils (CRSCs) Rural Road Transport Forums (RRTFs) held in 2006, culminated in the formation of new democratic structures representative of the whole Province including uMzimkhulu. All these initiatives are a means of intensifying community participation in our department and are indeed a progressive stance towards a people-centered and a people-driven development.

The 2006/07 financial year sent strong signals to us as a Department to intensify our Road Safety education and awareness programmes, as we continue to enforce the Road Traffic laws. Crashes on our roads and especially increasing fatalities involving pedestrians, during peak periods in particular, were a cause for concern. Recent figures indicate that 79% of learners walk to school, whilst the main mode of transport for 18% of workers in the province is walking. Since walking is an important mode of transport in this province, the Department remained with no option but to engage with the community on road safety education whilst enforcing the law, thus upholding our slogan: *'From Zero Tolerance to 100% Compliance'*. To this end, the year 2007 is dedicated as the year of the pedestrians.

In the 2006/07 financial year, the Department continued to intensify its struggle against poverty. More than 32 076 contracts were awarded to poor rural households under the Zibambele programme. A total of nine hundred and twelve (912) Zibambele savings clubs were established and to date, they have collectively saved an amount of R6,6 million. I am proud yet deeply humbled to report on the recognition given to the Department through this programme. The programme is being rolled out nationally, furthermore, the programme was recently recognised as the best practice model for EPWP at an awards ceremony hosted by the Minister of Public Works, Mrs Thoko Didiza, in December 2006. We look forward to elevating our struggle against poverty to the next level.

A number of international visits were undertaken in the financial year under review. The visit to Curitiba in Brazil gave us ammunition for intensifying our fight against poverty. The Curitiba Programme of collecting waste and exchanging it for food parcels is called, Garbage that is not Garbage. It could prove to be a great success in the fight against poverty in this country. I am pleased

REPORT OF THE EXECUTIVE AUTHORITY

to report that this programme was warmly received by the KwaZulu-Natal Executive Council and the National Department of Public Works. It is currently remodeled to suit our needs and will be piloted in the Hibiscus Coast Municipality, uMunduzi Municipality and iTheku Metro, under the name "Siyazenzela" in the next financial year. We look forward to the success of the pilot, and in particular the roll-out of the programme throughout the province in the next financial year.

Empowerment and capacity-building of both our internal and external stakeholders remain central to our operations at Transport. In the 2006/07 financial year, graduation ceremonies in the field of Adult Basic Education, bus operators, and the capacity building of Vukuzakhe associations, were held in this department. We look forward to empowerment initiatives that will benefit the majority if not all our stakeholders in the Department.

I began with the acknowledgement that indeed the struggle to build South Africa must go on, as 'South Africa cannot be built overnight' (Chief Albert Luthuli, *Let My People Go*). The roads infrastructure which takes the bulk of the budget bears testimony to this assertion. There is still a huge demand for road networks despite the number of kilometres built this financial year. The demand is further exacerbated by the need to recognise that our road network must also respond to the rapid and easy execution of activities for the success of the FIFA 2010 World Cup event. Whilst thirteen (13) pedestrian bridges were built to date, and three hundred and forty-four (344) kilometres of access roads were constructed, access still remains a major challenge for us in the department. A number of challenges come into play regarding construction. It is with dismay that I report that inadequate budget, instant hikes on construction costs / inflation, litigation on potholes, skewed skills versus fast growing economy are challenges we faced this financial year which hampered expedient progress on construction. We look forward to overcoming these challenges in the quest to improve the quality of lives of our people.

The 2006/07 financial year saw us vigorously implementing the Taxi Recapitalisation Programme as mandated by the National Department of Transport and the President of South Africa himself. I am proud to announce that in December 2006 the KZN Department of Transport launched the New Taxi Vehicles (NTVs) and scrapped the Old Taxi Vehicles (OTVs). Progress has also been made on Conversions.

The Department is committed to championing Non-Motorised Transport. During the 2006/07 financial year, bicycles were donated by the Department of Transport in partnership with Airports Company South Africa (ACSA) to rural schools. AmaHlubi High school was one such beneficiary. Furthermore, together with iTheku Metropolitan Council, the Department launched the cycling initiative. We are proud to say intergovernmental and public and private sector partnerships proved useful in this aspect. We look forward to seeing non-motorised transport becoming a way of life of our people and indeed part and parcel of our programmes at Transport.

2010 is on our doorstep. To this end, I am happy to announce that the Department will play its part whilst ensuring that the core business of the department remains a priority and cannot be jeopardised. The action strategy which guides us is the planning of a public transport system that leaves a lasting legacy for our people. In order to achieve this goal, the public transport needs of users beyond 2010 must be considered. The Integrated Intermodal Facilities in key nodes are proposed for the successful hosting of the 2010 World Cup, amongst other initiatives. These are intended to reduce dependence on private cars and promote public transport use during and after the event. The Road Traffic Inspectorate and Public Transport Enforcement Unit have compiled comprehensive plans in anticipation of the 2010 Football World Cup. With regard to roads infrastructure, the Department has reprioritised its budget over the 2007/08 MTEF period in order to ensure that funding is made available in 2007/08 and 2008/09 for the planning and design of roads required in the vicinity of the Dube Trade Port and the new airport. We look forward to seeing these plans come to fruition.

The struggle to build South Africa continues. Notwithstanding the numerous challenges in each financial year, we shall work harder to ensure that indeed, today is better than yesterday!



Part 2

Report of the Head of Department

Section 1: Introduction

Section 2: Programme 1: Administration

Section 3: Programme 2: Road Infrastructure

Section 4: Programme 3: Transportation

Section 5: Programme 4: Traffic Management

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

REPORT OF THE HEAD OF DEPARTMENT



Dr Kwazi Mbanjwa
Head of Transport

SECTION ONE

INTRODUCTION

Our financial year 2006/07 was dominated by the desire to fulfill a social contract with the citizens of KwaZulu-Natal. Accordingly, the mood to improve service delivery was reflective. The KwaZulu-Natal Department of Transport strongly committed to the principles of participatory democracy and people-centred development. Our mission to be a cost efficient and cost-effective service-provider is premised on the fact that our public are customers who have, through their taxes, prepaid us for our services. Therefore, they are entitled to easily accessible, easily understandable and user-friendly services. This belief has been the basis on which the KwaZulu-Natal Department of Transport consistently and diligently fulfilled the mobility and developmental needs of the citizens of the province, thus supporting our national and provincial growth and development objectives.

Essentially, our challenge as the Department has been:

- To prioritise road investments and at the same time, maintain the established road network at an appropriate standard;
- Economic development;
- The safety of people travelling with public transport;
- To address the anomalisation of the construction industry;
- To reduce poverty;
- To improve co-ordination between the Department and other spheres of government within the province; and
- To develop skills of the Departmental workforce to address scarcity of certain skills.

A review of our performance, this financial year, provides evidence that we have been able, as a Department to direct attention specifically to those road infrastructure developments that will stimulate the growth and development of the second economy, and promote greater integration of the province through the provision of transport infrastructure and related services.

The African Renaissance Road Upgrading Programme (ARRUP), Local Access Road construction programme and Rural Roads for Development Programme continue to make a marked impact on ensuring the provision of a balanced and equitable road network which addresses historical imbalances. To this end, during the 2006/07 financial year, a total of seventy-four (74) kilometres of gravel road to blacktop standard, and four hundred and forty-four (344) kilometres of new gravel road (including fourteen kilometres of road constructed using labour-intensive methods), one (1) new bridge and fifty-seven (57) causeways have been constructed.

In delivering our mandate to ensure the adequate maintenance of the provincial road network, the Department undertook preventive maintenance and rehabilitation of the road network. Approximately, one hundred and six (106) kilometres of tarred road were resealed and seventy (70) kilometres of surfaced road were rehabilitated.

In delivering its outputs, the Department strives to ensure that it addresses the needs of the people. Community participation and consultation also formed a central role in the planning, designing

 INTRODUCTION

and construction of projects. The Department continued to undertake community consultation through Rural Road Transport Forums, Community Road Safety Councils, and Project Liaison Committees. The department recognised the importance of municipalities and their mandates by actively participating in the Municipal Integrated Development Plan programme.

In support of the Expanded Public Works Programme (EPWP) in the province, the strategic framework has been implemented and labour-based construction methods have been piloted. The Department has expanded community-based labour absorptive road construction and maintenance programmes which are aligned with the objectives of the EPWP.

The Department continued the development of a Black Economic Empowerment (BEE) road construction and maintenance industry through the provision of accredited business skills training for Vukuzakhe contractors.

The scarcity of certain skills in the South African labour market negatively affects the Department's service delivery initiatives. In order to address this challenge the Department has a proactive approach to skills development, including the development and implementation of a Workplace Skills Plan; an Adult Basic Education and Training (ABET) programme; a bursary policy; a retention policy and strategy to retain skilled staff in the public service; and internships and learnerships.

The safety of people travelling in taxis remained a serious concern, and much dialogue on strategies to improve public safety has been undertaken. The strategies are in line with the Department's mandated development goal to regulate public transport and to ensure public access to a safe, efficient, regulated and affordable mode of transport. The Department's road safety education and community outreach continued to keep road safety in the public eye. Coupled with this, the department conducted goal-directed road traffic management enforcement campaigns. Through appropriate road safety engineering interventions, the safety of the road environment also improved.

In the 2006/07 financial year, the Department expanded the implementation of the computerised learner license system, which automatically computes whether a learner has passed or failed. This project has improved service delivery to the public and curbed the fraudulent issue of driver and learner licenses.

Supporting the implementation of the National Department of Transport's Taxi Recapitalisation Programme in the province has been one of the Department's priorities. The Department made a good progress in converting public transport permits to operating licences. An intensive campaign to ensure that operators apply for conversion of their permits to operating licences commenced in 2005 and resulted in 96% of the two hundred and forty-eight (248) associations submitting applications for their members by the end of this financial year.

The Zibambele programme, which is a labour-intensive road maintenance programme, continued to be expanded. At the end of the 2006/07 financial year, a total of 20 100 kilometres (approximately 71%) of the road network had been maintained by 32 076 Zibambele contractors.

INTRODUCTION

The Department provided financial and technical support to municipalities in order to assist them in preparing their legislated public transport plans. Current public records and public transport plans were completed by all municipalities. This should be verified.

The Department successfully implemented Supply Chain Management, established the required structures and facilitated training in support of the roll-out.

In order to improve co-ordination between the department and other spheres of government within the province, the Department initiated a process of developing a White Paper on Provincial Transport Policy in order to guide all work spheres of government in the province on transport matters. Consultative processes were undertaken with all stakeholders.

In conclusion, despite the budget constraint which makes our efforts exceedingly difficult, the department was able to fulfill successfully its mandate in this financial year.

INTRODUCTION



Front row from left to right:

Adv. Simo Chamane, Mr Roger Govender, Dr Kwazi Mbanjwa, Ms Vicky Cunliffe,
Mr James Mlawu, Mr Chris Hlabisa

Middle row from left to right:

Mr Gavyn Wirth, Ms Thembi Nzuzwa, Ms Cindy Zwane, Mr S'bu Gumbi, Ms Peladi Kadiaka,
Ms S'thandiwe Duze, Mr Rob Tarboton, Ms Glen Xaba, Mr Sipiwe Majola,
Ms Kamintha Gounder, Mr Simphiwe Nkosi, Ms Bathandwa Nogwanya,
Ms Thoko Mabaso

Back row from left to right:

Ms Sue Grobbelaar, Mr LXX Mntambo, Mr Bongsi Gcaba, Mr John Schnell, Mr Wally Benett,
Mr Logan Maistry, Mr Chris Stretch, Mr Athol Moore, Mr Mawande Jubasi, Mr Pat Dorkin,
Mr Shaun Ponnann, Mr Mossie Mostert, Dr Simon Oloo

Insert:

Ms Nonhlanhla Kunene, Ms Simanga Ngubo

INTRODUCTION

OFFICE OF THE MEC



Ms S'thandiwe Duze

Manager:

Office of the MEC

The office of the MEC is under the organisational structure of the Department of Transport as the MEC holds two portfolios, namely, Transport and Community Safety and Liaison.

The role of office of the MEC is to support the executing authority of the Department in performing his/her executive obligations. Fundamentally, this office is the gateway between the members of public and the Department, Parliament, Legislatures, Cabinet, etc.

The Ministerial Handbook coupled with the Public Service Regulation Framework, guides the administration of the office.

Legislation Executive obligations entail cabinet, parliamentary and intergovernmental matters, engagement with the media and stakeholders. It is therefore important to keep the executive authority abreast with issues related to the aforementioned sectors.

In a nutshell, the role of the office of the MEC is to support the MEC effectively and efficiently in executing his duties including coordination of strategic international and national visits.

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 Shaun Ponnann
Acting Manager:
Financial Management

INTRODUCTION

The Financial Services Chief Directorate focuses on improvement of financial planning, budgeting, reporting and procurement. This Chief Directorate is responsible for presenting the main budget aggregates both to the Provincial Treasury and the Department, highlighting spending trends within the Medium Term Expenditure Framework. The Chief Directorate is also responsible for implementing financial and accounting policies that are driven by strategic goals and objectives of the Department in order to formulate the budget. There are five (5) programmes under which the Department pins its service delivery.

The Financial Management Directorate ensures effective, efficient and transparent financial management support to the Department. This Directorate monitors expenditure and cash flows and ensures efficient revenue generation.

The core function of Financial Accounting and Reporting Directorate is to ensure accurate reporting to the Provincial Treasury and the public. Fixed asset planning and reporting are also fundamental to the effective management of the Department's business. This Directorate ensures that fixed asset management is matched with programme delivery strategies in the best possible manner.

The Supply Chain Management Directorate provides support to the Departmental Tender Evaluation Committees, the Tender Award Committee in respect of procurement, legislative requirements, policies, delegations and processes.

INTRODUCTION

CHIEF DIRECTORATE: CORPORATE SERVICES



Ms Vicky Cunliffe
Senior General Manager:
Corporate Services



Ms Simanga Ngubo
Acting Manager:
Legal Services



Ms Cindy Zwane
Manager:
Human Resource Management



Ms Sue Grobbelaar
Manager:
Motor Transport Services



Dr. Simon Oloo
Manager:
Technology Transfer



Ms Kamintha Gounder
Manager:
Corporate Support Services



Ms Thembi Nzuz
Manager:
Labour Relations

INTRODUCTION

The Chief Directorate, Corporate Services comprises Directorates which perform the following functions in order to support the Department:

Motor Transport Services

The Motor Transport Services Directorate provides motor transport support services, namely, vehicle licensing, administration of traffic offences etc. to the Department.

Corporate Support Services

The Corporate Support Services Directorate is dedicated to excellent and efficient customer services and performs real estate and office services, information technology support and departmental transport services.

Legal Services

Legal Services provides legal advice and opinions in terms of the legislation and mandates on legal and related matters.

Human Resource Management

The Human Resource Management Directorate renders excellent service through integrated, sound, human resource management practices.

Labour Relations

The Labour Relations Directorate ensures harmonious employer/employee relations in the Department.

Technology Transfer Centre(T²)

The Technology Transfer Centre conducts research on technical best practices and ensures that technical skills in respect of road construction and maintenance are transferred to relevant Departmental officials.

INTRODUCTION

CHIEF DIRECTORATE: STRATEGIC PLANNING



Mr. James Mlawu
General Manager:
Strategic Planning



Ms Glen Xaba
Manager:
Development



Mr Athol Moore
Manager:
Policy & Planning



Mr Bongsi Gcaba
Manager:
Economic Empowerment



Ms Peladi Kadiaka
Manager:
Expanded Public Works
Programme



Mr Pat Dorkin
Manager:
Monitoring & Evaluation

INTRODUCTION

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 developments 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; to 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; while ensuring the up-scaling of the Expanded Public Works Programme.

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

The Chief Directorate, Strategic Planning has the following Directorates:

- Policy and Planning;
- Development;
- Economic Empowerment;
- Monitoring and Evaluation; and
- Expanded Public Works Programme.

The Chief Directorate is also responsible for driving new and innovative programmes in the Department and managing the service delivery. The following project is the major one that is managed through the General Manager's office:

- African Renaissance Roads Upgrading Programme (ARRUP)

Directorate: Policy and Planning:

The Policy and Planning Directorate ensures the strategic coordination 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 coordinating, guiding and assisting in the development of new policies, and reviewing existing policies within the Department. The sub-directorate ensures policies comply with legislation as well as ensuring that policies support the strategic goals and objectives of the Department.

The Planning sub-directorate is responsible for coordinating, 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, in support of the Provincial Growth and Development Strategy and the Provincial Spatial Economic Development Strategy (PSEDS)

INTRODUCTION

Directorate: Development:

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

- Community Liaison
- Social Development
- Pilot Programmes

Directorate: Economic Empowerment:

The purpose of this Directorate is to facilitate the development of a sustainable and viable emerging business sector in KwaZulu-Natal through Broad-Based Black Economic Empowerment (BBBEE). 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 and mentorship;
- To develop BEE policies and manage support systems;
- To develop and manage BEE databases; and
- To assist in the implementation of Pilot Programmes.

Directorate: Monitoring and Evaluation:

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

This is done by 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.

INTRODUCTION

Directorate: Expanded Public Works Programme:

The Expanded Public Works Programme (EPWP) is one of government's short-to-medium term programmes with the objective of creating work opportunities and enhancing skill levels through the delivery of essential services. The programme involves re-orientating line function budgets and conditional grants to leverage public expenditure, with the intention of creating short-term work opportunities focused on the unemployed and unskilled labour force.

The EPWP is a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income. The Expanded Public Works Directorate is responsible for coordinating the EPWP activities in the Province. The directorate is encouraging the implementation of the EPWP principles and guidelines within Provincial Government Departments, State-Owned Enterprises and Municipalities in order to alleviate poverty and create work opportunities for the poor in the province.

The Directorate coordinates and ensures the implementation of the EPWP in the Province by performing the following functions:

- Develop, implement and manage the monitoring and evaluation system for the EPWP data on employment creation;
- Develop, implement and manage the EPWP skills development plan for the EPWP beneficiaries in the province;
- Develop, implement and monitor labour-intensive techniques for the EPWP projects in the Department as well as in the province; and
- Manage and coordinate the relationship between the Department and various State-Owned Enterprises, and Local, Provincial and National Government Departments involved in the implementation of EPWP.

INTRODUCTION

CHIEF DIRECTORATE: IMPLEMENTATION



Mr Chris Hlabisa:
General Manager:
Implementation



Mr Mossie Mostert
Manager:
Technical Support



Mr Siphwe Majola
Manager:
Durban Region



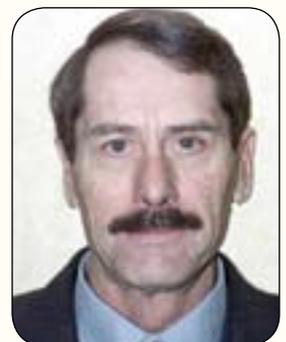
Mr LXX Mntambo
Manager:
Empangeni Region



Mr Simphiwe Nkosi
Manager:
Ladysmith Region



Mr Wally Bennett
Manager:
Pietermaritzburg Region



Mr Rob Tarboton
Manager:
Road Infrastructure
Development &
Management

INTRODUCTION

The Chief Directorate: Implementation is the execution arm of the Department. All line function activities undertaken in the field, and field officers throughout the province, are under the control of this Chief Directorate.

As a result, all road construction activities (except the ARRUP Road Construction Programme), maintenance of the total road network and the operation of this network through the Road Traffic Inspectorate, falls under this Chief Directorate.

In order to control all of these activities, the Province of KwaZulu-Natal is divided into four (4) Regions and eleven (11) Cost Centres. Customers of the Department, such as road users, vehicle owners and public transport operators can, through the Regional Offices, keep in contact with the activities of the Department.

This Chief Directorate controls the largest slice of the Departmental budget and is also home to the largest portion of the Departmental staff. Empowerment programmes, skills development processes and personal development programmes are implemented in this Chief Directorate. These ensure staff remain abreast of latest developments and technology, so that the Department remains at the cutting edge of technology in the industry. The Vukuzakhe Empowerment Programme as well as the Zibambele Poverty Alleviation Programme are managed in this Chief Directorate. Both these programmes have won prestigious awards and are highly recognised by other transport authorities in South Africa.

INTRODUCTION

CHIEF DIRECTORATE: PUBLIC & FREIGHT TRANSPORT



Adv. Simo Chamane
General Manager:
Public & Freight Transport



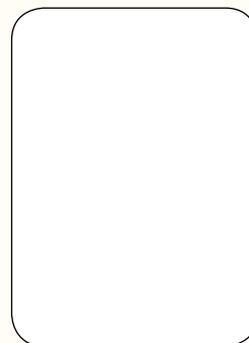
Mr S'bu Gumbi
Manager:
Policy & Planning



Mr Chris Stretch
Manager:
Freight Transport



Ms Nonhlanhla Kunene
Taxi Registrar



Vacant
Manager:
Contract Management

INTRODUCTION

The Public and Freight Transport Chief Directorate is responsible for passenger and freight transportation in the province. The Chief Directorate comprises of the following four components:

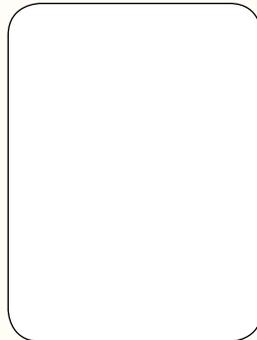
- Freight Transport Directorate;
- Policy and Planning;
- Contract Management; and
- Regulatory Authority.

The key strategic objectives for the Public and Freight Transport Chief Directorate are as follows:

- To establish a sound and effective institutional framework for the overall management of the transportation system in the province
- To develop and promote an effective and efficient transport system
- To establish an effective and enforceable regulatory system
- To ensure a financially and environmentally sustainable transportation system
- To satisfy the requirements of public transport passengers with special needs within affordable limits
- To promote projects which contribute directly to economic development, job creation, capacity-building and skills transfer
- To ensure sustainable funding for the development and provision of public transport
- To develop a transportation system that promotes enhancement of rural development and
- To develop a transport system that ensures the safety of operators and users

INTRODUCTION

CHIEF DIRECTORATE: PUBLIC SAFETY & COMMUNICATION



Vacant

General Manager:
Public Safety & Communication



Mr John Schnell

Manager:
Road Traffic Inspectorate



Mr Mawande Jubasi

Manager:
Media Liaison & Public
Relations



Ms Thoko Mabaso

Manager:
Road Safety



Mr Logan Maistry

Manager:
Communication Support

INTRODUCTION

The Chief Directorate, Public Safety and Communications facilitates safe road environment and behavioural and attitude change of road users, mainly through the following activities:

Communication and Media Liaison:

Internal and external communication services are provided primarily through information management services, audio-visual services, desktop publishing services as well as the effective and efficient management of the departmental resource centre.

Public Safety:

The main aim of the KwaZulu-Natal Department of Transport's Road Safety Programme is to reduce the number of road crashes which occur in the province. A successful road safety programme strives to reduce road crashes through

- Improving the safety of roads through the implementation of low cost, high impact, remedial measures
- Improving road user behaviour through ongoing education and mass media advertising
- Supporting existing road safety policies
- Encouraging continuous research
- Supporting law enforcement activities

The Department has adopted four fold strategy which provides an holistic and coordinated approach in the primary areas of concern, concentrating on behaviour and geographically hazardous areas. The strategy is broad-based, long term, and a sustainable approach to road safety with a community-orientated philosophy. The strategy comprises enforcement, education of adults and children, engineering remedial measures in the form of high impact, low cost projects, and evaluation based on research.

Road Traffic Inspectorate:

The Road Traffic Inspectorate conducts policy research and is responsible for training, liaison and legislative proposals in respect of public safety in the road environment. This unit promotes professionalism in the ranks of enforcement personnel, and promotes international best practice linked to traffic policing and administration. Prosperity through mobility is the order of the day in this unit through ensuring 100% compliance to road traffic rules and regulations by minimising illegal operators, un-roadworthy vehicles and speedsters.

SECTION TWO

PROGRAMME 1: ADMINISTRATION

Sub-Programme 1.1: Office of the MEC

This office is proud to report that responses to parliamentary questions and reports to the Legislature had been professionally coordinated, ensured that all cabinet resolutions were implemented and cabinet memoranda were generated. During the 2006/07 financial year, there had been no Bills that were submitted to the legislature.

The MEC visited France, Austria, Germany and Dubai as part of a provincial delegation in preparation for the 2010 World Cup. The MEC also travelled to Brazil- Curitiba and Colombia-Bogota to learn best practices with regards to Public Transport Planning and systems. The Waste Management programme which was adapted for the Expanded Public Works Programme is now called Siyazenzela Programme in the country, was further explored during this visit.

Sub-Programme 1.2: Corporate Support Services

Labour Relations

Grievances:

The nature of grievances that had been logged against the Department during the 2006/07 financial year included payment of acting allowance, unhealthy working environment, victimisation, rank promotion, etc.

Disciplinary Actions:

The following table indicates statistics on disciplinary actions taken during the 2006/07 financial year.

Table: Disciplinary Actions

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Counseling	1	1	0	0	1	0	1	0	4
Verbal Warning	6	0	2	0	0	0	0	0	8
Written Warning	4	2	3	0	2	1	2	0	14
Final Written Warning	0	0	3	0	0	1	0	1	5
Suspension	5	0	4	2	0	0	0	0	11
Demotion	0	0	1	1	0	0	0	0	2
Dismissal	2	0	1	0	0	1	1	0	5
Not guilty	0	0	0	0	1	0	0	0	1
Case withdrawn	0	0	0	1	1	0	0	0	2
TOTAL	18	3	14	4	5	3	4	1	52

PROGRAMME 1: ADMINISTRATION

The nature of misconduct included insubordination, assault, absenteeism, etc. and the nature of disputes that had been to conciliation, arbitration and/or labour court processes included unfair labour practice, unfair dismissal, fraud, promotion, translation, benefits, claim for overtime, etc.

Collective Bargaining:

The Department participated in several Collective Bargaining processes of the KwaZulu-Natal Provincial Public Service Sector, General Public Service Sectorial Bargaining Council and Labour Relations Forum meetings.

Legal Services:

During the 2006/07 financial year, the following pieces of Legislation were reviewed:

- The KwaZulu-Natal Provincial Roads Regulations of 2006 (and were promulgated on 31 October 2006)
- The KwaZulu-Natal Provincial Roads Act Amendment Bill (and the final draft is being reviewed prior to certification)
- The KwaZulu-Natal Public Transport Regulations (and has been submitted to the State Law Advisors for certification)

The Department also participated effectively in the rationalisation of pieces of legislation project, which is a provincial initiative to strengthen governance.

Training on legislation applicable to Law Enforcement, in particular the KwaZulu-Natal Public Transport Act No.3 of 2005, which came into effect on 1 July 2006, was conducted for the Department's Public Transport Enforcement Unit (PTEU).

The Department also dealt with litigation of sensitive matters for and against it.

The following table presents statistics on claims for and against the Department during the 2006/07 financial year.

Table: Claims

Description	Total Number of Cases	Number of Finalised Cases
Claim against the state	220	53
Theft and losses	226	9
Claims by the state	586	80
Collisions and Accidents	143	99
Removals	198	14
Total	1373	255

On occasions, the Department has sourced the services of private attorneys to handle high level cases as presented in the following table.

PROGRAMME 1: ADMINISTRATION

Table: Cases which necessitated services of legal experts

Descriptions	Course of Action	Current Status
Micheal Nel v MEC for Transport	Pothole claim	Awaiting trial date; preparation for trial in progress
H E Zuma v MEC for Transport	Accident	Trial has commenced and partly heard
Viking Pony v MEC for Transport	Expropriation	Awaiting trial date; preparation for trial in progress
State v R Singh	Murder	Investigation stage; watching brief
R Govindsamy v MEC for Transport	Sexual harassment	Exchange of pleadings
Mc Intosh vs MEC for Transport	Pothole claim	Awaiting judgment
Department of Transport vs Goldstone Investments	Breach of Lease Agreement	Judgment granted in favour of plaintiff; investigating prospects of success in lodging appeal

Real Estate

Expropriation:

During the 2006/07 financial year, inspections and assessments on various Provincial roads and sites were carried out and some of those sites were accordingly identified for improvements.

Conveyancing:

The Department processed approximately five hundred and fifty five (555) applications for conveyance.

Disposal:

There have been no property disposals and only twenty three (23) leases have been administered during the financial year under review, due to a moratorium on the disposal of surplus Provincial land.

However, approximately seven hundred (700) cases were investigated and submitted to the Provincial State Land Disposal Committee for necessary endorsement.

Auxilliary Services

Office Accommodation:

Office accommodation still remained a challenge at the end of the financial year, 2006/07. The least that could be achieved was to secure a building for the Directorate, Motor Transport Services.

Occupational Health and Safety:

The Department complied with the Occupational Health & Safety Act 85 of 1993 & the relevant Regulations. There were dedicated Safety Practitioners to oversee all health and safety-related issues in the Regional Offices and Head Office. However, availability of budget for office maintenance and upgrade of camps was still a pressing issue as at the end the financial year under review.

PROGRAMME 1: ADMINISTRATION

Information Technology

Despite challenges in the provision of Wide Area Network Services, several infrastructure upgrade projects were implemented during the 2006/07 financial year. The following are some of the examples of upgrades that were undertaken:

- An additional bandwidth per annum was purchased;
- Optimisation devices were installed;
- All edge routers were replaced;
- New Management Control software was installed;
- A tender to construct a dedicated server room at Head Office was awarded;
- Automatic backup devices, additional hard drive space and cabling were installed;
- A Storage Area Network was installed at Head Office to cater primarily for specific data;
- Needs for a Project Information System were analysed;
- The Geographical Information System and a geodatabase were improved;
- A new Traffic Counting System was implemented; and
- The possibility of data exchange with the Office of the Premier's Nerve Centre were investigated.

Human Resource Management

Employee Wellness Programme:

The programme is aimed at all aspects of health, including but not limited to psychological, behavioural, attitudinal and emotional perspectives. The Department adopted a more holistic approach to assist its employees with problems related to physical health, nutrition, hygiene, social issues and increasing the lifespan of HIV- infected employees. The ultimate goal is to keep the workforce productive and decrease absenteeism.

To this end, a total of one thousand and two hundred (1200) employees accessed the programme.

Employees received ongoing education and awareness on various aspects of wellness, including HIV and AIDS, Alcohol and Substance Abuse, and Disability, through various projects and workshops that were undertaken. In order to achieve the intended goal, the following projects were carried out during 2006/07 financial year:

- 16 Days Of Activism On No Violence Against Women And Children

The Department continued with its commitment to commemorate the 16 days of activism on no violence against women and children. Five (5) workshops on domestic violence, HIV and AIDS and how to overcome challenges of disability were conducted. The workshops were in the form of testimonials, stage plays and dance recitals. The participants were mainly physically challenged people.

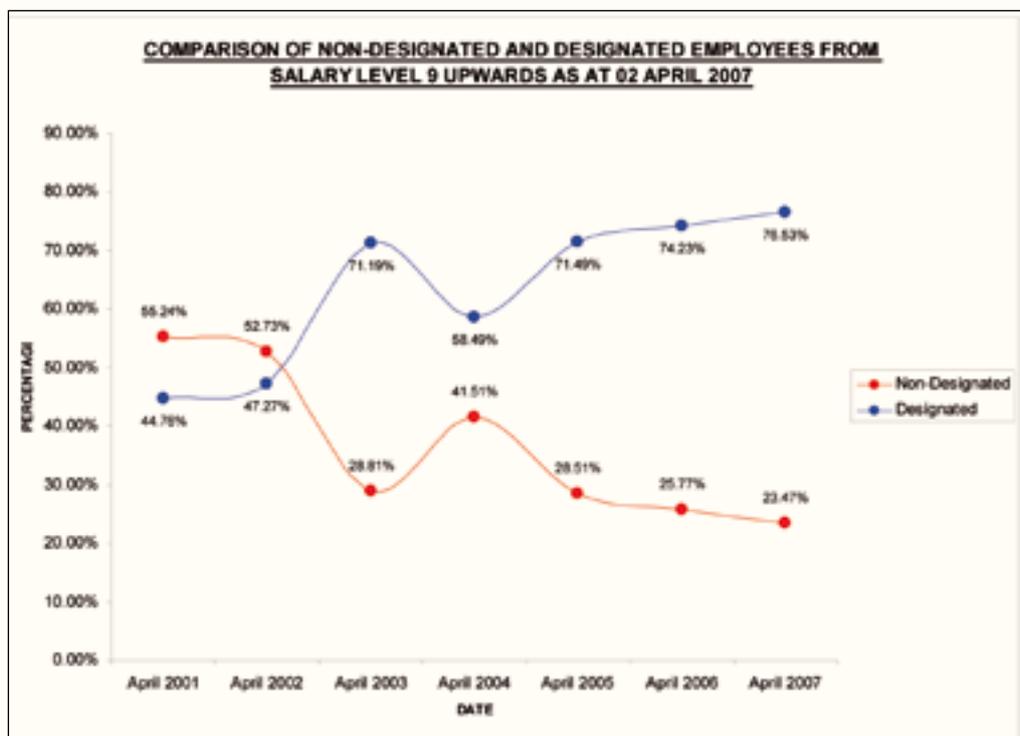
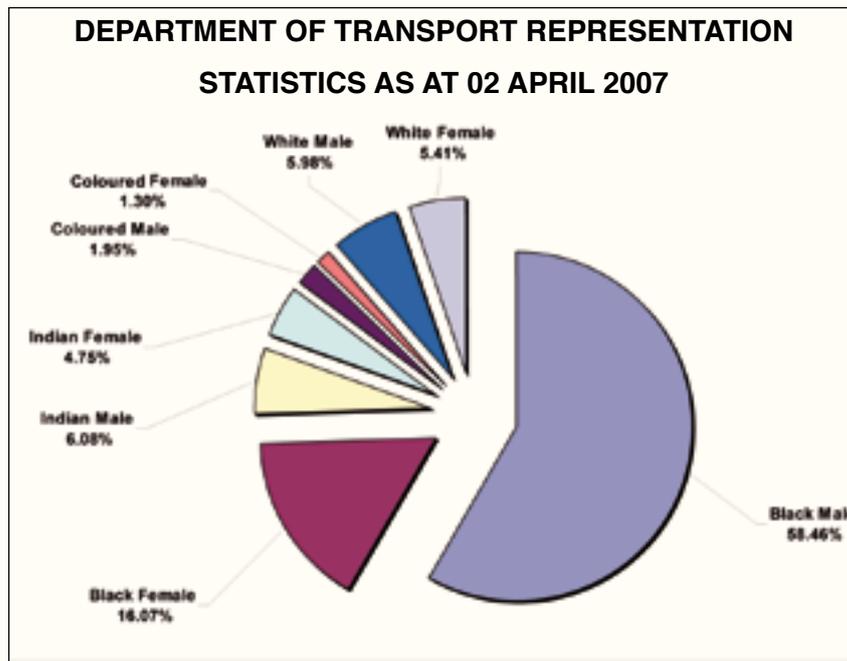
- Wellness Clinics

The Wellness Clinics were one of the most successful programmes conducted by the Department to keep a healthy work force and enhance awareness on health-related issues.

PROGRAMME 1: ADMINISTRATION

Employment Equity

The Department's total staff complement was 94,07% employees from the designated groups as at the end of the financial year under review. Women represent 27,53% of the total staff complement. The representation of designated groups from salary level nine upwards has risen from 74,23% to 76,53% in the 2006/2007 financial year. Correspondingly, the representation of non-designated groups from salary level nine upwards has decreased from 25,77% to 23,47% for the same period. The following graph represents statistics in respect of the representation of designated and non-designated employees from salary level nine upwards from the 2001/02 financial year to the end of the 2006/07 financial year.



PROGRAMME 1: ADMINISTRATION

In endeavour to meet numerical targets, the Department continued to fill vacant posts. The Department's Employment Equity Committee was instrumental in monitoring the progress in the implementation of the employment equity plan. During the 2006/07 financial year, the vacancy rate for funded posts was approximately 9,8 % and was approximately 26,5% for unfunded posts.

The following table shows statistics of filled and vacant posts over the past four financial years.

Table: Analysis of Filled and Vacant Posts

Categories	Financial Year Ending			
	2003/04	2004/05	2005/06	2006/07
Number of Posts	4892	6523	6661	6272
Number of Filled Posts	4102	4094	4028	3997
Vacancy Rate	16.2%	37.2%	39.5%	36.3%

Adult Basic Education and Training (ABET)

The Department continued to be committed to enhancing basic life skills and improving the literacy of its employees. Implementation of the ABET programme was one of the Department's priorities. During 2006/07 financial year, the total number of ABET learners decreased from 1 350 to 1 250 due to deaths, retirements, etc.

The Department has dedicated ABET educators as demonstrated in the following table.

Table : ABET Educators

REGION	No of Educators 2005/06	No of Educators 2006/07
Pietermaritzburg	4	4
Durban	7	7
Ladysmith	7	7
Empangeni	11	10
TOTAL	29	28

Learners' Examination Performance

The overall pass rate percentage was 70,3 % and it was the first time the Department had learners progressing up to ABET level 4.

PROGRAMME 1: ADMINISTRATION

Strategic Planning

Policy

The development of the White Paper on Transport Policy was launched by the MEC at the Transport Indaba in October 2006. The Department was actively involved in the crucial stage of the White Paper development process which entailed numerous consultation sessions with representatives from other provincial Departments, Municipalities and other stakeholders in the transport sphere. Great strides were made in the development of this document for the province.

In addition, the Department arranged the Transport Indaba to which all stakeholders in the transport sphere were invited. During this successful event, delegates were informed of the progress made by the Department in respect of concerns raised at the previous Indaba. Issues that needed to be addressed in respect of transport matters were also identified and these were included in the document that will culminate in the White Paper on Transport Policy.

Planning

The Department was successful in prioritising projects in partnership with its Rural Road Transport Forums during the annual planning workshop, which took place in September and October 2006.

Municipalities were made aware of the outcomes of the Strategic Assessment of Transport Infrastructure Needs (SATIN) project, which identifies the needs of roads to be constructed and upgraded through consultation sessions and workshops in the province.

Planning also played a vital role in prioritising pedestrian bridges to ease access to schools and other community centres.

The Department actively participated in the District Municipalities' Integrated Development Planning Forums in order to ensure that its development programme was communicated and considered by Municipalities in their plans.

An assessment of new road infrastructure needs for the Umzimkhulu area, which the province recently inherited from the Eastern Cape, was conducted in order to identify backlogs and an informed prioritisation of the projects.

PROGRAMME 1: ADMINISTRATION

Sub-Programme 1.3: Programme Support Office

Financial Services

Financial Management

There has been continuous improvement of quality, accuracy and reliability of the Department's financial management during the 2006/07 financial year. The Department continued to be committed to fiscal and budgetary reform, promoting budgetary transparency and compliance to Financial Statutes and Regulations.

Payments

The Department closely monitored and analysed Monthly Expenditure Reports for early detection of areas with potential to over spend. Hence, it remained within its allocated budget during the financial year under review. The following tables present Departmental payments and key expenditure indicators.

Table: Departmental Payments

Programmes	Voted for 2006/07	Roll-overs and adjustments	Virement	Other Adjustments	Total voted	Actual expenditure	Variance
Administration	108,725	-	-	-	108,725	108,723	2
Road Infrastructure	1,903,552	-	-	-	1,903,552	1,905,715	-2,163
Transportation	83,389	-	-	-	83,389	83,384	5
Traffic Management	389,149	-	-	-	389,149	389,147	2
Community-Based Programme	52,018	-	-	-	52,018	52,018	0
Special Functions			-	-		201	-201
Total	2,536,833	0	0	0	2,536,833	2,539,188	-2,355

PROGRAMME 1: ADMINISTRATION

Table: Key Expenditure Indicators

Category of expenditure	Percentage or Rands (000's)			Average Annual change
	2004	2005	2006	
Personnel expenditure as % of total expenditure	25.80%	17.07%	15.86%	4.97%
Expenditure on maintenance of buildings as a % of total expenditure	0.65%	0.73%	0.46%	0.31%
Expenditure on maintenance of road infrastructure as a % of total expenditure	39.90%	28.90%	32.50%	-3.70%

Revenue:

The Department prides itself in improving measurement of Revenue Collection during the financial year under review. As a consequence, the departmental revenue increased during the 2005/06 financial year. The following table demonstrates good performance on revenue during the reporting financial year.

Table: Departmental Revenue

Departmental Revenue R'000	Actual Collection	Budgeted Collection 2006/07	Actual Collection 2006/07	% Deviation from Target
	Jun-05			
Current Revenue	694,927	786,642	808,679	2.8%
Tax Revenue	624,302	706,000	717,899	1.7%
Non-Tax Revenue	70,625	80,642	90,780	1.7%
Capital Revenue	8,322	14,358	3,568	75.2%
Sales of capital assets	6,502	13,371	1,507	82.6%
Financial transactions	1,820	987	2,061	52.1%
Departmental Revenue	703,249	801,000	812,247	1.4%

Table: Departmental Own Revenue

Departmental Own Revenue R'000	Actual Collection 2005/06	Budgeted Collection 2006/07	Actual Collection 2006/07	% Deviation from Target
Motor Vehicle Licence Tax	624,302	706,000	717,899	1.7%
Fines, Penalties	20,158	23,956	19,724	17.7%
Total	644,460	729,956	737,623	1.1%

PROGRAMME 1: ADMINISTRATION

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 the payments of salaries and allowances and also the validity of the vouchers.

Asset Management

The Department successfully accomplished the minimum requirements and milestones as set out by the Provincial Treasury and the Auditor-General for asset management. An accurate asset register for the following classes of assets was produced during the 2006/07 financial year:

- Vehicles
- Computer equipment
- Furniture and office equipment
- Other machinery and equipment; and
- Other fixed structures (Road Network)

As disclosed in the annual financial statements, the additions, movements and disposals were promptly updated on the asset register. All adjustments in terms of the exclusion list on the asset register were reconciled to the Basic Accounting System (BAS).

Training on various modules of asset management was conducted for relevant Departmental officials.

Loss/Debt Control

The Department always strives for teamwork in attaining its objectives. The efforts put together by the Loss/Debt Control section and Legal Services ensured improvement in the management of claims against the state, thereby improving the turnaround time to recover losses and debts. The total number of opened and closed cases during the 2006/07 financial year is nine hundred and fifty five (955) and six hundred and ten (610), respectively.

Supply Chain Management:

The Department implemented Supply Chain Management (SCM) in terms of the Provincial Policy Guideline on SCM and the respective Provincial Treasury Practice Notes issued.

Various structures such as Regional Bid Committees were established to facilitate the implementation, roll-out of SCM, including smooth transition from the repealed KwaZulu-Natal Procurement Act No. 4 of 2005. The Department is currently preparing for implementation of the Construction Industry Development Board (CIDB) requirements in terms of supply chain management.

PROGRAMME 1: ADMINISTRATION

Contracts Awarded:

The following graph and tables present the percentages and sector split of contracts awarded to Black Economic Empowerment (BEE) and other companies during the 2006/07 financial year.

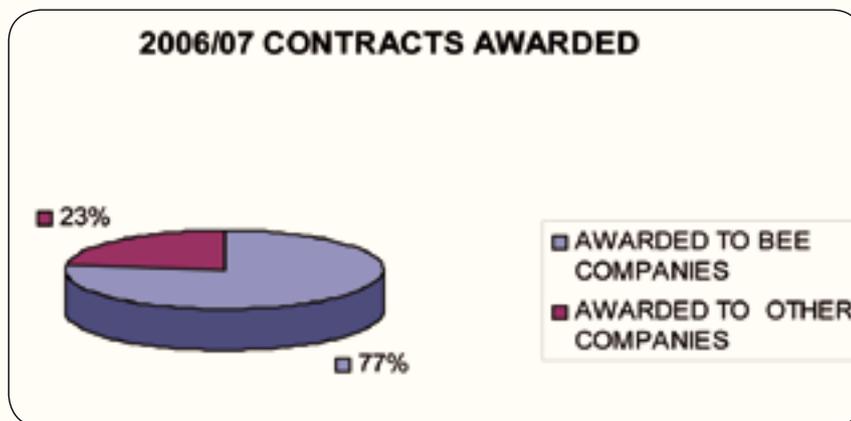


Table: Contracts awarded per Sector

Sector	Total value of contracts awarded	Awarded to BEE companies	Awarded to other companies
Construction	1,307,414,345	1,124,376,337	183,038,008
Finance and Business Services	394,677,204	256,540,182	138,137,021
Retail, Motor Trade, Commercial Agent and Allied Services	130,022,163	39,006,648	91,015,514
Transport, Storage and Communications	12,172,287	4,260,300	7,911,986
Total	R1,844,286,000	R1,424,183,469	R420,102,530

The following table depicts the rand value of contracts awarded to BEE.

Table: BEE Awards

Encouragement of BEE business	2004/05	2005/06	2006/07
Number of contracts to BEE	24 469	28 789	33 070
Total value of contracts to BEE	R702 m	R649 m	R1,446 bn
% of total contracts to BEE by value	68%	71%	78%
Total value of contracts	R829 m	R1,219 bn	R1,844 bn

Internal Compliance:

During the 2006/07 financial year, more emphasis was focused on identification of risk areas in order to reinforce control measures with a view to minimise exposure to risk. The Department's compliance to administrative and financial requirements was accepted by the office of the Auditor General, thereby reducing audit queries.

SECTION THREE

PROGRAMME 2: ROAD INFRASTRUCTURE

Sub-programme: 2.1: Programme Support Office

Technical Training

In conjunction with the Construction Industry Education and Training Services (CIETS), the Department registered its SAQA accredited skills programme. The skills programme was registered by the construction SETA at NQF Level 5, based on the following unit standards:

- compiling tender specifications for construction projects
- calculation of construction quantities
- managing utilisation of plant and equipment in Civil Engineering construction
- planning for a construction project
- management of construction resources

The programme aims to build managerial skills in young Departmental engineers and technicians.

Technical Mentorship

Ten (10) mechanical apprentices were appointed to undergo a structured four-year mentorship pro-programme during the financial year under review. The apprentices were partly required to attend classes at a Further Education and Training College. Part of the training also required practical experience which the Department offered. The successful candidates qualified as Earthmoving Equipment Mechanics.

Mangosuthu Technikon also presented the Department with a merit award for its outstanding contribution to the experiential training of civil engineering students. At least twenty four (24) S3 civil engineering students were provided with opportunities to gain practical experience during the 2006/07 and the three (3) preceding consecutive financial years.



Merit Award received from Mangosuthu Technikon

PROGRAMME 2: ROAD INFRASTRUCTURE

The Department also acknowledges the need for capacity-building within its existing workforce. Accordingly, various training courses were conducted for Departmental officials during the 2006/07 financial year.

Table: Training

Course	Training Provider	No. Trained
Construction & Maintenance Training		
Betterment	Internal	94
Blacktop Patching	Internal	34
Drainage	Internal	23
Gabion Installation	Internal	30
Guardrail Erection & Repair	Internal	31
Stabilisation	Internal	37
Use & Implementation of Road Traffic Signs	Internal	135
Signposting at Roadworks	Internal	73
Operator Training		
COC Lifting Equipment	Internal	89
COC Major Plant	Internal	330
COC Minor plant	Internal	97
Pre Start Checks	Internal	16
Grader Operation	Internal	37
Tractor Operation	Internal	9
TLB Operation	Internal	2
Rock Buster Operation	Internal	5
Operating Techniques	Internal	21
Dangerous Goods	Internal	37
Driver Refresher Code C	Internal	34
Driver Refresher Code E	Internal	76
Mechanical Training		
Cat Maintenance	External	13
Bell Electrical	External	12
Hydraulic Maintenance	External	11
Trade Test Pre-assessments	External	8
Volvo Grader Maintenance	External	26
Wear check Level 1	External	9
Wear check Level 2	External	11
Wear check Level 3	External	11
Wear check Level 4	External	15
Environmental Awareness	External	22

PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Material Training

Course	Training Provider	No. of officials Trained
Compaction of Road-Building Materials	External	17
Introduction to Bitumen	External	50
Soil Stabilisation	External	20
Visual Inspections: Unpaved Roads	External	22
Visual Inspections: Paved Roads	External	22
Troxler Usage, Handling and Storage	External	28
Construction & Application of Surfacing Seals	External	19
Manufacture, Application & Construction of Hot Mix Asphalt	External	16
Acceptance, Control & Quality Assurance of Hot Mix Asphalt	External	12
Computer Training		
ICDL	External	64
Microsoft Outlook	External	14
MS Office Tips & Tricks	External	8
Functional Training		
Development of Learning Programmes	External	12
Fire-Fighting & Workers, Safety	Internal	59
First Aid	Internal	192
Photography	External	58
Presentation Skills	Internal	98
Train the Trainer: Contract Administration	External	22
Train the Trainer: Plant Utilisation	External	23
Train the Trainer: Estimation & Quantities	External	21

PROGRAMME 2: ROAD INFRASTRUCTURE

Sub-Programme 2.2: Planning

Research & Liaison

The Department continued its support to pupils who study mathematics and science in rural schools. The following are few examples:

- The Department's Technology Transfer Centre donated laboratory equipment including glass beakers, Erlenmeyer flasks, etc. to Insikayethu Comprehensive School. A total of four hundred and forty four (444) chemistry laboratory items were donated. The equipment was officially handed over to the school on 15 October 2006. The ceremony was attended by the school principal, science educators and science student representatives.



*Staff and learners of Insikayethu Comprehensive School
with some of the donated apparatus*

- Various schools from Pietermaritzburg and surrounding areas were entered into a bridge-building competition to qualify for a national competition. The Department sponsored winners at provincial level to attend the national competition that was held in Johannesburg.



Bridge-building competition

- The Department participated in career guidance that was hosted by the South African Broadcasting Cooperation (SABC) for school-going children. Participation was in the form of exhibitions, interactions, etc. and the Department received a trophy for the best exhibition.

PROGRAMME 2: ROAD INFRASTRUCTURE

Laboratory and Field Monitoring

- The department's laboratory carried various types of tests including but not limited to skid resistance, asphalt coring and sampling; and
- An electronic quarry database was developed.

Infrastructure Management Systems

Bridge Management System

- During the 2006/07 financial year, two hundred and ninety four (294) bridges and four hundred and eleven (411) culverts were inspected for condition.

Pavement and Gravel Road Management System

- Although the department was challenged by limited funding, implementation of preventive maintenance and rehabilitation pavement and road management systems made a positive contribution to optimising the value of road networks;
- During the 2006/07 financial year, 5 650 kilometres of gravel roads were inspected; and
- The Highway Design and Maintenance (HDM-III) pavement management models, developed by the World Bank, were applied to monitor the paved road network's performance.

Traffic Counting System

A traffic counting strategy was developed to improve the quality of traffic data. The strategy addresses duration, location and frequency of counting.

Accident Management System

To enhance law enforcement, comprehensive reports on particulars of road accidents such as location, casualties, type, etc. were produced and analysed.

Sub-Programme 2.3: Design

The department continued to ensure that its road design standards which conform to international best practices such as specifications, safety, quality, etc. were met. The Department also interacted with beneficiary communities to get feedback on the design such as width, and the position of drainage in regard to the dwellings.

PROGRAMME 2: ROAD INFRASTRUCTURE

Sub-Programme 2.4: Construction

New Infrastructure

New Black Top Roads:

P577: Duffs Road to KwaDabeka

The construction of the main road, P577, which commenced in 2003, continued and one 1 kilometre has been completed during the financial year under review.



Completed portion of road P577

The Department is proud to report that an on-site technical training centre was established on this road. The purpose of the centre is to invest in local youth by developing technical skills. The center can accommodate a maximum number of thirty (30) students at a time. During the 2006/07 financial year, approximately one hundred and fifty (150) local students from Ntuzuma and KwaDabeka were trained. In addition, one hundred and forty (140) learners studying mathematics and science at ten (10) local schools visited the construction site for career guidance in the construction sector.



Students undergoing training on technical skills

PROGRAMME 2: ROAD INFRASTRUCTURE

New Gravel Roads:

During the financial year under review, 344 kilometres of new gravel roads were constructed, of which 330 kilometres were local roads. Following are few examples to testify achievements.

The 5 kilometre-long, Mcijeni Road, which is situated in the Bergville Rural Road Transport Forum area was constructed. The road intersects with P288 in the Amazizi area, under Inkosi MJ Miya.

The road serves a community of approximately one thousand five hundred (1500) dwellings, providing access to schools and other facilities. In an endeavour to create employment, the local community was employed to undertake labour-intensive works during construction.



Mcijeni road before construction



Mcijeni road during construction



Mcijeni road after construction

The Enkunuzini Local Road was extended by three (3) kilometres during the 2006/07 financial year, in addition to the 2,5 kilometres that were constructed in the financial year, 2005/06. The road serves the community of eNkunuzini in Ladysmith.



Enkunuzini local road before construction



Enkunuzini local road during construction

PROGRAMME 2: ROAD INFRASTRUCTURE



Enkunzini local road after construction

Another three (3) kilometre-long Esidibe local road was constructed during the financial year under review. This road joins the D1280 in Mhlumayo Area, under Inkosi Sithole of Sithole Tribal Authority. The road serves the community in the surrounding area to access public facilities and was constructed from scratch.



Esidibe local road before construction



Esidibe Local road during construction



Completed portion of Esidibe local road

PROGRAMME 2: ROAD INFRASTRUCTURE

The three (3) kilometre-long Mncitsheni local road within Emnambithi Municipality was also constructed during the 2006/07 financial year.



Mncitsheni local road before construction



Mncitsheni local road during construction



Mncitsheni Local road after construction

The 4,5 kilometre-long Mfoloma local road was also constructed in Amangwe Tribal Authority area. The Department is proud to report that the company that constructed this road is owned by a black female and job opportunities were also created for local communities during this project. This road provides access to a primary school and connects two different communities.



Mfoloma local road before construction



Mfoloma local road after construction

PROGRAMME 2: ROAD INFRASTRUCTURE

The Mthweni local road is another that was constructed by a black female-owned contractor and the project created employment opportunities for local communities. The road serves communities under Mabaso Tribal Authority, under Inkosi Mabaso.



Mthweni local road before construction



Mthweni local road after construction

The Madakaneni Road which is 1,8 kilometres long was also identified by the relevant Rural Road Transport Forum as a priority in the area of Amangwe Tribal Authority under Inkosi Mazibuko. The contractor which constructed this road is also a black female-owned company. A handful of employment opportunities were also created for local communities.



Madakaneni local road before construction



Madakaneni local road during construction



Madakaneni local road after construction

PROGRAMME 2: ROAD INFRASTRUCTURE

The 3,5 kilometre-long Ezimambeni local road which connects the local communities to local schools and market places to sell their agricultural products, was constructed by a stage 3 emerging contractor.



Ezimambeni local road before construction



Ezimambeni local road after construction

Another local road that was constructed by a black female-owned company is Gugulethu local Road which provides access for beneficiary communities to sugar cane fields and other market places.



Gugulethu local road before construction



Gugulethu local road after construction

The Phumuzakhele local road which is 1.5 kilometres long was constructed during the 2006/07 financial year to provide access for the community to local schools, clinics and other facilities. The road is in the Mduku area.



Phumuzakhele local road before construction



Phumuzakhele local road after construction

PROGRAMME 2: ROAD INFRASTRUCTURE

The Ofasimba local road that was identified by the Umlalazi Rural Road Transport Forum as a priority in the Mzimela Tribal Authority area was constructed during the 2006/07 financial year.



Ofasimba local road before construction



Ofasimba local road after construction

Labour-Based Construction

Three (3) research projects were implemented in Msinga, Nkandla and Nquthu areas. In order to comply with the objectives of the EPWP, maximisation of job opportunities and absorption of labour were treated as a priority. That is, women, youth and people living with disabilities were targeted. A total of 845 job opportunities were created during the 2006/07 financial year and that total consists of 37% women, 27% youth and only 0.35 % people living with disabilities. The engagement of disabled people in these projects did not meet the targets and the challenge of how disabled people can be further engaged on construction projects still needs to be explored.

The following tables present outputs that had been achieved in these projects.

Table: Outputs on Research Projects

Project Name	Actual Construction Costs	Actual Labour Costs	Labour Content as %
A20578 – Msinga	R1,137,388	R741,824	65%
Gwazabanani Road – Nkandla	R4,772,800	R3,336,939	70%
Mngxangala Road – Nquthu	R320,444	R93,093	29%
Various Roads – Umzumbe	R297,584	R235,196	79%
Total	R6,230,632	R4,171,853	67%

PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Employment Opportunities

Road Name	RRT Area	Employment Opportunities							
		Job opportunities planned	Job opportunities created	Women employed	%	Youth employed	%	People with disabilities	%
A2057	Msinga	196	247	150	61%	100	40%	1	0%
Gwazabanjani Rd	Nkandla	500	506	108	21%	90	18%	2	0.4%
Mngxangala Rd	Nquthu	20	22	9	41%	7	32%	0	0%
Various Roads	Umzambe	70	70	48	69%	33	47%	0	0%
Total		786	845	315	37%	230	27%	3	0%

Community Participation

Community participation was at the core of road infrastructure. Each project had steering committees which assisted in liaison, labour recruitment and land issues pertaining to the projects. Each steering committee included a representative from each EPWP sector to ensure full participation of the targeted groups in decision-making.

Training

Skills audits were undertaken to identify the skills within communities in order to establish training needs. The following table presents statistics on training and empowerment of recipient communities at large.

Table: Training

Beneficiaries	Training Provided	No of People Trained	Accreditation
Project Steering Committee	Project Steering Committee	10	
Contractor	Pre-Tender Training	3	Y
Supervisors	Supervisors	15	Y
Labourers	First Aid	22	Y
Total		50	

PROGRAMME 2: ROAD INFRASTRUCTURE

Bridges and Causeways

The topography of KwaZulu-Natal remained a challenge for the Department in creating access to schools, clinics and commercial facilities. Regardless, the Department continued with its mandate to ensure that the developmental needs of the Province are met.

Bridges

One bridge was constructed during the 2006/07 financial year. This was the target.

Pedestrian Bridges

During the 2006/07 financial year, 13 or 14 pedestrian bridges were constructed, which exceeded the target of eleven (11).

The Waaihoek pedestrian bridge was identified by the Ladysmith Rural Road Transport Forum within the area of the Sithole Tribal Authority for ease of access to Ngoza Secondary, and Vinkinduku and Nodada Primary Schools. The bridge crosses the Sunday River and at least 500 school-going children cross this bridge daily during week days. Construction of this bridge was applauded by the community in the surrounding area, as there had been hazardous incidents resulting in loss of lives during floods of this river.



Waaihoek pedestrian bridge before and during construction



Waaihoek pedestrian bridge after construction

PROGRAMME 2: ROAD INFRASTRUCTURE

The Ncandu pedestrian bridge that was constructed during the 2006/07 financial year is a project of which the Department is proud.



Ncandu pedestrian bridge before and after construction

The Utrecht Rural Road Transport Forum identified Dorothisya pedestrian bridge as a need for crossing the uBivane River. The main users of this bridge are school-going children.



Dorothisya pedestrian bridge before completion

Dorothisya pedestrian bridge after completion

School-going children and educators in Ingwavuma utilised an old wreck of boat during floods to cross the Makhanisa River to and from school. The Department could not avoid re-arranging its priorities in its Endeavour to “Defend the Weak”. Accordingly, funds had to be made available regardless of the budget constraints and a special allocation was received to construct the Makhanisa Pedestrian Bridge during the financial year under review.



Makhanisa Pedestrian bridge before and during construction

PROGRAMME 2: ROAD INFRASTRUCTURE

The 150 metre-long uMkomaas River pedestrian bridge, which is located in District Council 43, off District Road 956, is the first of its kind in Africa. The Bridge was designed utilising imported technology which is called stressed ribbon. The Department is proud to report that it received an award for this bridge.



uMkomaas river pedestrian bridge

The desperate need for Graceland pedestrian bridge was identified by the Rural Road Transport Forum in conjunction with community structures in the area.

This structure replaces a previous low-level, suspension bridge consisting of six steel cables, supporting a timber deck, hanging in catenary fashion between low-level supports. The original structure was destroyed during flooding of the Mooi River during the late 1990s.

The new structure was designed to allow the deck to follow a constant grade rising three metres from bank to bank from the low point situated one metre above the calculated 1:50-year flood line. A suspension type-structure was chosen to cater for a free span of 90m which would obviate the need for intermediate supports located within the steep, environmentally sensitive and erodable river channel, which is subject to severe annual flooding.

It would also permit the bridge deck to be located above the surrounding floodplain, providing a higher factor of safety against flood damage at little extra cost in the event of more severe flooding than the 1:50-year flood design specified for the structure.

Overall, the purpose of the structure is to provide safe passage over the Mooi River for people residing in tribal areas on the north bank, to enable them to access employment opportunities and the only local trading store which is located on the south side of the river. The bridge consists of a structural steel suspension bridge with a 90-metre span constructed over the Mooi River in the Muden area of KwaZulu-Natal.



Graceland bridge

PROGRAMME 2: ROAD INFRASTRUCTURE

Causeways

Fifty-Seven (57) causeways were constructed during the 2006/07 financial year, which exceeded the target of Forty-Nine (49).

The causeway that was constructed on Mcijeni road in the Amazizi Tribal Authority area is one of the examples. This causeway provides access to community facilities in that area.

The Molweni 2 causeway that is shown below was also constructed during the 2006/07 financial year.



Molweni 2 causeway during construction



Molweni 2 causeway after construction



Mcijeni Road without a causeway



Causeway on Mcijeni Road under construction



Causeway on Mcijeni Road, after construction

PROGRAMME 2: ROAD INFRASTRUCTURE

Another causeway was constructed on Enkunzi Extension Road 3, during the 2006/07 financial year to ease access to community centres.



Enkunzi causeway during construction



Enkunzi causeway after construction

The following is Esidibe causeway, which was also constructed during the financial year under review.



Esidibe causeway before construction



Esidibe causeway after construction

The Amangwe Tribal Authority, under the leadership of Inkosi Mazibuko, identified the need and prioritised construction of a causeway on MR 331 to link the respective communities to a high school and local clinics.



P331 Causeway within Amangwe Tribal Authority, before and during construction

PROGRAMME 2: ROAD INFRASTRUCTURE

Utrecht Rural Transport Forum, under the leadership of Inkosi Nzima identified and prioritised construction of an 18.1 metres-long causeway on Funwayo Road, joining Road P332 to Paulpietersburg.



The contract was awarded to a stage 1B contractor.



Funwayo causeway during and after construction

The Mbekwana causeway was also constructed to provide access to Road P443 and Ingwavuma town. This causeway also eases access to several local schools and clinics.



Mbekwana causeway during and after construction



Another causeway, eZule, was identified by Umlalazi Rural Road Transport Forum under the leadership of the Biyela Tribal Authority and was constructed during the 2006/07 financial year.



eZule causeway before and during construction



PROGRAMME 2: ROAD INFRASTRUCTURE

Road Upgrading

The Department achieved 74 kilometres of road upgrading during the 2006/07 financial year, against the target of 76 kilometres.

African Renaissance Roads Upgrading Programme (ARRUP)

It is well documented that poverty in KwaZulu-Natal is most severe in rural communities and that KwaZulu-Natal's rural economy has experienced decades of economic stagnation. Improved road networks result in a reduction in transaction costs, which catalyses investments and the establishment of new business enterprises. By focusing on corridor development, ARRUP has positioned the KwaZulu-Natal Department of Transport to play a key role in facilitating and promoting integrated rural development planning.

The Department is committed to work with the KwaZulu-Natal Department of Agriculture and Environmental Affairs in order to systematically plan and create an appropriate environment. An agrarian revolution through a development corridor approach that addresses the issues of gender empowerment in agricultural production and agri-industry has been adopted.

In the 2006/07 financial year, this joint planning initiative resulted in the following:

- Water supply feasibility studies were conducted along all ARRUP corridors
- Agrohydrological models were developed for roads P68, P100, P296, P235, P52/3 and P700
- Juncao mushroom production was piloted with Zibambele Savings Clubs at KwaDindi (road P399). As at the end of this financial year, it was planned to roll out Juncao mushroom production along all ARRUP corridors and to all rural communities in KwaZulu-Natal
- Banana production was piloted with Zibambele Savings Clubs along road P68 (Cherry Willingham, etc.) to support the banana ripening facility at the newly constructed Ugu Fresh Produce Market
- Macadamia nut trees were introduced to Zibambele households along road P68 to improve their food security and to provide them with supplementary incomes
- The possibility of growing dry land rice was workshopped with the Nongoma Project Liaison Committee and experimental fields were planted. The fact that South Africa imports some R1,5 bn worth of rice per annum shows a significant import substitution potential for small-hold farmers

The high quality documentation and active community involvement in these successful pilot projects resulted in commitment from the KwaZulu-Natal Department of Agriculture and Environmental Affairs to support integrated development initiatives along ARRUP corridors, with a budget in excess of R700m over the 2007/2010 MTEF period.

These initiatives led to the ARRUP Programme being recognised for best practice under the Community-based Project category by the National South African Institution of Civil Engineering.

The Department is also proud to report its continued efforts to address the backlog in the provision of roads of an appropriate standard, to access rural areas with high development potential. Through ARRUP, introduction of development corridors has promoted a more integrated response to the

PROGRAMME 2: ROAD INFRASTRUCTURE

multi-dimensional and complex nature of poverty. Undoubtedly, massive opportunities were created in the construction industry and the Department's budget allocations were biased towards securing broad-based black economic empowerment. The evidence is presented in the table on the next page.

Under this initiative, a total of 770 contracts to the value of R650,04m were awarded to emerging contractors in the 2006/07 financial year, which is 68,65% of the construction budget.

As part of the skills development of students to enhance their engineering skills, the following table represents the number of technikon students that had been employed on some of the projects:

Table: Number of Technikon Student's Trained on the Sites

Project	S2	S3	S4	BSc	Quant Survey
ARRUP	0	23	8	2	1
CABINET	1	7	6	0	0
TOTAL	1	30	14	2	1

The extent to which ARRUP's procurement policies have resulted in the growth and development of new companies can be highlighted as follows:

- Newly-established consulting engineers who were appointed as lead consultants on seven (7) projects, had successfully formed joint ventures with well-established consulting engineers designed to specifically develop their own professional competencies
- More than one hundred and seven (107) stage 1 local emerging contractors were assisted to register their businesses and became tax compliant
- More than one hundred and ninety five (195) Vukuzakhe emerging contractors graduated through the ranks and Stage 4 contractors
- Eight (8) Vukuzakhe contractors were awarded CETA learnerships and seven (7) local people were still under training as at the closure of this financial year



Some of the CETA learners, NQF level 2; installing guardrails



ARRUP project trainees

PROGRAMME 2: ROAD INFRASTRUCTURE

A wide and growing range of initiatives was introduced at community development level to secure a better quality of life, education and recreation in rural communities. These included the following:

- Renewal of small rural towns through beautification projects which include new sidewalks, paved areas and public transport facilities



Bus bays in P240 embellished by a local artist

- Upgrading of rural trading facilities through assistance to register on the provincial suppliers' database and through the awarding of contracts to supply road-building materials;
- Community sports fields that were leveled, using spoil materials;
- Buildings which were constructed for use as site offices were converted into community facilities;
- Weirs, dams and boreholes were established and costed into road construction as an alternative to water haulage;



KwaBhekumthetho borehole in Nongoma

- More than thirty one (31) schools were visited with the aim to encourage scholars to consider careers in engineering and take science and mathematics as their subjects at school.

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Table: ARRUP Summary of Expenditure

Project	Road No.	Description	Length (km)	Value/ (millions)	Expenditure (millions)	Outputs to date		
						Road km	Structures Major	Person days
Nongoma	P235	Mtubatuba - Nongoma	60,0	263,30	242,95	43,8	11	103,602
Nongoma	P49/2	Nongoma - Mkhuze River	31,6	232,40	39,41	3,0	0	18,272
Nongoma	P52/3	Nongoma - Ngome	27,7	113,90	13,01	0,0	0	3,612
Ongoye	P240	Obanjani - KwaMaqhwakazi	27,5	191,76	140,36	16,6	6	84,068
Ongoye	P230	Mandawe - KwaNcekwana	31,0	173,10	30,13	0,0	0	6,671
Nkandla	P15/1&2	Woshi River - Komo	25,6	97,70	50,50	6,5	1	44,918
Nkandla	P15/11	Ntonjambili - Woshi River	8,0	38,06	3,00	0,0	0	553
Nkandla	P50/21	Komo - ENtumeni	13,5	53,12	5,29	0,0	0	1,062
Nkandla	P50/2	Komo - Nkandla Forest	23,0	120,32	62,80	7,0	0	49,761
Nkandla	P50/3	Nkandla - Fort Louis	17,5	38,70	38,10	17,5	1	33,686
Ndwedwe	P100	Ndwedwe - INanda	31,4	217,60	107,88	14,3	0	76,921
Osizweni	P296	Osizweni - P272	27,3	100,71	68,39	10,5	2	40,846
St Faiths	D168	St Faiths	15,0	25,20	1,92	0,0	0	528
St Faiths	P68-1	Highflats - St Faiths	24,0	126,07	67,44	10,5	0	29,932
St Faiths	P68-2	St Faiths - Assisi	24,3	142,05	83,73	14,9	0	63450
Vulindlela	P399	Nxamalala - Taylors Halt	12,8	97,89	75,81	7,3	2	35,881
		Sub Total	400,2	2,031,88	1,030,73	152,0	23	593,763
Cabinet	P577	Duff's Road - KwaDabeka	14,0	520,00	205,31	5,66	12	109,976
Cabinet	P700	Ulundi - Richards Bay	95,0	500,00	215,04	35,0	11	82,722
		Sub Total	109,0	1,020,00	420,35	40,66	23	192,698
		TOTAL	509,2	3,051,88	1,451,08	192,66	46	786,461

Report of The Head of Department

PROGRAMME 2: ROAD INFRASTRUCTURE

The following table presents some milestones that were achieved through ARRUP projects:

Table: ARRUP Achievements

	Local Suppliers Procurement		Science in School		Community Facilities	Sponsorships	Learnerships/ Life Skills
	Number	Value	No. of Schools Visited	No. of Students Mentored	Value	Value	Number
ARRUP	18	R 1,032,949	31	1 068	R 1,930,654	R 294,817	180
Cabinet	4	R 458,434	13	625	R 636,800	R 16,800	116
Total	22	R 1,491,383	44	1693	R 2,567,454	R 311,617	296

Cabinet Projects:

The Department is proud to report that significant progress was made during the financial year 2006/07 in respect of projects that had been approved by the Cabinet of KwaZulu-Natal.

P318 Sani Pass (Phase 1):

The Sani Pass Road links South Africa and Lesotho and serves as a trade and economic conduit between the two countries. The steep gravel 33 kilometre-long road, which extends from Himeville to the Lesotho border, makes a significant contribution to tourism and trade for the province. The steep topography of this province and the frequency of flooding and snowing, which often result in closure of the road, are challenging.

To overcome the challenge, a decision to re-construct this road was jointly made by the National and KwaZulu-Natal Departments of Transport. The construction of the project, which is jointly funded by the sister Departments, was commenced during the 2006/07 financial year.



Sani Pass

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Pipeheadwalls settings & earthworks in Sani Pass Road during construction

Main Road P496: John Ross Highway from Empangeni to Richards Bay

Significant progress was made in upgrading the John Ross Highway. Construction of box culverts and earthworks that were undertaken during the financial year 2006/07 is one of the testimonies.



Earthworks in progress



Major culvert under construction

Road P700:

A total of eleven (11) kilometres was upgraded during the 2006/07 financial year.

PROGRAMME 2: ROAD INFRASTRUCTURE

Construction of Road Infrastructure by Region

Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	% Deviation from Target	
				Unit	%
Region 1: Empangeni					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	35,7	50	37	-13	-26%
Gravel roads (no. of km)	259,4	180	147	-33	-18%
Bridges with span > 2 metres (no.)	1	1	1	0	0%
Pedestrian bridge (no.)	1	3	4	1	33%
Causeways (no.)	18	20	19	-1	-5%
Region 2: Ladysmith					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	14,5	2	1	-1	-50%
Gravel roads (no. of km)	172,5	119	91	-28	-24%
Bridges with span > 2 metres (no.)					
Pedestrian bridge (no.)	1	6	5	-1	-17%
Causeways (no.)	5	13	16	3	23%
Region 3: Pietermaritzburg					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	16,4	7	9	2	29%
Gravel roads (no. of km)	74,8	67	40	-27	-40%
Bridges with span > 2 metres (no.)	1				
Pedestrian bridge (no.)	0	2	2	0	0
Causeways (no.)	6	6	4	-2	-33%
Region 4: Durban					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	15,9	17	27	+10	+59%
Gravel roads (no. of km)	91,3	68	66	-2	-3%
Bridges with span > 2 metres (no.)	1				
Pedestrian bridge (no.)		0	2	2	200%
Causeways (no.)		10	18	8	80%
Whole Province					
Highways (no. of km)	5	1	1	0	0%
Surfaced roads (excluding highways) (no. of km)	83	76	74	-2	-3%
Gravel roads (no. of km)	598	434	344	-90	-21%
Bridges with span > 2 metres (no.)	3	1	1	0	0%
Pedestrian bridge (no.)	4	11	13	2	18%
Causeways	47	49	57	8	16%

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Sub-Programme 2.5: Maintenance

The need to preserve the road network has been intensifying due to an increase of traffic volume utilising the province’s road network. In addition, KwaZulu-Natal is a gateway province linking economic activities within and outside the country, resulting in a pressing need for regular road maintenance. However, limited funding has always been a challenge.

Discussed below, are specific programmes under which the Department performs road network maintenance.

Preventive Maintenance:

Black-top Resealing:

A total of 1,229,939 square metres of roads were resealed during the 2006/07 financial year. This exceeded the target of 1,000,000 square metres.

Gravel Road Regravelling and Betterment:

The harsh weather conditions and heavy traffic have a negative impact on the condition of the road network. Regardless of the limited natural and financial resources, the Department did its utmost to retain the road network in a serviceable condition. During the 2006/07 financial year, a total of 978 kilometres of road was regravelled against the target of 900.

A few examples of roads that have been regravelled during the financial year under review follow:

Road D90 was identified by the Ladysmith Rural Road Transport Forum for regravelling and accordingly 7 kilometres of this road were regravelled.



Road D90 during regravelling



Road D90 after regravelling

Road D284 within the Abantungwakhohwa Tribal Authority under the leadership of Inkosi Khumalo, was also identified for regravelling during the financial year under review.

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Road D284 before construction



Road D284 during construction



Road D284 after construction

A total of three (3) kilometres of road L1524 was also regravelled during the 2006/07 financial year.



Road L1524 before regravelling



Road L1524 after regravelling

Road D44 was regravelled during the 2006/07 financial year.



Road D44 before regravelling



Road D44 after regravelling

Road P177 was identified by the Estcourt Rural Road Transport Forum for regravelling and five (5) kilometres were regravelled.

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Portion of road P177 before regravelling



Portion of road P177 after regravelling

Road D69 in Zwelisha area was also regravelled during the 2006/07 financial year.



Portion of road D69 before regravelling



Portion of road D69 after regravelling

Five (5) kilometres of road D1381 within the Mahlutshini Tribal Authority, under the leadership of Inkosi Indaba, were regravelled during the 2006/07 financial year.



Portion of road D1381 before regravelling



Portion of road D1381 after regravelling

Five (5) kilometres of road P176, within the Bathenjini Tribal Authority under the leadership of Inkosi Mthembu was also regravelled during the financial year under review.

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Road P176 before regravelling



Road P176 during regravelling



Road P176 after regravelling

Rehabilitation of Black-top Roads

The Department spent a large portion of its budget for road maintenance on rehabilitation of black-top roads. The rehabilitation process is one of the expensive maintenance operations as it is capital intensive. Following, are a few examples of roads that were rehabilitated during the 2006/07 financial year, consisting of 1 023 770 square metres against the target of 660 000 square metres.



Portion of road P1-10 during rehabilitation



Portion of road P1-10 after rehabilitation

The road MR34/3, which is between kilometre 1 and kilometre 13, from Blood River to Vryheid required major rehabilitation due to serious deterioration that had been caused by heavy summer rainfall.



Cracks on portion of road MR34/3



Composition of layer works on road MR34/3

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The road R102 (P2-2) embankment between Verulam and Tongaat was rehabilitated.



Rehabilitation works of P2-2 embankment between Verulam and Tongaat



Completed Rehabilitation works of P2-2 embankment between Verulam and Tongaat

Bridge Rehabilitation:

Rehabilitation of the old, fabricated steel truss bridges was prioritised by the Department during the 2006/07 financial year. Accordingly, the Mzumbe and Mtwalume River bridges are some of those that were rehabilitated.



The Bridge before rehabilitation



Rusted bearers and support & corroded parts of the bridge



The bridge during rehabilitation

PROGRAMME 2: ROAD INFRASTRUCTURE

Routine Maintenance

Zibambele Road Maintenance Programme

The continued success of the Zibambele Programme, which was seen as a poverty alleviation programme before it shifted to a development programme was reflected during the financial year under review. The Department succeeded in coordinating the formation of Zibambele saving clubs and the expansion of income-generating activities.

To this end, 32 076 contractors are participants and beneficiaries of the programme. Undoubtedly, this programme has made major breakthroughs in addressing gender stereotypes within the construction industry as 96% of the contractors are female-headed households.

As at the end of the financial year under review, a total of 32 076 contracts were awarded to poor rural households to maintain some 20 148 kilometres of the rural road network of Kabuli-Natal.

Table: Zibambele Investments

ZIBAMBELE INVESTMENTS									
	Financial Year								
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	Total
Total payments to Zibambele Contractors (R millions)	R10,0	R8,1	R42,0	R54,6	R66,6	R87,0	R122,4	R143,9	R544,6
No. of Zibambele contractors (person years)	1,031	6,031	9,856	14,910	17,104	23,451	27,531	32,076	32,076
Length of roads maintained by contractors	1,186	3,920	6,406	9,692	11,118	15,423	17,895	20,148	20,148
Zibambele training projects (R millions)	R1	R1	R3	R3	R4	R3	R2	R4	R21
Monthly salary paid to Zibambele contractors	R250	R250	R334	R334	R350	R370	R390	R390	

PROGRAMME 2: ROAD INFRASTRUCTURE

Pothole Management Programme:

The ageing road network coupled, with an ever-increasing traffic volume and overburdening of our roads due to excessive overloading of heavy duty vehicles, necessitated establishment of a dedicated pothole patching programme. A few examples of success stories of this programme follow:



Pothole patching in progress



Portions of pothole patching, filling of material and compacting in progress

PROGRAMME 2: ROAD INFRASTRUCTURE

Guardrail & Handrail Repairs:

Routine maintenance of guardrails was also one of the top priorities during the financial year under review. Following are a few examples of routine maintenance of guardrails undertaken during the 2006/07 financial year.



Nkunzi Road before guard rails were repaired



Guard rails during and after construction or repair

Repair of Overhead Signs:

The Department also undertook to repair overhead road signs and road M13.



Overhead sign before repair



Overhead sign after repair

PROGRAMME 2: ROAD INFRASTRUCTURE

Flood Damage

The frequency of flooding during the summer months continued to be a challenge for the Department. During the financial year 2006/07, a number of roads and drainage structures were damaged as a result of flooding.

Heavy rainfall caused serious erosion on the embankment of Road P211, Botha's Pass Area, in Newcastle and the Department had to re-arrange its priorities accordingly.



The gabion construction on P211 embankment

The Isihlahla, Nkamisane, P42, D93 and P215 roads were some of the structures that were also severely damaged as a result of the flooding. They had to be repaired as matter of urgency during the 2006/07 financial year.



Flooding damages on road Isihlahla



Erosion on Nkamisane road



Collapsed wing walls of road P42

PROGRAMME 2: ROAD INFRASTRUCTURE



Blocked river bridge on road P215



Erosion on road D332



Blocked causeway on road D93

Newly Incorporated Area of Umzimkulu

In terms of the Constitutional Twelfth Amendment Act of 2005 and the Cross-Boundary Municipalities Laws Repeal and Related Matters, Act 23 of 2005, the boundary between the Provinces of KwaZulu-Natal and the Eastern Cape was altered so that the Umzimkulu Municipality area was transferred from the Eastern Cape to KwaZulu-Natal and the Matatiele Municipality area was transferred from KwaZulu-Natal to the Eastern Cape.

The final handover of Umzimkulu took place in August 2006. The Department conducted a survey on the condition of the road network within this area. The findings of the survey revealed a backlog of infrastructure work with an estimated cost of R1,2 billion. The criteria that was used to prioritise are as follows:

- Alignment to the municipality Integrated Development Planning
- Frequently used bus routes
- Access to basic facilities
- Road marking
- Black top patching

Additional funding for this area was made available by the Department and all projects had commenced during the 2006/07 financial year as planned.

PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Maintenance Performance

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Maintenance as % of Programme 3 budget	Percentage	39.8%	44.8%	43,8%	-1	-1%
% difference between actual and planned expenditures:	% deviation					
• 1 st quarter		16,2%	17,8%	20,7%	2.9	+2,9%
• 2 nd quarter		38,8%	40,6%	45,6%	5	+5,0%
• 3 rd quarter		67,7%	71,4%	74,1%	2.7	+2,7%
• 4 th quarter		97,2%	100%	101,6%	1.6	+1.6%
Output						
Reseal tarred roads	Number of km ²	0,677661	1,00000	1,229939	0,230	23%
Perform blacktop patching	Number of km ²	0,095879	0,120000	0,141025	0,021	18%
Blade Gravel Roads	Number of km ²	76,220	120,000	141,025	21,025	18%
Re-Gravel roads	Number of km ²	868	900	978	78	9%

SECTION FOUR

PROGRAMME 3: TRANSPORTATION

Sub-Programme 3.1: Planning

Freight Transport

The First State of Logistics Survey for South Africa, 2004, revealed that logistics costs in SA make up a considerable percentage of the country's GDP. It totals 14,7% or R180 billion, while the cost of logistics in First World economies is approximately 5%.

A seamless integrated transportation system is the heartbeat of an economy as it provides access to economic and social activities. Transport is an important facet to efficient logistics that create competitive supply chains.

The freight transportation system in South Africa, in some facets can be compared to the best in the world when the national freeways and the main rail export lines (i.e. Coal link and Orexline) are considered. However, a substantial portion of the transportation network in South Africa is fraught with inefficiencies due to infrastructural shortfalls and operational mismatches. These inefficiencies have resulted in higher transportation costs that jeopardise the ability of South African industries to compete in global markets. The inefficiencies and high transportation costs, coupled with the externalities arising from poor transportation, such as an increase in congestion, accidents and gas emissions, are potentially detrimental to the economy and society. The freight transportation system is wholly inappropriate and requires an urgent turnaround strategy.

It is therefore one of the Department's mandates to develop a seamless integrated freight transport system that is efficient and safe and provides a platform for South African industries to be globally competitive. During the 2006/07 financial year, the Department has endeavoured to achieve its mandate by addressing the following inefficiencies:

- Lack of integrated planning and coordination between the various spheres of government, state-owned enterprises and private sector in the freight industry
- The modal imbalance between road and rail
- Lack of intermodal facilities
- Congestion around the ports
- Overloading control
- Unsafe driver working conditions
- Improved law enforcement resources
- Lack of empowerment in the freight industry
- Lack of second economy development

Freight Databank Update:

Very little attention has been given to freight transport in the provincial legislation, while much of the damage to road infrastructure comes from freight transport. Freight transport is crucial for the economy of the province and the country, and influences economic growth and development. In order to put the province in a position to develop an integrated freight transport strategy, the first step was to understand the existing freight movements within the province. Accordingly, a

PROGRAMME 3: TRANSPORTATION

process of updating the databank began during the financial year under review and is scheduled to be complete during the 2007/08 financial year. Thus, freight transportation planning has been successfully incorporated into the provincial-wide transportation planning process.

Integrated Freight Plan for Ethekwini:

The Port of Durban is the Gateway to the Southern African region, as it is the busiest port in the country, handling approximately 75% of the region's imports and exports. By virtue of the Port's location within the Durban Metropolitan area, huge congestion problems are encountered, as many of the various modes of transport converge in Durban, either to drop off export-bound cargo or to fetch inbound cargo. During the 2006/07 financial year, the KwaZulu-Natal Department of Transport, in partnership with the National Department of Transport, commissioned a study that seeks to develop an integrated holistic plan for Ethekwini which should include extensive stakeholder consultation. The proposed plan will focus on the following:

- To determine what infrastructure will be required for road and rail operations
- Migrate appropriate cargo from road to rail
- Improve the quality of rolling stock
- More competitive supply chain solutions
- Examine the possibility of diversion of routes
- Explore the possibility of increasing road infrastructure investments due to the limitations of rail
- Explore the possibility of establishing of a truck stop / staging area facility within the port precinct
- Explore the feasibility of establishing an intermodal facility at Cato Ridge

This project commenced in February 2007 and is expected to be completed during the 2007/08 financial year.

Dangerous Goods Study:

There are statutory requirements in terms of national and provincial legislation to set up a provincial strategy for the transportation of dangerous goods. In addition, there are necessary requirements for systems and structures to ensure smooth co-ordination, management and control of the movement of dangerous goods in the province. Currently, the approach to deal with dangerous goods is essentially "responsive" to incidents and accidents, hence the Department identified a need for integrated systems to ensure effective and safe handling of dangerous goods at all stages, including loading, transportation, off-loading, and also in the event of incidents or accidents.

Accordingly, the Department conducted a study to inform formulation of a provincial strategy for the movement of dangerous goods. The methodology involved examination of the status quo, identification of critical issues for attention and recommended strategies for implementation. The findings of the study provided a fairly detailed assessment of the critical issues to be addressed in each focus area, a list of objectives to be achieved and recommendations. The study was successfully completed in March 2007 and it is envisaged that recommendations will be implemented in the forthcoming financial year.

PROGRAMME 3: TRANSPORTATION



Clean-up operation following an accident involving a dangerous goods vehicle

Policy and Planning:

The financial year 2006/07 has been challenging for public transport policy and planning. However, the Department continued to strive for excellence in planning, developing and managing a transportation system that conforms to the mobility needs of the public, industry, government and in promoting sustainable development.

The Department, through its various intervention programmes, achieved the following milestones during the 2006/07 financial year:

Provincial Public Transport Passenger Associations

The Department continued to put in place measures to ensure safe, reliable, efficient, affordable and user-friendly public transport services. Under the guidance of the MEC for Transport, Community & Safety and the Head of the Department, the Department established public transport passenger associations to ensure maximum passenger participation in the provision of public transport services and related matters in the province. The Department regards passengers as critical role-players that give meaningful input and secure their interest in the entire public transport provision value chain.

It is envisaged that the organised public transport service providers will be able to engage with passengers in a formal and organised manner. This should assist in identifying common values and objectives for mutual benefit of operators and passengers, and ultimately for the general good of our economy.

The main objectives of Public Transport Passenger Associations can be summarised as follows:

- Responsible to take whatever steps are reasonably necessary to protect and advance the rights and interests of public transport users
- Serve as a mouthpiece of users of public transport

Out of one hundred and sixty (160) local passenger associations to be established, the Department has successfully established one hundred and fifty six (156).

PROGRAMME 3: TRANSPORTATION

Capacity-building workshops on leadership skills, conducting meetings, office management and public transport-related matters were held in four Departmental regions for elected executive members.



Capacity-building workshop at Empangeni Region in progress

Provincial Public Transport Learner Strategy

One of the challenges for learners in rural schools is access to public transport services. In order to address deficiencies in regulation, infrastructure, safety, funding and operations in the public transport system, the Department developed a learner strategy. The draft strategy document was developed in consultation with the KwaZulu-Natal Department of Education to share critical input from all relevant stakeholders.



Learners accessing public transport

Public Transport Passenger Planning

The Department continued to provide support to committed public transport planning authorities in the endeavour to improve the public transport system. Although the authorities committed themselves to transport planning, there was no full commitment in funding the development of the plans. The majority of planning authorities completed and submitted their transport plans in which most of them revealed lack of skills and capacity within the planning authorities themselves to implement the projects as identified through the plans. Accordingly, the Department developed guidelines to assist the authorities in implementing the projects.

PROGRAMME 3: TRANSPORTATION

A new approach to collect information to be used to review and update the Current Public Transport Records (CPTR), which is envisaged to improve quality of information and create uniformity, was also introduced. Public Transport Plan (PTP) was also reviewed and updated as per the National Land Transport Transition Act (NLTTA). The review focused more on an Operating License Strategy (OLS) and Rationalisation Plan (Rat Plan). The following table presents overall progress that has been made in terms of the legislated transport plans.

Table: Progress on Legislated Transport Plans

District Municipality/Metro	Status of Plans
DC 21 Ugu	Review and Update of CPTR is advanced in progress and PTP is in progress
DC 22 UMgungundlovu	Review and Update of CPTR and PTP in progress. Currently they are preparing an Integrated Transport Plan (ITP)
DC 23 UThukela	Review and Update of CPTR progressing well
DC 24 Umzinyathi	Review and Update of CPTR progressing well
DC 25 Amajuba	Review and Update of CPTR and PTP in progress
DC 26 Zululand	Review and Update of CPTR progressing well
DC 27 Umkhanyakude	Review and Update of CPTR progressing well
DC 28 UThungulu	Review and Update of CPTR and PTP in progress
DC 29 ILembe	Review and Update of CPTR and PTP in progress
DC 43 Sisonke	Review and Update of CPTR and PTP in progress
eThekweni Municipality (Metro)	CPTR, PTP and the ITP have been completed and approved by the Municipal Council, and were presented to the MEC and Head of Department

Provincial Model for Promotion of Public Transport Plans

In response to the shortage of skills and capacity within planning authorities, the Department also engaged itself in a Provincial Communication and Marketing Model for promotion of transport plans. The Department intends to secure the buy-in by all public transport stakeholders in promoting public transport. To this end, the following milestones have been achieved:

- Transport plans have been assessed and recommended and priority projects for implementation have been identified, and
- Booklets for three categories, namely; users, operators and councilors, were compiled.

PROGRAMME 3: TRANSPORTATION

Capacity-Building and Public Participation

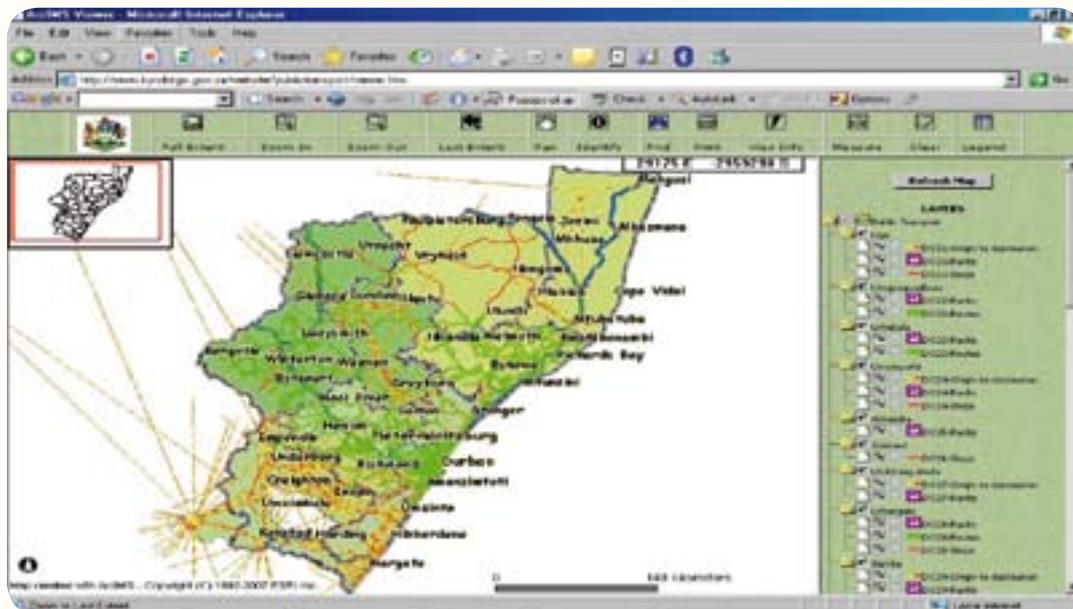
The Department, in partnership with the National Department of Transport, facilitated a two-day workshop on amendments to the NLTTA.



NLTTA workshop, held on 12-13 March 2007, in progress

Provincial Public Transport Geographical Information System (PPTGIS):

In order to improve quality and accessibility of public transport information, a complete PPTGIS was posted into the Departmental website. However, verification of the information with CPTR and the National Transport Register remains an ongoing process.



Provincial Public Transport GIS website

Non-Motorised Transport

The Department was extensively involved in the promotion of non-motorised transport through its micro business bicycle initiative (Shova Kalula) and various bicycle paths have been constructed.

On 29 October 2006, the MEC officially launched a campaign to promote non-motorised transport within the province, and during this campaign bicycles were donated to some rural schools.

PROGRAMME 3: TRANSPORTATION



Bicycles donated to Mnyamana Public Primary School

The Department also conducted a study with a view to assess and evaluate performance of all bicycle micro businesses. Findings of the study indicated a number of challenges which are a hindrance to the sustainability of micro businesses. Accordingly, a number of recommendations were made. As at the end of the financial year under review, plans to move the businesses to improve their business locations are in place.



Launch of Non-Motorised Transport Programme in October 2006

Public Transport Subsidies

The Department continued to ensure safe, reliable and affordable transport for all modes of public transport and to act as an agency of the National Department of Transport (NDOT). The bus subsidy allocation from the NDOT increased from R482m in the 2005/06 financial year to R515m in the 2006/07 financial year. However, limited funding for bus subsidies has become a concern, due to additional services being offered in response to increased demand.

Administration, Monitoring and Control of Subsidised Transport Contracts:

Monitoring of the subsidised bus services was carried out to ensure that operators comply with all contractual obligations. The monitoring of subsidised services has resulted in a savings of approximately R50m. In order to enhance law enforcement, the Department initiated a project, I'thathi Skoroskoro which had a positive impact on passenger safety. During this operation, both subsidised and non-subsidised buses were inspected for roadworthiness. Of the total of 3 937 buses that were inspected, 1 521 were suspended.

Re-Design of Services

The Model Tender document had been finalised and gazetted to allow for the entrance of Small, Medium and Micro Enterprises, as well as Broad-Based Black Economic Empowerment operators into the bus subsidised arena. Accordingly, the possibility of splitting some of the larger bus contracts is being investigated.

PROGRAMME 3: TRANSPORTATION

Sub-Programme 3.2: Infrastructure

Truck Stops:

The Department completed several studies with regard to the feasibility of developing a truck stop/truck staging within the Durban Port Precinct. A suitable piece of land was identified for the establishment of the truck staging facility. An Environmental Impact Assessment which approved the development of this facility was recently completed on the land.

However, the Department was advised by the National Ports Authority (NPA) not to proceed with the development of this facility on that piece of land, as the land was earmarked for future strategic development by the NPA in their medium- and long-term plans. NPA inadvertently did make a commitment to the Department, stating that the development of a truck staging facility is contained in their short-term plans and it is envisaged that a facility of this nature will be completed by the end of the 2007 calendar year. The facility will be designed according to the operations of the port and will be funded by NPA.

Due to this undertaking by NPA, the Department decided to abort its plan to develop the facility, however assistance will still be provided to NPA in the planning of this facility.

Revival of the Rail Branch-Lines:

Over the last decade, there has been a serious migration of cargo from rail to road, which is a major concern to the Department, as the increase in heavy vehicle traffic has resulted in serious deterioration of the road network.

The Provincial and National Departments of Transport in conjunction with KwaZulu-Natal Department of Environmental Affairs and Tourism, embarked on an initiative to revive rail transport in the province. The Nkwalini line in the Empangeni Region was chosen as a pilot. However, due to unforeseen circumstances, the project was 65% complete as at the end of the financial year under review, and it is envisaged to be complete by middle of the 2007/08 financial year.



Labour-intensive rehabilitation of the Nkwalini line

This project is one of the labour-intensive Departmental projects and labour has been sourced from the local communities through which the line runs. This project has generated approximately one hundred and eighty (180) employment opportunities. Currently, the only commodity that is transported on this line is sugar cane. The Department, in conjunction with Spoornet, is in the process of testing the safety standard of the line to assess whether it is possible to convey timber to the wood chipping mills in Richards Bay. If the trial timber runs are successful, the Department will consider facilitating the establishment of a timber depot at Nkwalini Station.

PROGRAMME 3: TRANSPORTATION

Sub-Programme: 3.3 Empowerment and Institutional Management**Freight Transport Business Skills Training:**

The Department facilitated training sessions for small transport operators during the 2006/07 financial year, which focused on the following modules:

- Business Management
- Financial Management
- Pricing, Costing and Basic Tendering
- Freight Documentation
- Provincial Database Registration

The training was conducted in all four Departmental regional offices, namely; Pietermaritzburg, Empangeni, Durban and Ladysmith. A total of two hundred and sixty three (263) people were trained and were presented with certificates at a graduation ceremony by the MEC.

KwaZulu-Natal Bus Council:

The final structure of the KwaZulu-Natal Bus Council was formed during the latter part of the 2006/07 financial year. The main purpose of this council is to organise, restructure and develop a safe and affordable bus industry. The council will also serve as a communication tool between the bus industry and the Department. The aims and objectives of the council include the following:

- To promote and facilitate the restructuring of the bus industry in order to rectify the imperfections and imbalances caused by apartheid and other social tribulations
- To present and advance the interests of the bus industry by lobbying for laws and policies that are consistent with the growth and development of the industry
- To contribute to the growth of the provincial economy and wealth creation by developing and expanding entrepreneurship along sound business principles
- To establish and develop programmes around the provision of services, qualifications and safety structures and provide incidental training thereto
- To create a unified environment, free from violence, hostility, monopolies, and unfair and harmful business practices



The MEC, members of the KwaZulu-Natal Bus Council and some Departmental officials

PROGRAMME 3: TRANSPORTATION

Taxi Recapitalisation Programme (TRP)

The TRP is a joint intervention programme between the Government and the taxi industry to address a number of inefficiencies in the taxi industry. Objectives amongst others, are:

- To renew the current taxi fleet which is deemed to be unsafe and unreliable
- To improve the poor road safety record associated with the industry
- To provide a capital subsidy to operators in the form of a scrapping allowance to purchase new purpose-built taxi vehicles
- To formalise the industry and bring members into the main stream of public transport
- To regulate the taxi industry

The Department has successfully implemented the Taxi Recapitalisation Programme and the achieved milestones follow:

The Provincial Scrapping Site

The Department’s process of scrapping old minibus (taxi) vehicles is in line with government’s key pillars of the Taxi Recapitalisation roll-out strategy. The strategy focuses mainly on the scrapping of old taxi vehicles, the introduction of new taxi vehicles, effective regulation of the industry, empowerment of the taxi industry and law enforcement.

During the financial year under review, a scrapping site was established at Yarborough Road, Mkhondeni. During this reporting period, one thousand (1000) applications for the scrapping of old taxi vehicles were received, of which five hundred and thirty (530) were scrapped.

Provincial Launch of Old Taxi Vehicles and New Taxi Vehicles

The launch of scrapping old taxi vehicles and introduction of new taxi vehicles took place on 09 December 2006 at Woodburn stadium in Pietermaritzburg.

The launch was successful and a demonstration of scrapping vehicles was conducted. Different vehicle manufacturing companies were present to showcase their vehicles which are in line with the SABS standard. The following table presents examples of types of vehicles which were demonstrated by respective manufacturers:

Table: List of SABS-Approved Vehicle Types Demonstrated

Minibus Category	Midibus Category
Toyota Quantum, 14-seater	Marcopolo Volare, 26-seater
Nissan Interstar, 15-seater	Marcopolo Volare, 22-seater
Fiat Dacuto, 15-seater	Iveco, 22-seater
Peugeot Boxer HDI, 16-seater	Isuzu, 35-seater
Mercedes Benz 308, CDI, 16-seater	TATA, 22-seater TATA, 26-seater
-	Mercedes Benz, 22-seater

PROGRAMME 3: TRANSPORTATION



New taxi vehicle



Scrapped taxi vehicle

Business Skills Training

The Department continued to enhance business skills within the bus industry. During the 2006/07 financial year, the following modules were the main focus of the training;

- Public Passenger Transport in South Africa
- General Entrepreneurship
- Operations, Routing and Scheduling
- Financial Management in Bus Operations
- Competitive Tendering for Bus Passenger Transport Services
- Developing a Business Plan
- Contract Management

Sixty (60) subsidised bus and sub-contractors and one hundred and eighty (180) non-subsidised bus operators were successfully trained. The MEC awarded the participants with certificates.



Graduation ceremony

PROGRAMME 3: TRANSPORTATION

Sub Programme 3.4: Regulation and Control

Weighbridge Infrastructure

The Department remained committed to upgrading and keeping weighbridges up to acceptable standards. The following are few examples of weighbridges that were upgraded during the 2006/07 financial year.

- The Ladysmith weighbridge was upgraded to a R22m full four deck to improve efficiency and accommodate all configurations of vehicles.



Ladysmith weighbridge during and after upgrade to R22m

- The Midway weighbridge decks were cleaned and repainted and the premix from the entrance to the weighbridge was re-surfaced.
- A cover/roof at Mkondeni weighbridge was completed to provide shelter during harsh weather conditions.



Completed Mkondeni new cover

PROGRAMME 3: TRANSPORTATION

Weigh-In-Motions (WIMs)

Five (5) new WIMs were installed to enable the Department to gather accurate information on traffic volumes and overloading control. This will provide an information base from which maintenance plans can be accurately scheduled and law enforcement activities coordinated. An additional nine (9) WIMs were authorised for installation during the forthcoming financial year.

Vehicle Load Management (VLM)

Mobile weighing mats were installed at strategic locations to monitor overloading on provincial roads. The two sites that were chosen as strategic locations were Pieter's Station and Noordsberg, and several other sites were identified to be installed with VLM.



VLMs site: Noordsberg area

Road Transport Management System (RTM)

The RTM programme, previously known as the Load Accreditation Programme (LAP), is an initiative to introduce self-regulation in the heavy vehicle industry to encourage consignees, consignors and hauliers to engage in the road logistics value chain. Thus far, four (4) timber transporters based in the province have been accredited and it is envisaged that more transporters would like to participate in this programme.

In addition, two (2) pilot projects, with Mondi and Sappi, were identified to demonstrate and evaluate Performance-Based Standards (PBS), a new approach to vehicle design that has been pioneered in Australia, Canada and New Zealand. The PBS has significant potential for improving safety and vehicle efficiency without compromising road infrastructure protection standards.

PROGRAMME 3: TRANSPORTATION

Abnormal Loads

To preserve the road, manage traffic and ensure road safety, the permissible dimensions and masses of vehicles operating on public roads are limited by the Road Traffic Act and Regulations. However, in specific cases, the Department is empowered by the Act to exempt from compliance certain vehicles that are practically unable to comply with the provisions of the Act and Regulations.

To mention two (2) examples, due to the shortage of electricity supply that was encountered recently in the country, many large transformers had to be transported. There was also a 500 ton stator that had to be moved from Richards Bay to Secunda by road.

The Department is proud to report that a total of ten-thousand (10 000) permits were issued to exempt abnormally loaded heavy vehicles, and the revenue generated from these permits was approximately R 5m.

Regulatory Authority

The Department successfully facilitated the registration of associations, processing of applications for road carrier permits and operating licenses. As at the end of the 2006/07 financial year, a total of two hundred and forty-five (245) registered associations with sixteen thousand, one hundred and forty-five (16 145) members were registered.

Conversion of Permits to Operating Licenses

The following table presents progress made in respect of conversions of permits to operating licenses as at the end of the financial year under review.

Total Number of Associations	% of Associations that Submitted Application Forms	% of Permits Processed
245	95%	95%

Distinguishing Marks

In terms of Section 87 of the KwaZulu-Natal Public Transport Act, with effect from a date determined by the MEC in the Gazette, the Registrar must issue, in the manner and form prescribed, a distinguishing mark for every vehicle of the registered member that is used, under the authority of an appropriate operating license.

It must be reported that this process is not an exception to the norm; it has its own following challenges:

- Vehicles being tampered with by adding seats
- Twenty-two seater vehicles which do not require the possession of operating licenses
- Vehicle operating blanket routes making it difficult to attach the required sticker

PROGRAMME 3: TRANSPORTATION

Conflict Resolution

Conflicts amongst public transport operators, in particular in the minibus taxi industry, is rife and dictates conflict resolution interventions. Accordingly, the Department was committed to resolve the disputes amicably. The nature of these conflicts is in most cases related to routes and internal leadership. There are success stories in resolving and managing conflicts of which the Department is proud.

Permits for other Modes

The Public Transport Licensing Board issued three thousand, six hundred and eighty-five (3 685) road carrier permits. These permits were issued for other modes of transport, namely; busses, metered taxis, scholar transport, tourists services, etc. The Board generated approximately R299 797 during the 2006/07 financial year.

SECTION FIVE

PROGRAMME 4: TRAFFIC MANAGEMENT

Internal Communication

The Department promotes internal communication through a monthly, 16-page, full colour glossy magazine, “Ezethu News” and the Intranet web site.

This magazine is compiled and designed internally and 5 000 copies are printed for distribution each month to all Departmental staff members.



“Ezethu News”

The Departmental Intranet site was utilised to keep staff informed about the Department’s activities, goals and achievements. The site, which provides links to various applications and related websites, etc. is updated daily with new documents and information.

Information Management Services

The Department hosted various events during the 2006/07 financial year, where the information was shared and managed, successfully. The achievements made during the 2006/07 financial year include but are not limited to the following:

- Research and needs analysis of publicity material
- Standardisation of formats of material generated
- Development and generation of publicity material
- Effective translation services
- Story- and speech-writing

PROGRAMME 4: TRAFFIC MANAGEMENT

External Communication

During the 2006/07 financial year, "Igalelo", which is a monthly external communication magazine, was effective in providing of equitable access to Departmental information. The distribution of "Igalelo" was done in target to communities in the province of KwaZulu-Natal, including rural areas.



External Newsletter



Departmental web page header

The Intranet web page was utilised successfully to disseminate internal news, in order to keep all stakeholders, public and other government departments informed about the Department's activities, goals and achievements.

Features of the Intranet include publication of current news which is featured on the front page; applications and systems such as the Searchable Resource Centre, OPAC, Persal, Sabinet online, and KwaZulu-Natal webpals; net laws online; links to websites of interest; advertisements, directorates individual pages; and a searchable online internal telephone directory.

PROGRAMME 4: TRAFFIC MANAGEMENT

An electronic reading room is another important site with information on departmental policies and procedures, manuals, reports, including annual reports, strategic plans, newsletters, speeches, media releases, agreements, legislation, circulars, forms, and so on .

The Intranet also has a facility to book Departmental boardrooms, theatre and breakaway rooms, beverage services and equipment for meetings.

A new software was procured to accommodate an ever-growing electronic collection which currently contain approximately 18 000 photos.

To follow the link, the Departmental web page is <http://www.kzntransport.gov.za>.

The public is able to communicate with the Department via the feedback feature on the website and is encouraged to use this facility as a means to interact directly with the Department. During the 2006/07 financial year, numerous Internet feedback messages were received and responses were coordinated.

To ensure repeat visits to the site by the Department’s external public, the site featured a new front-page article each month. Proudly, during the 2006/07 financial year, at least five feature stories were published monthly on the front page.

The Resource Centre’s annual statistics are presented in the following table.

Table: Statistics Resource Centre

Nature	Quantity
Recorded request	841
Resources provided	1499
Gazettes/ Legislation issued	930
Queries received via the web site	108

Resource Centre

The Resource Centre is electronically controlled using an Integrated Library and Information System. The system facilitates cataloguing and indexing of information sources; and managing issues, returns and purchases. The catalogue was regularly exported to the Intranet to facilitate patrons from the Department and other site users to undertake their own information searches when necessary.

A weekly alerting service was provided via e-mail to all staff members about changes in legislation as published in the Government Gazettes. Circulation of current serial publications per subject was also activated.

During the 2006/07 financial year, the Resource Centre catalogued a total of nine hundred and eleven (911) information sources and dealt with eight hundred and forty-one (841) information requests. Altogether, a total of two thousand, four hundred and twenty (2 420) information sources, including books, articles, gazettes, law reports, legislation and audio-visual material was issued.

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Desktop Publishing Services

The Department's Desktop Publishing (DTP) services continued to keep abreast with the current technology and trends in the DTP industry, to ensure quality control and editing of desktop publishing. The Department is currently using both Apple Macintosh and PC-based computer technology. This has enhanced efficiency in production, hence both internal and external newsletters were conceptualised and designed internally.

Documents such as the Departmental Strategic Plan, Annual Performance Plan, Budget Speech book, and booklets on various projects were also designed in-house.

The DTP section was actively involved in the design of mainline newspaper advertisements, pamphlets, invitations, brochures, supplements, posters, certificates, programmes, cards, calendars and other paraphernalia.

The Department also, on its own, designed and erected its corporate displays, exhibitions and own branding at various events including the South African Roads Federation Conference, Presidential and Premiers' events, Izimbizos', sod-turning ceremonies and bridge and road openings.

Without doubt the Department enhanced its corporate branding which included the production of innovative marketing concepts such as street-pole banners, flags, reflective signs at the toll roads, colour banners, retractable banners and creative newspaper advertisements.

Overall, the Department is proud to report that the impact on financial savings and turnaround time in respect of DPT services, was significant.

Audio-Visual Services

The Department's Audio-Visual Services continued to maintain high quality standards and control of audio-visuials. During the 2006/07 financial year, approximately 98% of Departmental events were captured and recorded through photographs and video images. The video images and DVDs were physically and electronically archived in the Departmental resource centre. These were also made available on the Departmental websites and CDs at the request of various directorates. The Department had put control measures in place to ensure that its photographs and videos are mainly used by internal staff members for publications, documentation and other work-related communication purposes, including captions to independent print media for publication. From time to time requests for photographs and video images were also received from external stakeholders such as the media, other government departments, private/public resource centers and libraries.

Television Broadcast Initiative(s)

The Department was positively profiled on documentaries such as Bongani Umama, Vukuzakhe and Zibambele, promotional forty-eight (48) minute pieces which were broadcast on the SABC 2, Nation in Colour programme.

Sub-Programme 4.2: Safety Engineering

Research has consistently shown that after the human factor, the road environment is the second contributor to road crashes. The findings imply that successful management of the road environment, including engineering, plays an important part of any road safety campaign. Therefore, a fully interactive approach had been adopted whereby hazardous locations on local roads were identified by Community Road Safety Councils. The Department is proud to report

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that road safety engineering measures that had been identified were implemented at low cost. It became evident that measures, road signs, speed humps, rumble strips and pedestrian crossings had high remedial impact. In all, during the 2006/07 financial year, thirty-two (32) sites were remediated.

Sub-Programme 4.3: Traffic Law Enforcement

Flagship Project(s)

- The Department encountered problems in cases of high speedsters fleeing in an attempt to evade arrest for disobeying road traffic rules. In an endeavour to ensure road safety on public roads, the Department procured eight (8) high speed pursuit vehicles. Accordingly, as at the end of the financial year under review, there are exceptional success stories.



Speed pursuit vehicle

- The Department's Public Transport Enforcement Unit played a major role in managing resistance to the taxi recapitalisation process by public transport operators.
- There was a high accident rate caused by minibus taxis, busses and light delivery vans utilised for scholar transport. In efforts to reduce the accident rate, the Department launched a project, "Thath'iskorokoro", which is inspecting this category of transport mode.
- There were other special operations which were conducted to curb road carnage, namely, the Speed Calming Project and Operation Juggernaut, targeting pedestrians, unroadworthy motor vehicles, speeding and other critical enforcement areas.



Luxury coach involved in an accident on 24 December 2006 on the N3 south-bound, Armitage Road bridge

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The following tables present statistics on law enforcement and the outcome, thereof.

Table: Resources for Traffic Management by Region

Regions of Province	Number		
	2004/05	2005/06	2006/07
Region 1: Empangeni			
Traffic officers	85	84	89
Administrative staff	19	15	12
Highway patrol vehicles	55	56	63
Region 2: Ladysmith			
Traffic officers	97	122	126
Administrative staff	20	21	20
Highway patrol vehicles	61	85	104
Region 3: PMBurg			
Traffic officers	69	79	89
Administrative staff	17	16	30
Highway patrol vehicles	52	59	72
Region 4: Pinetown			
Traffic officers	144	158	158
Administrative staff	79	78	67
Highway patrol vehicles	90	79	98
PTEU & TTIU			
Traffic officers	103	94	96
Administrative staff	6	9	6
Highway patrol vehicles	70	28	67
Traffic Training College			
Traffic officers	12	12	14
Administrative staff	9	10	10
Highway patrol vehicles	17	17	17
Head Office			
Traffic officers	5	5	5
Administrative staff	13	13	15
Highway patrol vehicles	5	5	5
Whole Province			
Traffic officers	515	554	577
Administrative staff	163	162	160
Highway patrol vehicles	350	329	436

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Table: Traffic Management Outcomes by Region

Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Projected	
				Unit	%
Region 1 Empangeni					
Number of accidents reported	670	636	18,160	17.524	2755%
Number of accidents involving mini-buses or buses	117	111	633	522	470%
Number of fatalities	180	171	175	4	2%
Number of serious injuries	772	733	1,088	355	48%
Region 2 Ladysmith					
Number of accidents reported	937	890	14,382	13.492	1516%
Number of accidents involving mini-buses or buses	138	131	601	70	359%
Number of fatalities	152	144	151	7	5%
Number of serious injuries	388	368	529	161	44%
Region 3 Pietermaritzburg					
Number of accidents reported	807	766	24,702	23.936	3125%
Number of accidents involving mini-buses or buses	99	94	1,340	1,246	1326%
Number of fatalities	110	104	151	47	45%
Number of serious injuries	172	163	844	681	418%
Region 4 Durban					
Number of accidents reported	45,859	43,566	59,411	15,845	36%
Number of accidents involving mini-buses or buses	9,320	8,854	10,475	1,621	18%
Number of fatalities	689	654	575	(79)	(12%)
Number of serious injuries	2,651	2,518	2,755	237	9%
Whole Province					
Number of accidents reported	48,273	45,859	116,655	70,796	154%
Number of accidents involving mini-buses or buses	9,674	9,190	13,049	6,424	42%
Number of fatalities	1,131	1,074	1,052	(22)	(2%)
Number of serious injuries	3,983	3,783	5,216	1,433	38%

The accident statistics for 2006/06 reflects accidents that were reported to Departments Road Traffic Inspectorate only nad 2006/07 reflects accidents reported in the Province to all traffic management authorities including municipalities.

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Table: Operator Safety and Compliance

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Ratio of inspectors to registered public transport vehicles	Ratio	1:328	1:261	1:565	304	24,1%
Process						
Number of inspections conducted per 1000 vehicles registered in province	Number per 1 000	2,86	2,71	2,61	10	3,69%
Number of complaints leading to inspections	Number	102	96	120	24	25%
Output						
Number of operator licenses granted	Number	15 340	20 000	10 800	9 200	46%
Outcome						
Number of accidents involving public transport vehicles	Number	9674	9190	13049	3 859	41,99%
Number of fatalities due to accidents involving public transport vehicles	Number	110	104	562	458	440,38%

Table: Traffic Law Enforcement

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Number of traffic officials per km of surfaced road in province	Ratio	1:50	1:47	1:51	4	10%
Number of officers per highway patrol vehicle	Ratio	2:1	2:1	2:1	0	0%
Process						
Number of hours speed-traps operated	Actual number	77,822	75,000	63,592	11,408	15%
Number of roadblocks held	Actual number	11,593	23,880	31,616	7,736	32%
Output						
Number of unroadworthy vehicles impounded	Actual number	5,936	3,491	8,434	4,943	142%
Number of licenses suspended	Actual number	80	76	212	136	179%
Number of licenses confiscated	Actual number	109	103	2,623	2,520	2447%
Efficiency						
Number of registered vehicles per traffic officer	Ratio	1:2,099	1:1,890	1:2,211	321	3%
Ratio of fines issued: paid	Ratio	10:18	10:3	10:2	1	66%

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Sub-Programme 4.4 Road Safety Education

Young Road Users

The Young Road User Programme caters for road users that are in the foundation and intermediate phases (pre-school to senior primary). Its main purpose is formally to 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 and the programme comprises of the following projects:

Multi-Media Project

The Multi-Media Project was undertaken in partnership with the National Department of Education, Road Traffic Management Corporation (RTMC) and SABC Education. The project aimed to equip all primary school educators with skills and knowledge relating to the integration of road safety into the school curriculum. The resource package for educator workshops consisted of an educator workbook, learner workbook, posters and a storybook. During the financial year 2006/07, a total number of nine hundred and fifty-six (956) schools were reached. That translates to a total number of seventy-five (75) workshops with two thousand, two hundred and two (2 202) educators being trained. Fifty-five (55) trainers consisting of Departmental Traffic Law Enforcement and other relevant officials, representatives from Municipalities and Training on Resource in Early Education, were trained to assist with the implementation of this project.

Scholar Patrol

During the 2006/07 financial year, the scholar patrol project was extended to all Departmental regions, targeting learners as they are most vulnerable when crossing streets to and from school at peak traffic times. In some areas where the risk was considered above average, High Schools learners were involved in assisting pedestrians to cross the road to and from schools. Eighty-nine (89) operating scholar patrols were undertaken and approximately 120 000 child pedestrians were assisted daily during the year under review.

In addition, competitions were held to ascertain training need as an incentive for learning and participation. Out of the eighty-nine (89) participating schools, forty-seven (47) and twelve (12) competed at regional and provincial levels respectively. The criteria for judgement was the understanding of theory and knowledge to operate a scholar patrol. The following table presents winners of the competition.

Table: Winners of Scholar Patrol Competition

NAME OF SCHOOL	REGION	PRIZES WON
1 st winner: Drakensberg Akademie	Ladysmith	R10 000 worth of equipment for the school information centre
2 nd winner: Drakensview Primary	Ladysmith	R 5 000 worth of equipment for the school information centre
3 rd winner: Everest Heights Primary	Durban	R 2 500 worth of equipment for the school information centre

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Scholar patrol competition in progress

Student Driver Education

The Student Driver Education Project, which was also extended to all four (4) Departmental Regions and targeting grades 11 and 12 learners, prepares High School learners for their driver's license tests. In this programme, learners were assisted to acquire learner's license and undertake driving lessons. The programme created an opportunity for High School students to be trained in the K53 system of vehicle control. This enhances and develops the proper skills required when dealing with road conditions and the circumstances involved. In addition, it ensures that the future generation of drivers is road safety-conscious.

A total number of two hundred and fourteen (214) students participated in the project and seventy-five (75) schools were reached during the financial year 2006/07. Eighty (80) Community Road Safety Council members were also trained on the implementation strategies of the project. Out of two hundred and fourteen (214) students, fifty (50) and one hundred and fifty-three (153) received learner's and driver's licenses respectively. Eleven (11) learners were unable to complete the programme successfully.

Participatory Education Techniques

All interested schools were invited in their communities to identify road safety problems on which they were willing to conduct research. Learners were also trained in research and project management skills. They were taught to develop solutions to the identified problems which had to be presented to a panel of judges.

During the financial year under review, a total number of one hundred and one (101) schools participated in the project and fifty-four (54) entered the competition. The following table displays winners of the competition.

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Table: Winners of Participatory Education Techniques

NAME OF SCHOOL	REGION	CATEGORY	PRIZES WON
Dingukwazi High School	Empangeni	Rural	R10 000 worth of equipment for the school information centre
Mbuyiselo High School	Durban	Rural	R10 000 worth of equipment for the school information centre
Ukusa High School	Durban	Rural	R10 000 worth of equipment for the school information centre
Trenance Park Secondary School	Durban	Urban	R10 000worth of equipment for the school information centre



The MEC & students of winning Dingukwazi High School

Primary School Pedestrian Programme

The Primary School Pedestrian Programme reinforces road safety education through the medium of entertainment. Learners were required to take a break from their normal classroom routine and learn about road safety in an exciting, interactive and fun programme. The activities included the following:



Edutainment at Ixopo Village Primary School

- Interactive road safety talks
- Robbie the Robot Shows
- Asiphephe Club

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Interactive Road Safety talks and Robbie the Robot Shows

Road shows were conducted for Primary Schools throughout the Province. The Asiphephe Road Safety Truck, which provides a mobile stage and sound effects, was used as a platform to teach basic road safety rules. The Road Safety Mascots presented a stage play to interact with learners on basic road safety rules. Educators were also provided with Outcome-Based Education (OBE)-related resource material for their classrooms. A total number of one hundred and sixty-two (162) schools and approximately 120 000 learners were reached during the 2006/07 financial year.

Asiphephe Club

The Asiphephe Club for primary school children continued to be one of the means of interaction with learners. Road Safety news, road traffic rules, etc were successfully communicated on a monthly basis throughout the financial year, 2006/07. Thus far, the total number of club members is one thousand, three hundred and seventy-three (1373).

School Crossing Patrol Service

The Department entered into a memorandum of understanding with interested Municipalities to take care of children when they were crossing roads to and from school. School crossing patrols, referred to as reserve traffic wardens in the National Road Traffic Act, were operated at seventy-nine (79) schools.



School crossing patrol service in operation at Umsunduzi Primary at Ndwedwe

Alcohol and Substance Abuse

Youth have become cause for concern regarding alcohol and substance abuse, as they are in a vulnerable development stage. There are outside forces and much peer pressure to explore in this age group. It therefore became essential for the Department to create awareness on the negative effects of alcohol and substance abuse on human development. Partnerships were entered into with High Schools, Night Club Owners, the SAPS and the Department of Health. Accordingly, during the 2006/07 financial year, one hundred and thirty-six (136) schools, translating to 140 000 learners, were reached.

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Driver of the Year

A larger percentage of accidents on the provincial roads can be attributed to poor driver behaviour, fatigue and lack of skills and knowledge by long-distance drivers. In an endeavour to encourage good driver behaviour on public roads, the Department hosted a Provincial Driver of the Year Competition to identify the best long-distance driver in the province, according to the K53 driving method. The competition also served as an incentive for the business sector to invest in advanced driver training of their heavy motor vehicle drivers. During the 2006/07 financial year, forty-two (42) drivers competed at provincial level in a competition which was held at the Mkondeni Driver Testing Grounds on 20 August 2006. The following table presents results of the competition.

Table: Winners of Provincial Driver of the Competition

CATEGORY	POSITION	DRIVER NAME	COMPANY
Rigid	3	Mr D J Naicker	Albany
	2	Mr E Ngcobo	Clover
	1	Mr H Singh	ABI
Articulated	3	Mr W F Gumede	ABI
	2	Mr Y Reddy	Road Wing
	1	Mr I Khan	Bakers
Bus	3	Mr S Mbatha	BTI
	2	Mr J De Abreau	Greyhound
	1	Mr S N Mbandlwa	Durban Transport
Women's Bus	3	Ms N P Jiyane	Durban Transport
	2	Ms N P Mkhwanazi	Durban Transport
	1	Ms N Mbambo	Durban Transport
Rigid Truck and 4 Wheel Trailer	3	Mr N Zikhali	Timber 24
	2	Ms K Ngubane	Timber 24
	1	Mr B Koning	Timber 24



Competition in Progress

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Of the entrants of the competition, a total of eleven (11) drivers who won during the Provincial Competition progressed to the National Competition that was held in October 2006 in North West Province. The Department is proud to report that of the eleven drivers from the province, three (3) progressed to the International Competition held in Germany during October 2006.

Adult Pedestrian

The statistics on road accidents proved that pedestrians constitute the single biggest contributing factor to road accidents in the country. Thus, it became imperative to determine the knowledge, attitudes and behaviour of pedestrians in respect of road usage and alcohol consumption, with a view to influence their behaviour. Ongoing research, advertising, a train-the-trainer instructor's course and the pedestrian management plan are amongst the intervention methods that were, accordingly, implemented during 2006/07 financial year.

Adult pedestrian strategy was also revised to include both formal and informal means of communicating pedestrian safety to the public. The revised strategy, titled "Walk Alert KwaZulu-Natal" was launched by the MEC and will be rolled out in the four (4) regions in the forthcoming financial year. The strategy will focus on education, mass media advertising, marketing, road shows, promotion of car-free Sundays, remediation of hazardous locations and awareness campaigns.

Community Outreach

The Department continued to capacitate community members with skills to enable them to be part of the Community Road Safety Councils and accordingly earn an income. Community Road Safety Councils are the ears and eyes that assist the Department in prioritising road safety needs in the communities. Community Road Safety Councils consist of twenty (20) members per council and as at the end of the financial year under review, there were forty (40) councils, thirty-three (33) rural councils and seven (7) urban councils. Each council operates on a three-year term. During the financial year 2006/07, Community Road Safety Councils were trained in the following modules:

- Module 1-Good Governance
- Module 2-Effective and Efficient Meetings
- Module 3-How to Develop Business Plans

The Councils meet on a monthly basis to discuss community-based road safety issues and a total number of four hundred and eighty (480) meetings were held.

The Department also supported the community when fatal road collisions occurred in their area. In addition, the accident victims were assisted in lodging these claims with the Road Accident Fund.

Omela eKhaya

The financial year 2006/07 was no exception, to the Department's commitment to discourage patrons of taverns from drinking and driving and drinking and walking. Patrons were made aware of the dangers of intoxication and its effects on a person's judgement at various stages. Omela eKhaya awareness campaigns were conducted in all the forty (40) road safety council areas. During the 2006/07 financial year, one hundred and eleven (111) Omela eKhaya campaigns were conducted, reaching a total number of 4155 patrons.

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Beach Festival

The Department hosted a summer beach festival where road safety was the theme of the various activities. Approximately 45 000 people were reached.



Beach festival at North Beach in Durban

Peak Period

The Department focused more on reinforcement of road safety during peak periods, including long weekends, school holidays, focus days, Easter and the December/January holidays. Both holiday-makers and residents of the province were reached. Sixty-six (66) peak period events took place at various venues ranging from taxi ranks, rest stops and bus ranks to social gatherings.



Peak period event at Abaqulusi

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Inter-faith Project

The Department entered into a partnership with various religious bodies to promote road safety within their respective organisations. Accordingly, mass prayer days were organised to pray about road accidents during the holiday period. These prayer days were held in Groutville, Pongola, Bergville and Pietermaritzburg.



Siyabakhumbula campaign in Empangeni

A total number of eight hundred and seven-thirty (873) denominations and 66 575 people were reached.

Billboards and Mass Media Advertising

The predominant themes that were advertised through the mass media during the financial year 2006/07 were “Use it or Lose it” and Pedestrian Safety.

Enforcement Coordination

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 Coordinating Traffic Committee, traffic policing has now become more community-orientated and centres on a coordinated approach in dealing with traffic offenders.

It had been proved that many road traffic incidents are caused by drivers who blatantly disregard road traffic laws. The Department is confident that law enforcement against drunk drivers has had a marked effect on driving habits, following increased multi-disciplinary roadblocks. The use of cutting-edge law enforcement technology is a critical road safety tool; however, technology should never replace an adequate, human, visible, police presence. The essential goal is to ensure that traffic law enforcement makes a significant impact on the improvement and the creation of a more responsible road traffic culture in KwaZulu-Natal.

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The following were achieved during the financial year 2006/07;

- In addition to the four (4) fixed camera sites which are located on the N2 at Pinetown, Queensburgh and Winkelspruit, three (3) additional fixed camera sites at hazardous locations on the N3 at Van Reenen were installed in support of the ongoing fixed camera project. 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.



Fixed camera on north bound N3 (Lion Park)

- Asiphephe Alco 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. The additional funding for roadblocks increased the number of multi-disciplinary road blocks across the province, especially during holiday periods when road crashes seem to increase. Overtime funding also ensured that more traffic enforcement was carried out after normal policing hours by most traffic authorities in the province.



Booze bus used during Asiphephe Alco road blocks

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Holiday Period Launches

The 2006 Easter holiday road safety march took place within the eThekweni CBD on 04 April 2006. In addition, the 2006/07 financial year road safety plan was delivered by the Minister at the Summer Holiday Launch which was held on 04 December 2006 at Cato Ridge on the N3.

Mpimpa Call Centre

A total of 1 905 traffic-related complaints were logged and attended to by the Mpimpa Call Centre operators. Feedback was given within a reasonable time to all callers who provided the call centre with their contact details. About 68% of complaints have been followed up with letters being sent out to alleged offenders, with positive responses especially from companies who are concerned about the way their vehicles are being driven. The majority of the other 32% of complaints concerned the taxi and bus industries. The most common concern that was raised by callers was related to unroadworthy vehicles. However, some of the complaints could not be followed up due to incorrect or false registration number plates. The minority of the 32% of complaints were related to civil claims arising out of road accidents. These callers were referred to the correct departments and/or were advised on what course of action to pursue. The Department is proud to report that approximately 90% of callers praised the Department for its efforts to ensure safe public roads with more emphasis on involving public to participate actively.

Table: Road Safety Education

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Number of staff providing road safety education programmes at schools	Number	11	11	4	-7	175%
Number of staff providing road safety education programmes to public transport operators	Number (Done by public transport)	8	8	8	0	0%
Process						
Schools involved in road safety education programmes	Percentage	1471	285	298	13	4%
Number of courses offered for public transport operators	Number	3	3	3	0	0%
Outcome						
Number of pedestrians killed		816		133		
Number of drivers killed		357		381		
Number of passengers killed		501		551		

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Sub-Programme 4.5: Transport Administration and Licensing

eNaTIS

The Department completed installation of the new eNaTIS equipment at all its registering authorities. Highlights that can be reported include minimum disruption during the process of change. Regardless of the challenges, the Department managed to ensure that the service delivery was not adversely affected.



Members of public at counters

Registering Authorities and Vehicle Test Stations

Statistics have proven that the majority of road deaths occurring on South African roads involve public transport vehicles, namely buses, minibuses and taxis. Accordingly, the Department has undertaken an investigation to establish if a dedicated testing station for public transport is a practical solution.



Minibus under inspection



Minibus in an impound

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Technical Compliance Inspections

During the 2006/ 07 financial year, the Department continued with its commitment to create a safe road environment. The Department eliminated fraud and collusion in testing stations, and reduced utilisation of incorrectly classified and unroadworthy vehicles on public roads. Highlights that can be mentioned include but are not limited to the closure of two (2) and the de-registration of six (6) vehicle examiners.



“Public vehicle” certified as roadworthy by an examiner some five (5) days prior to the vehicle being impounded by Road Traffic Inspectorate officials

Further to the abovementioned, the following initiatives were undertaken:

- Centralisation of the processing of all applications for Motor Trade Numbers (MTNs) which was previously performed by registering authorities throughout the province
- Centralisation of physical inspections of all vehicles during the processing of applications for specific classified vehicles

Manufacturers, Importers and Builders

The Department seized every opportunity at its disposal to promote Black Economic Empowerment. During the 2006/07 financial year, an additional fifty-four (54) manufacturers, importers and builders registered.



A local BEE co. registered to manufacture trailers

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Personalised License Registration Numbers

The Department continued to be innovative in optimisation of its revenue as reflected in the following table.

Table: Sale of Personalised Number Plates

ACTIVITY	2004/05 FY	2005/06 FY	2006/07 FY
Issue of Personalised License numbers	R9 096 664	R11 903 308	R 63 955 78
Issue of Specific License Numbers	R1 226 900	R1 017 155	

Revenue realised from the sale of personalised numbers amounted to R639 5578 and there had been no sale of specific numbers due to a temporary moratorium to sell these numbers.

Approximately R 715 million is generated in revenue from registration and licensing fees and an amount of R 3,8 million from outstanding fees recovered thus far.



MEC & a Departmental official displaying some personalised numbers

Access to Services

The provision of an efficient, effective and accessible customer service to approximately 1,2 million vehicle owners in the province remained a constant challenge to the Department.

Accordingly, the Department had established more registering authorities in the province, particularly in areas with a potentially large client base.



Minister at Ballito registering authority opening



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Traffic Camera Office

The Department's Traffic Camera Office has successfully processed and administered 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, including issuing these at the roadside.



Remcom vehicle utilized by Traffic Camera Office at roadblocks

During the 2006/ 07 financial year, 238 410 speeding violations to the value of R 108 995 707 were captured.

Provincial Vehicle Fleet Management

The Department continued to be efficient in managing the provincial vehicle asset register. Highlights that can be mentioned as achievements include but are not limited to the following:

- A 100% physical verification of provincial vehicle fleet
- Excellent service to user Departments in respect of vehicle procurement
- Accurate reporting on the performance of the provincial vehicle fleet

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Table: Transport Administration and Licensing

Measurable Objective	Performance Measure	Actual Output 2005/06	Actual Target 2006/07	Actual Output 2006/07	Deviation Unit	%
Output						
Number of vehicles registered and licensed	Number of vehicles registered and licensed	960 000	960 000	1 198 000	23 8000	20%
Quality						
Number of license fraud cases prosecuted	%	96	96	78.5	-17,5	17,5
Efficiency						
% of licenses paid on time	%	96	96	97	1	12
Administration costs as % of total license revenue	Budget Allocated	10%	10%	10%	-	0%

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Sub-Programme 4.6: Overload Control

Overloading Control

During the 2006/07 financial year, a total of 195 732 vehicles were weighed at the thirteen (13) operational provincial weighbridges, of which 146 342 were weighed on the N3 corridor. There was an approximate 2% decrease in the extent of overloading on the N3 corridor from approximately 12% to 10%. However, the Department acknowledges that there is a need for improvement.

Table: Weighbridge Performance

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Number of weighbridges	Number	14	15	15	0	0
New weighbridges to be constructed	Number	0	1	0	(1)	(100%)
Process						
Hours weighbridges to be operated	Number	20,423	25,000	19,967	(5033)	(20%)
Number of transport vehicles inspected	Number	188,467	160,000	195,732	35 732	22.3%
Output						
% of vehicles overloaded (i.e. over the 5% tolerance)	Percentage	5%	4,5%	5%	0,5%	10%
Number of vehicles impounded	Number	8,693	8,258	8,527	269	3%
Efficiency						
Number of hours weighbridges operated as % of total hours in year	Percentage	6%	3%	2%	(1%)	(50%)
Number of vehicles inspected per hour	Number	9.2	7	9	2	22%

SECTION SIX

**PROGRAMME 5:
COMMUNITY-BASED PROGRAMMES**

Sub-Programme 5.1: Programme Support Office

Expanded Public Works Programme (EPWP)

The Department successfully established provincial structures including a Steering Committee to oversee the implementation of the EPWP programme.



Members of the EPWP Provincial Steering Committee

A sector committee has been established and sector plans developed for each sector of the EPWP during the financial year under review. Training was also identified as one of the crucial elements to achieve the required goals of the EPWP. Accordingly, a fifth sector that is dedicated to address training needs has been established. A training sector had its committee established, and funding of R98 m for a learnership programme was also secured.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

The following table presents sectors of EPWP and the respective participating Departments.

Table: EPWP Sectors

Sector	Provincial Sector Lead Department	Participating Provincial Departments in the Sector
Infrastructure Sector	Department of Transport	<ul style="list-style-type: none"> • Department of Works • Department of Local Government and Traditional Affairs (MPCCs and TACs) • Department of Housing • Department of Transport • Department of Education (facilities) • Department of Health (facilities) • Municipalities • Eskom • Ithala (properties)
Social Sector	Department of Social Welfare and Population Development	<ul style="list-style-type: none"> • Department of Social Welfare and Population Development • Department of Education (Early Childhood Development) • Department of Health (Home-Community-Based Care) • Municipalities
Environment & Culture Sector	Department of Agriculture and Environmental Affairs	<ul style="list-style-type: none"> • Department of Arts, Culture and Tourism • Department of Agriculture and Environmental Affairs • Department of Sports and Recreation • Municipalities
Economic Sector	Department of Economic Development	<ul style="list-style-type: none"> • Department of Economic Development • Ithala • Trade and Investment KZN • LED units of municipalities
Training Sector	Department of Labour	<ul style="list-style-type: none"> • Department of Labour • Department of Transport • Sector Lead Departments • SETAs



Provincial Steering Committee meeting in progress

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Labour-Intensive Construction Learning Network

In promoting best practices of labour-intensive methodologies, the Department was requested by the National Department of Public Works to host the first national EPWP learning network in June 2006. In attendance was the national Deputy Director General responsible for EPWP, representatives from eight other provinces, representatives from IDT and ILO. The projects that were visited during the learning network were Zibambele and the African Rural Road Upgrading Programme projects of the Department.



*National DDG for EPWP, HOD for Transport, Secretary for National Coordinators Meeting.
Standing is the Department's General Manager for Strategic Planning
At a national EPWP coordinator's meeting*



*Delegates from other provinces and national departments
attending learning network session on labour intensive methodologies*

The Department is also proud to report that the Province of KwaZulu-Natal has contributed more than 58% towards EPWP employment opportunities, nationally.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Capacity Building and Support to EPWP Implementers

During the 2006/07 financial year, numerous capacity-building workshops and one-on-one sessions were held with municipalities and some provincial Departments to assist with project selection, designs, packaging of tender documents, advertising EPWP projects, programme planning, implementation and so on.

Another workshop that was held was with district municipalities. Two district municipalities on the Vuk'Uphile framework and others have started with the implementation of learnerships.

The Department also hosted a provincial strategic planning workshop for EPWP with the intention of committing implementers to increase their targets and budgets for the programme.

Development of sector Implementation Plans

The Department has supported each sector of the EPWP to develop sector implementation plans in line with the national framework. Each sector implementation plan was accompanied by a training plan including a skills needs assessment of the beneficiaries. The sector plans outline budgets and targets for work opportunities that the sector will create between the 2006/07 and 2008/09 financial years.

Promotion of Labour-Intensive Methodologies in EPWP Sectors

Each sector of the EPWP is required to promote labour-intensive methodologies in order to create more work opportunities for the unemployed. The Department is required to support sectors in developing guidelines and frameworks for labour-intensive projects. During the 2006/07 financial year, the Department researched the provision of waste management services, labour intensity and scaling-up the EPWP.

In responding to the challenge of scaling-up the Expanded Public Works Programme, this Department as the provincial coordinator of the EPWP conducted research on the renowned Brazil-Curitiba model on waste management. A provincial delegation led by the MEC for Transport, Community Safety and Liaison, went on a study tour to research the community-based waste management programme of Brazil-Curitiba.



KwaZulu-Natal delegation in Colombia – Brazil

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

The study tour delegation recommended that the Brazil-Curitiba community-based waste management programme be piloted in KwaZulu-Natal. As per resolution 326 of 2006, the Provincial Executive Council approved the piloting of the programme in the eThekweni, Hibiscus Coast and Msunduzi municipalities, and be rolled-out later to other municipalities. Indeed, the programme was launched in the selected municipalities.

Accordingly, the Department developed a framework on community-based waste management which intends to guide local municipalities to implement the waste management services and labour intensivity while complying with the principles of the EPWP.



MEC for Transport, Community Safety and Liaison, Mr B H Cele interviewing one of the beneficiaries of the Waste Management Project in Brazil-Curitiba

Work opportunities created through the EPWP

During the 2006/07 financial year, the EPWP unit was intensively involved in registering the provincial projects on a national web-based management information system for EPWP projects. The web-based system was developed at national level to enable registered users to monitor the progress of projects and for ease of access to project information.

The annual financial results of the programme indicate that the province spent R26,15bn on EPWP projects during 2004/05 financial year and created 41 313 work opportunities. During the financial year 2006/07, expenditure increased to R346,4bn on EPWP projects and 48 607 work opportunities were created. The annual EPWP results for the 2006/07 financial year are as per the following table.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Table: Contribution by Provincial Departments

Provincial Overall	Actual 2004/05	Actual 2005/06	Target 2006/07	Actual 2006/07
Allocated Budget	295,445,511	449,638,584	1,115,922,361	1,781,930,590
Actual expenditure	261,504,003	346,477,207		1,008,126,463
Number of projects	138	847	869	1,014
Persons days of work	11,165	14,068	19,000	23,894
Number of job opportunities	41,313	48,607	65,000	115,628
% of youth employed	20	33	40	29
% of women employed	64	59	65	55

EPWP Kamoso Awards

The Department was proud of itself when it was announced as the winner of the EPWP recognition programme's ultimate accolades, the "Kamoso Awards" on 15 February 2007.

The Minister of Public Works, Ms Thoko Didiza, presented the awards to four (4) recipients in the following categories: Best Project, Best Department & Best Municipality/Agency (two awards in this category), and Best Individual/Official.

Department/Municipality Category

The finalists in this category were selected for creating an enabling environment for the implementation of the EPWP and consequently having had a significant impact in terms of execution and visibility of the EPWP in their province, municipality or region. Given the breadth and scope of criteria in this category, the selection committee decided to make an award not only to the best municipality/department, but also to the best performing provincial department that embraced the EPWP in the respective provinces.

The KwaZulu-Natal Department of Transport was announced as the best performing Provincial Department and a winner in this category.

The Department has created work opportunities for approximately 40 965 individuals, of which the majority are women. Over 10 388 individuals have also received training. The key programme of the Department is the Zibambele programme, which uses labour-intensive methods to maintain low volume roads, targeting unemployed women in the most impoverished areas of KwaZulu-Natal.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Accordingly, the Department made a significant contribution to overall EPWP targets, successfully gained buy-in from all stakeholders and mainstreamed the EPWP within departmental functions. The department had been commended for its innovative Zibambele programme, creating employment for the most marginalised communities, and the model has been adopted throughout South Africa.



Minister for Public Works, MEC for KwaZulu-Natal Transport, Community Safety and Liaison, KwaZulu-Natal EPWP Provincial Coordinator, a Limpopo delegate, HOD for KwaZulu-Natal Transport and General Manager for Strategic Planning for KwaZulu-Natal Transport

Table: Departmental EPWP Outputs

Department of Transport	Actual 2005/2006	Target 2006/2007	Actual 2006/2007
EPWP Project Budget (R '000)	261,2	342,8	397,8
Person days of Work	2,888,873	3,200,500	3,236,635
Number of Jobs Opportunities	36,462	40,000	40,965
Number of Youth Employed	8,386	7,000	7,670
Number of Women Employed	29,308	32,200	33,606
Number of People with Disabilities	0	12	6
Number of Learner ships	88	120	88
Number of Persons Trained	0	17,600	10,388
Number of Person-days Training	0	179,700	211,391

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Sub-programme: 5.2 Community Development

Zibambele Savings Clubs

The Zibambele contractors were clustered into savings clubs from 2003 and to this end a total of nine hundred and twelve (912) clubs were established. The savings clubs have collectively saved an amount of R 6,6m and constant training of these clubs remained a focus.

Table: Zibambele Savings Clubs

REGION	NO. OF CLUBS	AMOUNT SAVED
Empangeni	340	R2 423 890
Ladysmith	292	R1 371 296
Pietermaritzburg	139	R1 474 369
Durban	141	R1 390 964
TOTAL	912	R6 660 521

One of the exit strategies in respect of EPWP is the necessity of the contractors to be engaged in sustainable ventures that are economically viable. The Department acknowledged limitations and business risks challenging Zibambele contractors. As a consequence, it was decided to convert the savings clubs into cooperatives. Cooperatives have a better chance of accessing support in terms of business opportunities, training and finance from the government and the private sector.

Consultative Sessions on Co-operatives and Co-operative Banks

During the consultation sessions with a view to introduce the concept of co-operative development and cooperative banks, the Zibambele programme beneficiaries became enthusiastic.



Zibambele conference session

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Piloting of the Co-operative Development Models

During the 2006/07 financial year, two models were piloted with a view to learn lessons that will inform the rolling-out of the co-operative development model throughout the province. The savings and credit co-operatives model was piloted in the Empangeni and Ladysmith Regions. The financial services co-operatives model was piloted in the Pietermaritzburg and Durban Regions and involved thirty-nine (39) savings clubs.

Training sessions addressing the following were undertaken with the clusters during the pilot phase:

- Vision-building
- Foundation
- Formation and Business Planning Workshops

Logistically, the process of registration of co-operatives is intended to be finalised during the forthcoming financial year.

Table: Poverty Eradication : Zibambele

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Budgets	Rands (millions)	124,5	143,8	143,9	0,1	0.07%
Process						
Number of training programmes	Number	2	2	2	0	0.00%
Input						
Number of employment days created	Number	2,423,351	2,806,560	2,824,792	18,232	0.65%
% of employment days going to Youth	Percentage	12	10	9	-1	-13.58%
% of employment days going to Females	Percentage	94	94	96	2	2.13%
Quality						
Average daily wages	Rands	48,75	48,75	48,75		0.00%
Efficiency						

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Cost per day employment created	Rands	51,37	51,24	50,94	-0,3	-0.58%
Average daily wages as a % of the cost per employment day	Percentage	94,9	95.15	95,70	0,55	0.58%

Table: Poverty Eradication: Labour-based Construction

Measurable Objective	Performance Measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
					Unit	%
Input						
Budgets	Rands (millions)	24,2	10,0	11,0	1,0	10.0%
Process						
Number of training programmes	Number	2	4	4	0.0	0.0%
Input						
Number of employment days created	Number	230,063	75,000	142,317	67,317.0	89.8%
% of employment days going to Youth	Percentage	50	70	50	-20	-20.0%
% of employment days going to Females	Percentage	56.0	70	60	-10	-10%
Quality						
Average daily wages	Rands	44,00	44,00	44,00		0.0%
Efficiency						
Cost per day employment created	Rands	105,19	133,33	77,29	-56,0	-42.0%
Average daily wages as a % of the cost per employment day	Percentage	41,83	33,00	56,93	23,93	72.5%

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Rural Road Transport Forums (RRTFs)

The RRTFs were established to promote public participation in decision-making processes. These include prioritisation of rural roads' access needs, and facilitating the economic participation and development of the previously disadvantaged in the road construction industry.

The beginning of the financial year 2006/07 was no exception; a total of thirty-two (32) new RRTF structures were elected, including Umzimkhulu which was incorporated into this province from the Eastern Cape. The structures consisted 20% women and 20% youth in terms of the RRTFs constitution and accordingly, six (6) of the thirty-two (32) RRTFs are led and chaired by women.



RRTFS Elections

RRTFs Monthly Meetings

To facilitate transparency and accountability on service delivery, the Department continued to interact with RRTFs structures through monthly meetings. During those meetings, progress reports on projects and other issues of development were discussed.

Training and Capacity-Building

One of the functions of the RRTFs is to assist the Department in the prioritisation of roads' access needs for equitable distribution of resources across the province. Therefore, training is crucial to ensure that RRTFs members are fully capacitated to understand developmental issues and how the Department delivers services within its mandate. Training workshops which focused on good governance and developmental planning were therefore held during September and October 2006.

The prioritisation process culminated in a business plan document which mapped the service delivery plan for each RRTF area for the entire MTEF period.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES



RRTFs Training workshop

Report-Back Meetings

The constitution requires that each RRTF reports back to their respective communities and their constituencies on all projects implemented and their expenditure for each financial year. During the financial year 2006/07, all thirty two (32) RRTFs held their report-back meetings as planned. Improvement was observed in the standard of report-back meetings during this financial year. High quality reports were tabled, and the attendance by communities and stakeholders particularly, municipality and the traditional leadership, was also remarkable.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Sub-Programme 5.3: Emerging Contractor Development

Table : Vukuzakhe Investments

ALL CONTRACTS	Financial Years										Total
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07		
Total budget spent (operational budget)					R 520	R 736,1	R 635,7	R752,5	890,5	3,534,8	
No. of Contracts – Stage 1	126	232	295	488	563	549	521	496	430	3700	
No. of Contracts – Stage 2	54	142	106	138	232	222	210	229	172	1505	
No. of Contracts - Stage 3	8	17	101	82	78	101	142	131	142	802	
No. of Contracts – Stage 4	0	0	0	18	18	40	47	39	60	222	
ALL STAGES	188	391	502	726	891	912	920	895	804	6229	
Value of contracts – Stage 1	R12,0	R21,0	R24,4	R20,5	R40,7	R43,9	R60,9	R38,6	R96,69	R358,69	
Value of contracts – Stage 2	R9,0	R15,0	R17,4	R18,1	R48,5	R73,3	R55,0	R79,2	R65,64	R381,14	
Value of contracts – Stage 3	R6,0	R54,0	R62,6	R66,8	R42,1	R69,7	R73,5	R97,6	R104,97	R577,27	
Value of contracts – Stage 4	R0,0	R0,0	R0,0	R0,0	R40,0	R152,8	R96,7	R162,5	R249,74	R701,74	
Value of contracts on all Stages	R27,0	R90,0	R104,4	R105,4	R171,3	R339,7	R286,1	R377,9	R517,04	R2,018,84	
Vukuzakhe training budget	R0,0	R0,0	R2,1	R6,0	R9,3	R11,2	R11,5	R13,4	R15,36	R68,86	
Employment opportunities over 3-4 months.	-	-	12,214	26,907	27,500	28,750	29,258	30,045	43,684	198,358	
Total budget (incl. supervision, training and overheads)	R49,0	R123,5	R151,6	R171,9	R251,6	R413,3	R359,0	R467,3	R628,75	R2615,95	

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Compliance with the Construction Industry Development Board (CIDB) Act, 2000

The Department made a significant contribution in facilitating registration of contractors on CIDB database and support as indicated in the following table.

Table: Representation of Vukuzakhe Contractors within the CIDB Register of Contractors

Grade	Total Vukuzakhe Contractors Registered on CIDB	Total KZN Contractors Registered on CIDB Register	% Representation of Vukuzakhe within CIDB Register	Maximum Value of Works (R)
2	88	265	33%	500 000
3	31	78	40%	1 500 000
4	26	105	25%	3 000 000
5	4	44	9%	5 000 000
6	1	30	3%	10 000 000
TOTAL	150	544	28%	20 000 000

The following table is a subset of the above table presenting vulnerable groups.

Table: Vulnerable Groups

Grade	Total Vukuzakhe Contractors Registered on CIDB	No. Of Women	% Of Women	No Of Youth	% Of Youth	No of People Living with Disabilities	% Of Plwd
2	88	25	28%	15	17%	8	9%
3	31	5	16%	6	19%	1	3%
4	26	6	23%	4	15%	0	0%
5	4	0	0%	0	0%	0	0%
6	1	0	0%	0	0%	0	0%
TOTAL	150	36	24%	25	16,7%	9	6

Occupational Health and Safety

During the 2006/07 financial year, workshops on occupational health and safety were successfully conducted and safety plans were developed by the respective contractors.

Organisational Development

The new Executive Committee members were elected for the thirty two (32) Vukuzakhe associations including Umzimkhulu.

Registration of new Vukuzakhe contractors from Umzimkhulu RRTF into the Department's database also began to allow opportunity to tender for contracts within the Vukuzakhe Programme.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Vukuzakhe Association Executive Committee Training Workshops

In order to ensure successful leadership and management of the Vukuzakhe associations, the newly elected Executive Committee members were placed on intensive four (4) following capacity building training programmes.

- Module 1 – Understanding Organisations, and the Roles and Functions of Executive Committees
- Module 2 – Financial Literacy
- Module 3 – Opportunities for Co-Operatives
- Module 4 – Setting up Co-Operatives

Table : Capacity-Building Training for Executive Committee Members

VUKUZAKHE ASSOCIATIONS : EXECUTIVE COMMITTEE						
BREAKDOWN				CAPACITY-BUILDING RECEIVED		
TOTAL	WOMEN	YOUTH	PEOPLE WITH DISABILITIES	NUMBER OF MODULES COMPLETED	LENGTH OF TRAINING	NUMBERS WHO ATTENDED TRAINING
155	75	46	01	4 out of 4	2 Days per Module	134



Newly elected Executive Committee members of various Vukuzakhe associations attending a capacity-building training

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

The following table presents statistics on memberships and meetings that were held and savings made by Vukuzakhe associations during the 2006/07 financial year.

Table: Performance of Vukuzakhe Associations

32 VUKUZAKHE ASSOCIATIONS			
Total Membership	Number Of General Meetings Held	Number Of Exco Meetings Held	Total Savings Of All Associations
3 415	227	137	R663 262

Technical Training, Mentoring and Support

In order to ensure that contractors are able to meet technical and management requirements of the contracts, mentorships on tendering, planning, contract administration, measurement certificates and claims procedures, earthwork construction, asphalt, concrete work, and other related technical specific skills training were conducted.

Table: Technical Training, Mentoring and Support

TRAINING	
Formal Accredited Number of Training Sessions	Number of Non-Accredited Training and Mentorship Sessions
92	562

Learnership : Construction Contractor NQF Level 2

The Departmental Head approved one hundred and eighty (180) learnerships for unemployed women, youth and people living with disabilities. Accordingly, a learnership proposal was forwarded to the Construction Education and Training Authority (CETA) for approval and co-funding. The programme is anticipated to be implemented during the 2007/08 financial year.

Roll-out of the Standardised Construction and Maintenance Bid Documents

Consultation Sessions with the Regions regarding the Standardised Construction and Maintenance Bid Documents were held during September 2006. The Department has ensured that the Standard Bid Document is in line with the General Conditions of Contract, 2004, and the Standards for Uniformity in Construction Procurement. These sessions included the Generic Safety Specification in the Standard Bid Document.

Review of Annual Tenders with the focus on Black Economic Empowerment

There were interventions to remove barriers to entry and performance on annual tenders of previously disadvantaged people. All blacktop surfacing contracts were reviewed to ensure continuous development and participation of new entrants (especially Africans) in the industry.

PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

Business Management Training and Support provided to Contractors

A total of 13 672 contractors received administration and financial management training to ensure the success and sustainability of their enterprises. Contractors also received support in order to ensure their companies are business compliant with various legislative requirements.

Table : Business Management and Compliance Support Provided

UIF	Compensation for Occupational Injuries and Diseases Act	Skills Development Levy	Tax Clearances	Tax Amnesty Applications	Income Tax Registrations	CIDB	Annual Financial Statements	Total
117	102	167	2 661	16	38	191	59	3 351



Members of Estcourt Vukuzakhe Association receiving Business Management Training.

The following table presents statistics concerning a database for Vukuzakhe emerging contractors.

Table: Total Vukuzakhe Emerging Contractors on Database, including the Percentage Company Ownership by Women, Youth and People Living with Disabilities

STAGES	OVERALL NUMBER OF CONTRACTORS	WOMEN CONTRACTORS 50% +	YOUTH CONTRACTORS 50%+	CONTRACTORS LIVING WITH DISABILITIES 50%+
1b	1098	362	223	12
2	350	206	62	1
3	185	84	25	4
4	63	10	3	0
Total	1696	662 (39%)	561 (33%)	17 (1%)



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 2007.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met 6 times during the year. Chairman Mr R Morar resigned from the committee during the year and Adv. B.S. Khuzwayo was then appointed as chairman.

Name of Member	Number of Meetings Attended
BS Khuzwayo (Adv)	6
R Morar	4
BP Campbell	6
ADK Leisegang	6
DSD Shabalala	1
Auditor – General	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) 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 that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department. The following was an area of concern:

- Asset Management

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

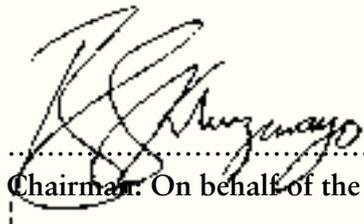
REPORT OF THE AUDIT COMMITTEE

We did not review and therefore 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.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



.....
Chairman: On behalf of the Audit Committee

Date: 13 September 2007



Part 4

Annual Financial Statements

Annual Financial Statements for

KwaZulu-Natal Department of Transport



ANNUAL FINANCIAL STATEMENTS FOR KWAZULU-NATAL DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2007

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MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2007

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 African Renaissance Road Upgrade Programme (ARRUP), Local Access Road Construction Programme and Rural Roads for Development Programme continue to make a marked impact in ensuring the provision of a balanced and equitable road network, which addresses historic imbalances.

In delivering its mandate to ensure the adequate maintenance of the provincial road network, the Department continues to undertake preventive maintenance and rehabilitate the road network. In this regard, the Department aimed at resealing approximately 106 kilometres of tarred roads and to rehabilitate approximately seventy (70) kilometres of surfaced roads in 2006/07.

In delivering its outputs, the Department strives to ensure that it addresses the needs of the people. Community consultation forms a central role in the planning, design and construction of projects. The Department, recognising the importance of municipalities and their mandated planning and consultation processes, continued to undertake community consultation through Rural Road Transport Forums, Community Road Safety Councils and Project Liaison Committees. In 2006/07, the department also actively participated in the Municipal Integrated Development Planning (IDP) programme, and ensured alignment between the Department's community consultation and municipal planning programmes.

The Department drives the Expanded Public Works Programme (EPWP) in the province. The strategic framework for the implementation of the EPWP was approved by the Provincial Cabinet, and co-ordinating structures were established for each of the clusters in 2006/07. In support of the EPWP, the department is piloting labour-based construction methods.

The department provided financial and technical assistance to municipalities in order to assist them in preparing their legislated public transport plans. Current Public Transport Records were completed by all municipalities, while Public Transport Plans were completed by all municipalities except Ugu, Umkhanyakude, Umzinyathi and Zululand district municipalities. These district municipalities are expected to complete their Public Transport Plans by the end of 2006/07.

The department has made good progress in converting public transport permits to operating licenses. An intensive campaign to ensure that operators apply for conversion of their permits to operating licenses commenced in October 2005, and resulted in ninety-six (96) per cent of the two hundred and forty-eight (248) associations submitting applications for their members to date.

MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The department's road safety education and community outreach programmes continued to keep road safety in the attention of the public. Coupled with this, the department conducted goal directed road traffic management enforcement campaigns. Through appropriate road safety engineering interventions, the safety of the road environment is also being improved.

In 2006/07, the department expanded the implementation of the computerised learner license system, which automatically computes whether a learner has passed or failed. This project has improved service delivery to the public and curbed the fraudulent issue of driver and learner licenses.

Significant Events

- Launch of Siyazenzela Project
- Introduction of new National Traffic Information System (eNatis)
- Pedestrian Road Safety Campaign Launch
- Summer Holiday Road Safety Plan
- Campaign Against Women Abuse
- Zibambele Programme recognised as best practice model for EPWP

Major Projects

PROJECT NAME	Project Value	Cumulative Expenditure to date
	R'000	R'000
Nongoma Project	610,000	295,000
Ongoye Project	365,000	170,000
Nkandla Project	348,000	160,000
St Faiths Project	267,000	153,000
Osizweni Project	101,000	68,000
Ndwedwe Project	218,000	108,000
Vulindlela Project	122,000	75,000
Duffs Road (P577)	520,000	205,000
Ulundi – Empangeni (P700)	499,000	215,000
John Ross Highway (P496)	550,000	60,000

MANAGEMENT REPORT
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PROGRAMME 1: ADMINISTRATION**SAVINGS R 2,000**

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

The purpose of the Administration programme is to provide the Department with strategic planning, financial management and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

PROGRAMME 2: ROAD INFRASTRUCTURE**OVER R 2,163,000**

The over-expenditure in this programme is due to unforeseen costs incurred as a result of storm damage to roads in December 2006 and January 2007.

The programme is aimed at determining the needs for the development of infrastructure, implementing maintenance programmes and providing access roads for communities to unlock economic potential, as well as promoting community development and eco-tourism. The programme consists of six sub-programmes, in line with the sector-specific budget format, namely Programme Support Office, Planning, Design, Construction, Maintenance and Financial Assistance.

PROGRAMME 3: TRANSPORTATION**SAVINGS R 5,000**

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

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 functions include: the development of policies and plans for public and freight transport services; and the enforcement of legislation in regard to public transport.

PROGRAMME 4: TRAFFIC MANAGEMENT**SAVINGS R 2,000**

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

The purpose of this programme is to ensure the provision of 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.

PROGRAMME 5: COMMUNITY-BASED PROGRAMME**NIL**

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

MANAGEMENT REPORT
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The purpose of this programme is to direct and manage the implementation of programmes and strategies which develop and empower communities.

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 the administration programme is to provide the Department with strategic planning, financial management and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

PROGRAMME 2: ROAD INFRASTRUCTURE

The purpose of this programme is to provide a balanced, equitable provincial road network that is accessible to all. The main functions include: the planning and design of road infrastructure; the construction of new infrastructure and the upgrading of existing; and routine, preventive and periodic maintenance as well as rehabilitation of roads. In addition, it includes the construction and maintenance of pedestrian bridges where these are required in order to allow for safe pedestrian access to public facilities in non-urban areas. When referring to roads, this means all elements of roads within the road reserve including, but not limited to, the pavement, bridges and signage.

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 functions include the development of policies and plans for public and freight transport services; and the enforcement of legislation in respect of public transport.

The Department has compiled an Integrated Development Programme for public and freight transport, with the following needs identified:

- To accelerate delivery on the taxi process;
- To improve services to disadvantaged communities;
- To fast track services that contribute to economic growth; and
- To lend support to other government initiatives.

PROGRAMME 4: TRAFFIC MANAGEMENT

The purpose of this programme is to ensure the provision of 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.

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2007

The Department's integrated road safety programme is aimed at facilitating road safety campaigns, developing policy in consultation with all relevant authorities charged with responsibility for road safety structures, and encouraging participation in road safety initiatives and awareness programmes.

The types of services rendered by this programme are as follows:

- To render technical services relating to mass measuring bridges, and conduct analysis and re-engineering of hazardous locations;
- To conduct road traffic law enforcement (including overloading control)
- To register and license vehicles and
- To develop road safety education programmes and train educators in traffic safety.

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 programmes include Zibambele, Vukuzakhe, Labour-Based and Labour Intensive Construction. In addition, this programme is aimed at the development and incubation of programmes that utilise the core functions of the department to facilitate the principles of Black Economic Empowerment and rural upliftment.

2.2 Tariff policy

There is a disparity in license fees in all nine provinces. A task team has been appointed to address this problem and to rationalise the fees structure in order to implement a uniform fee for licenses in South Africa.

In the interim, the Department takes into account the current inflation rate, increases in other provinces and the discrepancies in 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 fees are better aligned to other provinces and international best practice.

2.3 Free Services

None.

MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2007

2.4 Inventories

Value of Inventories on hand at year end is R 8,567,419 and is made up as follows:

STORE	FUEL	MAINTENANCE MATERIAL	OTHER	TOTAL
CC PMB	230,483	201,861	57,123	489,467
NONGOMA	150,080	6,625	18,825	175,530
CC METRO	1,165,789	95,696	36,040	1,297,525
PONGOLA	285,383	17,723	7,048	310,154
UNDERBERG	155,034	27,476	7,177	189,687
KOKSTAD	65,506	26,502	4,342	96,350
VULINDLELA	357,887	-	1,077	358,964
PORT SHEPSTONE	918,453	31,939	91,156	1,041,548
IXOPO	44,656	105,028	2,852	152,536
NEWCASTLE	427,624	26,339	10,537	464,500
VRYHEID	246,035	29,096	14,871	290,002
DUNDEE	191,195	57,735	8,495	257,425
LADYSMITH	176,651	24,736	3,627	205,014
ESTCOURT	77,043	8,461	1,413	86,917
GREYTOWN	5,876	18,576	2,154	26,606
STANGER	296,154	9,314	20,963	326,431
ESHOWE	337,458	41,641	40,891	419,990
HLUHLUWE	1,204,109	32,301	14,897	1,251,307
EMPANGENI	1,059,004	36,419	32,043	1,127,466
TOTAL	7,394,420	797,468	375,531	8,567,419

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3. Capacity constraints

Financial Constraints

The current condition of the road network is negatively impacting on the economic growth of historically disadvantaged areas. The backlog in maintenance must be addressed to facilitate economic growth in the second economy, job creation and poverty alleviation.

Activity (Blacktop roads)	Backlog (km)	Average Unit Rate (R / km)	Backlog Value (R'000)
Reseals	2,450	326,000	798
Rehabilitation	2,970	1,660,000	4,930
Black Top Maintenance	5,710	40,000	228
Regravelling	2,750	122,000	335
Blading	16,229	4,000	65
Gravel Maintenance	16,640	20,000	332
Total backlog			6,688

Whilst addressing the backlog in maintenance it is vital that the ongoing maintenance programme continues. This ensures that newly constructed and upgraded roads do not deteriorate. The annual need for this ongoing maintenance exceeds the budget allocated. The backlog cannot therefore be addressed.

Ongoing Annual Maintenance of existing network		R'000
Rehabilitate blacktop	361 km	421
Reseal blacktop	815 km	266
Regravel existing roads	3,466 km	422
Maintenance on existing gravel & blacktop roads	27,953 km	623
Existing Annual Maintenance & Renewal Needs		1,732

The province needs to source additional funding for the construction and maintenance of the existing road network. Failure to support this will result in economic stagnation of the historically disadvantaged areas in the Province.

The Department has a mandated obligation to ensure a balance between the adequate maintenance of the Provincial Road Network with its mandate of ensuring equitable access to all areas of the province. Budgetary constraints remain the single largest challenge in the Department with a balance between reducing the costs of road design, maintenance and construction at the same time as maintaining a standard to ensure the safety of road users, including pedestrians, and minimise long term maintenance costs.

The safety of people travelling in taxis remains a serious concern. Much dialogue on strategies to improve public safety has been undertaken, in line with the Departments' mandated development goal to regulate public transport and to ensure access to safe, efficient, regulated and affordable

MANAGEMENT REPORT
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modes of transport. Public Transport Subsidies are a serious problem and impact on the lives of the poor. Presently only certain bus routes are subsidised and the Department is awaiting the National Department of Transport directives for the subsidies to be distributed to different modes of transport such as taxis and buses.

The capacity of the Department to deliver efficiently and effectively on its mandate is dependant on the availability of a skilled and experienced workforce. The scarcity of certain skills in the South African labour market negatively affects the KwaZulu-Natal Department of Transport and its service delivery initiatives. In order to address this challenge, the Department has a proactive approach to skills development which includes the following:

- Development, implementation and monitoring of a Workplace Skills Plan
- Adult Basic Education and Training (ABET) programme
- Bursary scheme and bursary policy
- Retention policy and strategy to retain skilled staff with the public service
- Human Resource Development policies (Internship, Learnerships, etc) and
- Development of HRD structures (committees).

One of the major constraints on the Department is the impact of HIV / AIDS on the workforce. Loss of skilled workers through sickness and death is not only a human tragedy but also negatively impacts on service delivery. In order to address this constraint the Department has implemented an HIV / AIDS awareness and education programme in order to reduce the impact of this pandemic on Departmental staff both personally and professionally. It has also implemented an Employee Wellness Programme which provides free medical testing and referral services to staff for all medical conditions, not just HIV / AIDS. The programme also provides counselling and lifestyle advice for staff in order to improve wellness. For staff with HIV / AIDS the Department provides free nutritional supplementation packs.

4. Utilisation of donor funds

Refer to Annexure 1G.

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

- The KZN Taxi Council
- 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. Road safety is thereby improved
- Local Roads: Paid to various organisations and farmers for maintenance of certain local roads.
- eThekweni Metropolitan Council: Contribution made to the eThekweni Transport Authority

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2007

7. Public Private Partnerships (PPP)

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

8. Corporate governance arrangements

The Department operates in compliance with the Constitution of the Republic of South Africa, the Public Financial 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.

10. New/proposed activities

No new activities were undertaken by the Department during the financial year under review.

11. Asset management

All assets have been recorded on the Department's asset management system (HardCat) and an asset register was extracted as at 31 March 2007. The minimum requirements for the completion of the asset register and all asset management reforms and milestones have been complied with. Although asset management is controlled centrally from Head Office, asset controllers have been appointed in each responsibility in the Department and they will be responsible for the management of assets and the asset count for their respective responsibilities.

12. Immovable Assets

The Provincial Treasury has issued an interim measure to deal with the transfer of immovable assets from the Department to that of the Department of Works. However, it is important to raise an issue that my Department has full use of these assets.

The custodianship of these assets has been vested in the Department of Works. During the 2006/07 financial year the Department has transferred R94,514 million to the Department of Works.

13. Events after the reporting date

Refer to disclosure note 31.

14. Performance information

The following are the key services delivered by the Department during the financial year under review:

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FOR THE YEAR ENDED 31 MARCH 2007

Service delivery measures – Programme 2: Road Infrastructure

Outputs	Performance Measures	Performance targets	
		2006/07 Estimate	2006/07 Actual
Surfaced Roads			
1. Rehabilitation of surfaced roads	• No. of square meters: Light and heavy rehabilitation	660,000	1,023,770
2. Maintain surfaced roads	• No. of square meters: Tarred roads resealed	1,000,000	1,229,939
	• No. of square meters: Blacktop patching	120,000	141,025
3. Construct surfaced roads	• No. of square meters: Blacktop patching	1	1
	• Kilometres constructed: New blacktop roads	76	74
	• Kilometres upgraded: Upgrade gravel to blacktop road		
Gravel Roads			
4. Construct local access roads	• Kilometres of gravel roads constructed	420	330
	• Kilometres constructed using labour-based construction	14	14
5. Maintain local roads - <i>Zibambele</i>	• Kilometres maintained using <i>Zibambele</i> contractors	20,100	20,100
		85,000	85,479
6. Maintain gravel roads	• Kilometres of road: blading	900	978
	• Kilometres of road: betterment and gravelling		
General			
7. Construction of causeways and bridges	• Number of causeways constructed	49	57
	• Number of bridges constructed	1	1
	• Number of pedestrian bridges constructed	11	13
8. To improve the skill and cost efficiency of road construction and maintenance	• Number of courses offered by the T ² Centre	30	36

MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2007

Service delivery measures – Programme 3: Transportation

Outputs	Performance measures	Performance targets	
		2006/07 Estimate	2006/07 Actual
1. Integrated planning of transport	<ul style="list-style-type: none"> Number of municipalities assisted in the preparation of transport plans Review of public transport framework 	4 Review Complete	4 Review Complete
2. Promote BEE in the public and freight transport industry	Number of BEE and SMME public transport operators trained	100	319
	Number of BEE and SMME freight transport operators trained	200	263
	Number of BEE bicycle sales & service shops established in rural areas	5	2
3. To establish and manage a sound and effective institutional framework for the regulation and enforcement of the public transport industry, in order to reduce conflict and increase safety	Number of Public Transport Enforcement Unit officers	105	96
	Undertake goal-directed enforcement of public transport (Operation Shanela)	312	284

MANAGEMENT REPORT
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Service delivery measures – Programme 4: Traffic Management

Outputs	Performance measures	Performance targets	
		2006/07 Estimate	2006/07 Actual
1. Reduce road traffic crashes in general and fatalities in particular	<ul style="list-style-type: none"> • Number of remedial safety engineering measures • Number of crossing patrols provided 	40 79	32 79
2. Facilitate behavioural and attitude change of road users	<ul style="list-style-type: none"> • Number of schools participating • Number of adults educated • Number of awareness campaigns • Number of Community Road Safety Councils (CRSCs) trained 	285 30,000 21 42	298 30,000 29 40
3. Protect the road environment through the regulation and enforcement of the freight industry	<ul style="list-style-type: none"> • Hours of overloading control enforcement • Number of vehicles weighed • Number of weighbridges constructed 	25,000 160,000 13	19,967 195,732 14
4. Promote safe use of public roads	<ul style="list-style-type: none"> • Number of traffic officers employed • Hours of manual speed timing activities • Hours of automatic speed timing activities • Number of vehicles checked in roadblocks • Number of kilometres patrolled (official and subsidised vehicles) 	450 75,000 24,000 15,000 4,500,000 600	481 63,592 33,328 31,616 6,817,657 135
5. Maximise revenue collection through the levying of appropriate charges for services rendered and through effective debtor control	% of licences paid on time	97%	97%

MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2007

Service delivery measures – Programme 5: Community Based Programme

Outputs	Performance measures	Performance targets	
		2006/07 Estimate	2006/07 Actual
1. Develop and support Black Economic Empowerment (BEE) programmes	• Develop BEE scorecard	Review Implemented	Review Implemented
	• Develop Expanded Public Works (EPWP) implementation framework		
	• Number of <i>Zibambele</i> contractors employed	32,000	32,076
	• Number of <i>Zibambele</i> savings clubs established	900	912
	• Number of <i>Zibambele</i> contractors trained	150	0
	• Number of capacity-building & development sessions for RRTFs	93	64
2. Ensure community supported transportation service delivery	• Number of public participation events facilitated – RRTF meetings	372	375
	• Number of public participation events facilitated – CRSC meetings	480	480
3. To construct and maintain the road network, utilising labour intensive means	• Number of persons employed – EPWP projects	47,000	40,965
	• Number of person days of work created – EPWP projects	3,500,000	3,236,635

MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2007

14. SCOPA resolutions

The following resolutions were made to the Standing Committee on Public Accounts (SCOPA) with regard to the Auditor-General's report on the Department's 2005/06 financial statements.

Item	Management Comment
BANK RECONCILIATION	The Receipt control, Receipt deposit control and Deposit account are the three key accounts involved in the receipting process. These accounts are cleared by daily, weekly and monthly procedures. The balances as at year-end arose as a result of timing differences and have subsequently been cleared.
	The Unallocated Cancel receipts account will be cleared before the end of the current financial year.
	The balance in the Bank Exception account arose as a result of incomplete receipting procedures which were resolved subsequent to year-end
	The Salary Persal EBT control account was cleared subsequent to year-end.
	The department is in the process of investigating the Third Party Transport Control account after meeting with the responsible officials from First Auto in July 2006. The account will be reconciled and cleared before the end of the current financial year.
ASSET MANAGEMENT	Treasury has been working on the purchasing module and the Department is awaiting a directive. Policy documents with regard to the management and maintenance of assets are being compiled. Minor assets that form part of the exclusion list of assets are not classified as assets. Expenditure incurred for capital projects and for the purchase of capital items is disclosed as assets in terms of the directive from National Treasury for the recording of assets. All other expenditure is either classified as current expenditure or transfers and subsidies. As at the end of March 2006 the Department had reconciled its asset system (Hardcat) to the accounting system (BAS) and the same is being done in the current financial year.
VALUATION OF ASSETS	All assets purchased prior to 1 April 2004 were stated at a value of R 1, which is in terms of our accounting policy and the directive issued by National Treasury. The Department is awaiting further policy amendments.
PERSONNEL EXPENDITURE	Due to the expansion of the Zibambebe programme, the Department needs to allocate additional resources effectively to manage this programme.
	The department is in the process of reviewing its current structure to address this issue and to streamline its overall administration and management process. In the interim, added training has been given to current employees who manage the Zibambebe programme.
COMPUTER ASSISTED AUDIT TECHNIQUE EXCEPTIONS	The duplications identified occurred prior to the inception of NATIS. The current NATIS system does not allow the duplication of records. Records older than five years have been destroyed, thereby rendering it very difficult to verify engine and chassis numbers. Consensus has been reached with the Auditor-General that historical records need no further action.

MANAGEMENT REPORT
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Item	Management Comment
FINANCIAL MANAGEMENT	Department-specific procedure manuals are being prepared in terms of the PFMA, Treasury regulations and Practice Notes. Staff shortages are being addressed to enable effective delegation of responsibilities. Further to this, the Department's internal compliance unit performs monthly inspections and administers training where necessary.
HUMAN RESOURCE MANAGEMENT	The department is presently reconciling its authorised post establishment to the structure of each responsibility. Once this is complete, excess posts will be abolished and all vacant posts will be filled.
	The high vacancy rate relates primarily to RTI officers who need six months, training before being appointed permanently.
	Once the reconciliation of posts is complete, a detailed costing exercise will be undertaken. The Department has submitted all information in terms of the department of Labour's requirements.
UNAUTHORISED EXPENDITURE	Awaiting approval from Provincial Treasury.

Approval

The attached Annual Financial Statements have been approved by the Accounting Officer.



Mr B. C. Hlabisa
Acting Head: Transport
31 May 2007

REPORT OF THE AUDITOR-GENERAL

TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 12 – KWAZULU-NATAL DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the KwaZulu-Natal Department of Transport, which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 166 to 223.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.
3. This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

4. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
5. I conducted my audit in accordance with the International Standards on Auditing and *General Notices 645 and 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

REPORT OF THE AUDITOR–GENERAL
FOR THE YEAR ENDED 31 MARCH 2007

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

7. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The KwaZulu-Natal Department of Transport's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

Opinion

10. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Department of Transport as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as described in accounting policy 1.1 and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

11. **Transfer of immovable assets**
 In terms Provincial Treasury Circular No. 1, dated 29 August 2007, an interim measure has been issued, which determined that the custodianship of immovable assets have been vested with the KwaZulu-Natal Department of Works (Works). In compliance therewith, immovable assets totalling R95 million have been transferred to Works during the 2006-2007 financial year, as disclosed in note 28 to the financial statements.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

12. Non-compliance with applicable legislation
12.1 Human resources management

Notwithstanding the absence of a policy, officials were still remunerated for overtime worked, totalling R39,55 million. Moreover, overtime payments exceeded 30 per cent

REPORT OF THE AUDITOR-GENERAL
FOR THE YEAR ENDED 31 MARCH 2007

of employees' basic salaries by an amount of R17,80 million. This is contrary to Part V section D2(a) and D2(D) of the Public Service Regulation of 2001, and the Public Service Commission Bargaining Council Resolution No. 3 of 1999, Part VII, section 3.1, which requires a department to have a written overtime policy before they may compensate employees for overtime worked.

12.2 Suspense accounts not cleared

The deposit clearing and bank exception suspense accounts were not fully cleared on a monthly basis, as required by section 40(1)(a) of the PFMA, Treasury Regulation 17.1(b), (Suspense accounts) and BAS Notice No. 2 of 2007.

13. Material corrections made to the financial statements submitted for audit

The financial statements approved by the accounting officer and submitted for audit on 31 May 2007 were revised and corrected in respect of the following material misstatements identified during the audit:

- 13.1 Property, plant and equipment comprising other fixed structures (roads) as disclosed in note 28 to the financial statements was overstated by R21,02 million due to the incorrect capitalisation of current expenditure. This amount also included assets below R5000 totalling R1,20 million, which were incorrectly capitalised.
- 13.2 Equipment less than R5000 as disclosed in note 5 to the financial statements was overstated, resulting in an adjustment of R1,22 million.
- 13.3 Payments totalling R1,28 million, which were not for lease costs, were incorrectly allocated to goods and services. This resulted in an adjustment of transport assets disclosed in note 28 to the financial statements by this amount.
- 13.4 Departmental revenue was incorrectly allocated to motor vehicle licence tax, instead of sales of goods and services and non-capital assets, which resulted in a correcting adjustment of R4,66 million in note 2 to the financial statements.
- 13.5 Departmental revenue as well as cash and cash equivalents were understated by an amount of R4,06 million at year-end, which was corrected in the accounting records in note 2 to the financial statements.

14. Value for money matters

Human resources strategic plan

A value for money test on human resources management revealed the following:

- (a) The human resources strategic plan (HRSP) was not approved by the head of department.
- (b) The draft HSRP did not indicate the number of employees that were required to reduce the vacancy in the department.
- (c) The draft HRSP did not contain statistics for vacancies.
- (d) The strategies in the draft HRSP were not costed.
- (e) The average vacancy rate (funded posts) amounted to 5,6 per cent.

REPORT OF THE AUDITOR-GENERAL
FOR THE YEAR ENDED 31 MARCH 2007

- (f) The equity plan indicating how transformation that should be addressed was not provided.

15. Internal control

- (a) Control environment

Transfer of immovable assets – Specific policies, procedures and guidelines were not timeously developed by the KwaZulu-Natal Provincial Treasury to ensure that the transfer of immovable assets was correctly treated.

Human resources strategic plan – Management did not adequately prepare, update and approve the human resources strategic plan to ensure it as being integral to the entire well-being of the department.

- (b) Control activities

Human resource management – Policies and procedures were not developed and implemented by management with regard to overtime remuneration to ensure adherence to prescribed legislation.

Suspense accounts not cleared – These accounts were not timeously cleared due to the lack of adequate independent management reconciliations and reviews.

Material corrections made to financial statements submitted for audit – Policies and procedures were not adequately implemented to ensure that proper classification and recording take place throughout the entire life cycle of each transaction including authorisation, initiation, processing, and final classification in the financial statements. Furthermore, management did not continually monitor the quality of information captured and maintained as measured by factors such as appropriateness of content, accuracy and completeness thereof.

16. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

17. I have audited the performance information as set out on pages 155 to 158.

Responsibilities of the accounting officer

18. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the KwaZulu-Natal Department of Transport.

REPORT OF THE AUDITOR-GENERAL
FOR THE YEAR ENDED 31 MARCH 2007

Responsibility of the Auditor-General

19. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *and General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.
20. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
21. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

22. No audit findings

APPRECIATION

23. The assistance rendered by the staff of the KwaZulu-Natal Department of Transport during the audit is sincerely appreciated.


H. van Zyl for Auditor-General

Pietermaritzburg

31 August 2007



AUDITOR-GENERAL

ACCOUNTING POLICIES

for the year ended 31 March 2007

The 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 Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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 accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

1.3 Rounding

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 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.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

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 reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year, relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3. Expenditure

3.1 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 payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹. All other payments are classified as current expense.

Social contributions include the employer's 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 payment is effected on the system.

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post-employment retirement benefits

The department provides retirement benefits (pension 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 payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under *goods and services*.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary.

4.5 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.6 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project. Disclosure Notes 28 and 29 reflect the total movement in the asset register for the current financial year.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is 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 included in the disclosure notes.

5.1 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2007

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/ Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

7. Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regard to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel, including their family members where relevant, is included in the disclosure notes.

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

Annual Financial Statements

	Appropriation per programme										
	2006/07						2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
1. ADMINISTRATION											
Current payment	90,384	-	-	90,384	91,561	(1,177)	101.3%	82,912	82,210		
Transfers and subsidies	264	-	-	264	2,046	(1,782)	775.0%	333	2,850		
Payment for capital assets	18,077	-	-	18,077	15,116	2,961	83.6%	12,446	10,596		
2. ROAD INFRASTRUCTURE											
Current payment	502,069	-	-	502,069	487,023	15,046	97.0%	388,813	424,162		
Transfers and subsidies	12,470	-	-	12,470	12,456	14	99.9%	4,863	4,646		
Payment for capital assets	1,389,013	-	-	1,389,013	1,406,235	(17,222)	101.2%	1,334,521	1,299,375		
3. TRANSPORTATION											
Current payment	73,489	-	-	73,489	76,639	(3,150)	104.3%	25,303	28,154		
Transfers and subsidies	8,900	-	-	8,900	5,915	2,985	66.5%	7,800	5,834		
Payment for capital assets	1,000	-	-	1,000	830	170	83.0%	1,000	109		
4. TRAFFIC MANAGEMENT											
Current payment	319,286	-	-	319,286	320,131	(845)	100.3%	304,167	298,959		
Transfers and subsidies	200	-	-	200	434	(234)	217.0%	376	643		
Payment for capital assets	69,663	-	-	69,663	68,582	1,081	98.4%	65,969	70,831		
5. COMMUNITY BASED PROGRAMMES											
Current payment	37,498	-	-	37,498	31,600	5,898	84.3%	31,881	37,234		
Transfers and subsidies	20	-	-	20	7	13	35.0%	33	30		
Payment for capital assets	14,500	-	-	14,500	20,411	(5,911)	140.8%	18,500	13,133		
6. SPECIAL FUNCTIONS											
Current payment	-	-	-	-	201	(201)	0.0%	-	258		
Total	2,536,833	-	-	2,536,833	2,539,187	(2,354)	100.1%	2,278,917	2,279,024		
Reconciliation with Statement of Financial Performance											
Add: Departmental receipts				812,247				703,249			
Local and foreign aid assistance				41,488				-			
Actual amounts per Statements of Financial Performance (Total revenue)				3,390,568				2,982,166			
Add: Local and foreign aid assistance				17,926							
Actual amounts per Statements of Financial Performance (Total expenditure)				2,557,113				2,279,024			

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007

	Appropriation per economic classification								
	2006/07				2005/06				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	401,743	-	-	401,743	404,180	(2,437)	100.6%	387,452	388,972
Goods and services	620,983	-	-	620,983	602,747	18,236	97.1%	445,624	481,704
Interest and rent on land	-	-	-	-	26	(26)	0.0%	-	43
Financial transactions in assets and liabilities	-	-	-	-	202	(202)	0.0%	-	258
Transfers and subsidies									
Provinces and municipalities	15,100	-	-	15,100	10,369	4,731	68.7%	6,798	1,575
Departmental agencies and accounts	-	6,084	-	6,084	6,648	(564)	109.3%	5,974	6,737
Public corporations and private enterprises	-	-	-	-	71	(71)	0.0%	-	225
Non-profit institutions	-	-	-	-	51	(51)	0.0%	-	-
Households	6,754	(6,084)	-	670	3,719	(3,049)	555.1%	633	5,466
Payments for capital assets									
Buildings and other fixed structures	1,430,612	-	-	1,430,612	1,445,413	(14,801)	101.0%	1,389,281	1,357,348
Machinery and equipment	61,641	-	-	61,641	65,624	(3,983)	106.5%	43,155	32,527
Software and other intangible assets	-	-	-	-	137	(137)	0.0%	-	4,169
Total	2,536,833	-	-	2,536,833	2,539,187	(2,354)	100.1%	2,278,917	2,279,024

Annual Financial Statements

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 1 – ADMINISTRATION

Programme per sub-programme	2006/07						2005/06		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	3,900	-	-	3,900	5,301	(1,401)	135.9%	3,729	5,276
Payment for capital assets	79	-	-	79	-	79	0.0%	60	58
1.2 Management									
Current payment	11,470	-	-	11,470	11,820	(350)	103.1%	13,953	8,555
Transfers and subsidies	-	-	-	-	24	(24)	0.0%	-	-
Payment for capital assets	116	-	-	116	29	87	25.0%	130	115
1.3 Corporate Support									
Current payment	54,069	-	-	54,069	50,263	3,806	93.0%	49,490	51,231
Transfers and subsidies	-	-	-	-	743	(743)	0.0%	-	-
Payment for capital assets	6,365	-	-	6,365	10,981	(4,616)	172.5%	3,811	2,009
1.4 Programme Support Office									
Current payment	20,945	-	-	20,945	24,177	(3,232)	115.4%	15,740	17,148
Transfers and subsidies	264	-	-	264	1,279	(1,015)	484.5%	333	2,850
Payment for capital assets	11,517	-	-	11,517	4,106	7,411	35.7%	8,445	8,414
Total	108,725	-	-	108,725	108,723	2	100.0%	95,691	95,656

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 1 – ADMINISTRATION

Economic Classification	2006/07					2005/06			
	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
Current payment									
Compensation of employees	36,916	-	-	36,916	44,290	(7,374)	120.0%	36,350	39,272
Goods and services	53,468	-	-	53,468	47,245	6,223	88.4%	46,562	42,895
Interest and rent on land	-	-	-	-	26	(26)	0.0%	-	43
Transfers and subsidies									
Provinces and municipalities	80	-	-	80	20	60	25.0%	159	159
Departmental agencies and accounts	-	184	-	184	742	(558)	403.3%	174	937
Non-profit institutions	-	-	-	-	27	(27)	0.0%	-	-
Households	184	(184)	-	-	1,257	(1,257)	0.0%	-	1,754
Payment for capital assets									
Buildings and other fixed structures	11,100	-	-	11,100	12,931	(1,831)	116.5%	5,119	10,193
Machinery and equipment	6,977	-	-	6,977	2,185	4,792	31.3%	7,327	403
Total	108,725	-	-	108,725	108,723	2	100.0%	95,691	95,656

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 2 – ROAD INFRASTRUCTURE

Programme per sub-programme	2006/07				2005/06				
	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
1.1 Programme Support Office									
Current payment	71,619	-	-	71,619	46,601	25,018	65.1%	40,787	40,623
Transfers and subsidies	6,886	-	-	6,886	1,593	5,293	23.1%	1,888	1,881
Payment for capital assets	22,477	-	-	22,477	38,565	(16,088)	171.6%	75,979	75,680
1.2 Planning									
Current payment	11,984	-	-	11,984	9,792	2,192	81.7%	10,939	10,274
Payment for capital assets	1,482	-	-	1,482	605	877	40.8%	1,390	1,295
1.3 Design									
Current payment	11,044	-	-	11,044	-	11,044	0.0%	-	-
Payment for capital assets	1,825	-	-	1,825	5,485	(3,660)	300.5%	10,254	6,432
1.4 Construction									
Current payment	9,768	-	-	9,768	3,248	6,520	33.3%	3,656	4,142
Payment for capital assets	943,120	-	-	943,120	965,088	(21,968)	102.3%	892,942	926,511
1.5 Maintenance									
Current payment	390,912	-	-	390,912	427,382	(36,470)	109.3%	329,829	369,123
Transfers and subsidies	-	-	-	-	462	(462)	0.0%	-	-
Payment for capital assets	420,109	-	-	420,109	396,492	23,617	94.4%	353,956	289,457
1.6 Financial Assistance									
Current payment	6,742	-	-	6,742	-	6,742	0.0%	3,602	-
Transfers and subsidies	5,584	-	-	5,584	10,401	(4,817)	186.3%	2,975	2,765
Total	1,903,552	-	-	1,903,552	1,905,714	(2,162)	100.1%	1,728,197	1,728,183

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 2 – ROAD INFRASTRUCTURE

Economic Classification	2006/07				2005/06				
	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
Current payment									
Compensation of employees	151,370	-	-	151,370	162,029	(10,659)	107.0%	150,366	167,604
Goods and services	350,699	-	-	350,699	324,993	25,706	92.7%	238,447	256,558
Financial transactions in assets and liabilities	-	-	-	-	1	(1)	0.0%	-	-
Transfers and subsidies									
Provinces and municipalities	11,800	-	-	11,800	10,194	1,606	86.4%	4,230	911
Public corporations and private enterprises	-	-	-	-	102	(102)	0.0%	-	225
Households	670	-	-	670	2,160	(1,490)	322.4%	633	3,510
Payment for capital assets									
Buildings and other fixed structures	1,359,674	-	-	1,359,674	1,367,308	(7,634)	100.6%	1,314,521	1,279,098
Machinery and equipment	29,339	-	-	29,339	38,790	(9,451)	132.2%	20,000	16,108
Software and other intangible assets	-	-	-	-	137	(137)	0.0%	-	4,169
Total	1,903,552	-	-	1,903,552	1,905,714	(2,162)	100.1%	1,728,197	1,728,183

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 3 – TRANSPORTATION

Economic Classification	2006/07						2005/06		
	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
Current payment									
Compensation of employees	12,523	-	-	12,523	13,241	(718)	105.7%	9,779	11,863
Goods and services	60,966	-	-	60,966	63,398	(2,432)	104.0%	15,524	16,291
Transfers and subsidies									
Provinces and municipalities	3,000	-	-	3,000	9	2,991	0.3%	2,000	34
Departmental agencies and accounts	-	5,900	-	5,900	5,906	(6)	100.1%	5,800	5,800
Households	5,900	(5,900)	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	1,000	-	-	1,000	24	976	2.4%	1,000	-
Machinery and equipment	-	-	-	-	806	(806)	0.0%	-	109
Total	83,389	-	-	83,389	83,384	5	100.0%	34,103	34,097

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 4 – Traffic Management

Programme per sub programme	2006/07				2005/06				
	Adjusted Appropriation R'000	Shifting of Funds	Virement	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 Programme Support Office									
Current payment	11,559	-	-	11,559	8,519	3,040	73.7%	11,010	12,137
Transfers and subsidies	200	-	-	200	356	(156)	178.0%	376	643
Payment for capital assets	270	-	-	270	214	56	79.3%	71	(150)
1.2 Safety Engineering									
Payment for capital assets	17,738	-	-	17,738	11,078	6,660	62.5%	34,641	32,699
1.3 Traffic Law Enforcement									
Current payment	161,638	-	-	161,638	170,757	(9,119)	105.6%	147,610	154,494
Transfers and subsidies	-	-	-	-	55	(55)	0.0%	-	-
Payment for capital assets	38,002	-	-	38,002	37,526	476	98.7%	17,286	24,803
1.4 Road Safety Education									
Current payment	53,260	-	-	53,260	49,058	4,202	92.1%	50,582	50,767
Transfers and subsidies	-	-	-	-	23	(23)	0.0%	-	-
Payment for capital assets	173	-	-	173	87	86	50.3%	164	164
1.5 Transport Administration and Licencing									
Current payment	87,829	-	-	87,829	83,478	4,351	95.0%	89,965	79,157
Payment for capital assets	13,480	-	-	13,480	19,677	(6,197)	146.0%	13,807	13,315
1.6 Overload Control									
Current payment	5,000	-	-	5,000	8,319	(3,319)	166.4%	5,000	2,404
Total	389,149	-	-	389,149	389,147	2	100.0%	370,512	370,433

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 4 – TRAFFIC MANAGEMENT

Economic Classification	2006/07				2005/06				
	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
Current payment									
Compensation of employees	188,841	-	-	188,841	178,896	9,945	94.7%	180,702	164,360
Goods and services	130,445	-	-	130,445	141,235	(10,790)	108.3%	123,465	134,599
Transfers and subsidies									
Provinces and municipalities	200	-	-	200	139	61	69.5%	376	441
Public corporations & private enterprises	-	-	-	-	(31)	31	0.0%	-	-
Non-profit institutions	-	-	-	-	24	(24)	0.0%	-	-
Households	-	-	-	-	302	(302)	0.0%	-	202
Payment for capital assets									
Buildings and other fixed structures	44,838	-	-	44,838	44,817	21	100.0%	51,141	54,953
Machinery and equipment	24,825	-	-	24,825	23,765	1,060	95.7%	14,828	15,878
Total	389,149	-	-	389,149	389,147	2	100.0%	370,512	370,433

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 5 – COMMUNITY BASED PROGRAMME

Programme per sub programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Programme Support Office									
Current payment	28,262	-	-	28,262	28,919	(657)	102.3%	24,881	29,861
Transfers and subsidies	20	-	-	20	7	13	35.0%	33	30
Payment for capital assets	6,128	-	-	6,128	4,917	1,211	80.2%	5,397	-
1.2 Community Development									
Current payment	2,250	-	-	2,250	2,533	(283)	112.6%	7,000	7,378
1.3 Emerging Contractor Development									
Current payment	6,986	-	-	6,986	148	6,838	2.1%	-	(5)
Payment for capital assets	8,372	-	-	8,372	15,494	(7,122)	185.1%	13,103	13,133
Total	52,018	-	-	52,018	52,018	-	100.0%	50,414	50,397

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 5 – COMMUNITY BASED PROGRAMME

Economic Classification	2006/07						2005/06		
	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
Current payment									
Compensation of employees	12,093	-	-	12,093	5,724	6,369	47.3%	10,255	5,873
Goods and services	25,405	-	-	25,405	25,876	(471)	101.9%	21,626	31,361
Transfers and subsidies									
Provinces and municipalities	20	-	-	20	7	13	35.0%	33	30
Payment for capital assets									
Buildings and other fixed structures	14,000	-	-	14,000	20,333	(6,333)	145.2%	17,500	13,104
Machinery and equipment	500	-	-	500	78	422	15.6%	1,000	29
Total	52,018	-	-	52,018	52,018	-	100.0%	50,414	50,397

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007
DETAIL PER PROGRAMME 6 – SPECIAL FUNCTIONS

Annual Financial Statements

Programme per sub programme	2006/07						2005/06		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Authorised Losses									
Current payment	-	-	-	-	201	(201)	0.0%	-	258
Total	-	-	-	-	201	(201)	0.0%	-	258

Economic Classification	2006/07						2005/06		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Financial transactions in assets and liabilities	-	-	-	-	201	(201)	0.0%	-	258
Total	-	-	-	-	201	(201)	0.0%	-	258

NOTES TO APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007

1. **Details of transfers and subsidies as per Appropriation Act (after Virement):**

Details of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (B-F) to the Annual Financial Statements.

2. **Details of specifically and exclusively appropriated amounts voted (after Virement):**

Details of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. **Details on financial transactions in assets and liabilities**

Details of these transactions per programme can be viewed in note 7 (Details of special functions [thefts and losses]) to the Annual Financial Statements.

4. **Explanations of material variances from Amounts Voted (after Virement):**

4.1 **Per Programme**

Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Administration	108,725	108,723	2	0.002
Road Infrastructure	1,903,552	1,905,714	(2,162)	0.114
Transportation	83,389	83,384	5	0.006
Traffic Management	389,149	389,147	2	0.001
Community Based Programme	52,018	52,018	-	-
Special Functions	-	201	(201)	-

The overspending of R2,162 m in Road Infrastructure was due to unforeseen and unexpected costs incurred as a result of storm damage to roads during December 2006 and January 2007.

4.2 **Per Economic classification**

2006/07
R'000

2005/06
R'000

Current payments:

Compensation of employees	(2,437)	(1,520)
Goods and services	18,236	(36,080)
Interest and rent on land	(26)	(43)
Financial transactions in assets and liabilities	(202)	(258)

NOTES TO THE APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
Transfers and subsidies:		
Provinces and municipalities	4,731	14,223
Departmental agencies and accounts	(564)	(763)
Public corporations and private enterprises	(71)	(225)
Non-profit institutions	(51)	-
Households	(3,049)	(4,833)
Payments for capital assets:		
Buildings and other fixed structures	(14,801)	31,933
Machinery and equipment	(3,983)	10,628
Software and other intangible assets	(137)	(4,169)

STATEMENT OF THE FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	2,536,833	2,278,917
Departmental revenue	2	812,247	703,249
Local and foreign aid assistance	3	41,488	-
TOTAL REVENUE		3,390,568	2,982,166
EXPENDITURE			
Current expenditure			
Compensation of employees	4	404,180	388,972
Goods and services	5	602,747	481,704
Interest and rent on land	6	26	43
Financial transactions in assets and liabilities	7	202	258
Total current expenditure		1,007,155	870,977
Transfers and subsidies	8	20,858	14,003
Expenditure for capital assets			
Buildings and other fixed structures	9	1,445,413	1,357,348
Machinery and equipment	9	65,624	32,527
Local and foreign aid assistance	3	17,926	-
Total expenditure for capital assets		1,529,100	1,394,044
TOTAL EXPENDITURE		2,557,113	2,279,024
SURPLUS			
Add back unauthorised expenditure	10	2,364	258
NET SURPLUS FOR THE YEAR		835,819	703,400
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund	14	10	151
Departmental Revenue to be surrendered to the Revenue Fund	15	812,247	703,249
Local and foreign aid assistance	3	23,562	-
NET SURPLUS FOR THE YEAR		835,819	703,400

STATEMENT OF THE FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		265,500	112,977
Unauthorised expenditure	10	57,290	54,926
Cash and cash equivalents	11	110,716	3,282
Prepayments and advances	12	376	141
Receivables	13	97,118	54,628
TOTAL ASSETS		265,500	112,977
LIABILITIES			
Current liabilities		263,953	111,716
Voted funds to be surrendered to the Revenue Fund	14	10	(19,849)
Departmental revenue to be surrendered to the Revenue Fund	15	217,109	(18,825)
Bank overdraft	16	-	116,942
Payables	17	23,272	33,448
Local and foreign aid assistance unutilised	3	23,562	-
TOTAL LIABILITIES		263,953	111,716
NET ASSETS		1,547	1,261
Represented by:			
Recoverable revenue		1,547	1,261
TOTAL		1,547	1,261

STATEMENT OF CHANGE IN ASSETS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		1,261	512
Transfers		286	749
Irrecoverable amounts written off	7.3	(145)	(226)
Debts recovered (included in departmental receipts)		(1,395)	-
Debts raised		1,826	975
Closing balance		<u>1,547</u>	<u>1,261</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,389,061	2,955,664
Annual appropriated funds received	1.1	2,536,833	2,258,917
Departmental revenue received		810,740	696,747
Local and foreign aid assistance received	3	41,488	-
Net (increase) in working capital		(55,265)	(7,673)
Surrendered to Revenue Fund		(556,464)	(700,808)
Current payments		(1,007,155)	(870,977)
Unauthorised expenditure – Current payment	10	2,364	-
Transfers and subsidies paid		(20,858)	(14,003)
Net cash flow available from operating activities	18	1,751,683	1,362,203
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(1,529,100)	(1,394,044)
Proceeds from sale of capital assets	2.3	1,507	6,502
Net cash flows from investing activities		(1,527,593)	(1,387,542)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		286	749
Net cash flows from financing activities		286	749
Net increase/(decrease) in cash and cash equivalents		224,376	(24,590)
Cash and cash equivalents at the beginning of year		(113,660)	(89,070)
Cash and cash equivalents at end of year	19	110,716	(113,660)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments:

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Administration	108,725	108,725	-	95,691
Road Infrastructure	1,903,552	1,903,552	-	1,728,197
Transportation	83,389	83,389	-	34,103
Traffic Management	389,149	389,149	-	370,512
Community-Based Programme	52,018	52,018	-	50,414
Total	2,536,833	2,536,833	-	2,278,917

2006/07	2005/06
R'000	R'000

2.2 Conditional grants

Total grants received	Annexure 1A	348,194	315,121
Provincial grants included in Total Grants received		-	-

(** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

2. Departmental revenue to be surrendered to revenue fund

Description	Note	2006/07 R'000	2005/06 R'000
Tax revenue		717,899	624,302
Sales of goods and services other than capital assets	2.1	70,989	50,422
Fines, penalties and forfeits		19,724	20,158
Interest, dividends and rent on land	2.2	67	45
Sales of capital assets	2.3	1,507	6,502
Financial transactions in assets and liabilities	2.4	2,061	1,820
Total revenue collected		812,247	703,249

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	70,989	48,856
Administrative fees	479	393
Other sales	70,510	48,463
Sales of scrap, waste and other used current goods	-	1,566
Total	70,989	50,422

2.2 Interest, dividends and rent on land

Interest	67	45
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2.3 Sales of capital assets

Other capital assets	1,507	6,502
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2.4 Financial transactions in assets and liabilities

Nature of loss recovered

Other Receipts including Recoverable Revenue	2,061	1,820
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3. Local and Foreign aid assistance

3.1 Assistance received in cash: Other

Local

Opening balance	-	-
Revenue	41,488	-
Expenditure	(17,926)	-
Closing balance	23,562	-
	Annexure 1G	

Analysis of balance

Local and foreign aid unutilised	23,562	-
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		171,340	158,715
Performance award		6,419	5,435
Service Based		2,166	1,320
Compensative/circumstantial		43,288	36,377
Periodic payments		6,182	14,515
Other non-pensionable allowances		140,160	139,241
Sub-Total		369,555	355,603
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		21,300	20,597
Medical		13,081	12,659
Bargaining council		58	58
Insurance		186	55
Sub-Total		34,625	33,369
Total compensation of employees		404,180	388,972
Average number of employees		4,017	4,064
5. Goods and services			
Advertising		12,033	8,234
Attendance fees (including registration fees)		1,399	1,120
Bursaries (employees)		269	1,389
Communication		27,792	26,567
Computer services		22,746	40,052
Consultants, contractors and special services		137,989	94,383
Courier and delivery services		232	119
Driver's licences and permits		40	47
Entertainment		2,091	1,927
External audit fees	5.1	2,304	2,125
Equipment less than R5000		3,844	7,166

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
Freight service		58	72
Honoraria (Voluntary workers)		634	-
Inventory	5.2	57,331	54,624
Legal fees		1,779	7,329
Maintenance, repairs and running cost		231,465	169,911
Medical services		4,184	1,892
Municipal services		8,599	5,088
Operating leases		28,816	8,239
Personnel agency fees		3,530	3,097
Photographic services		51	51
Plant flowers and other decorations		58	67
Printing and publications		2,329	2,546
Professional bodies and membership fees		-	4
Resettlement cost		715	364
Roadworthy tests		8	8
Subscriptions		98	137
Taking over of contractual obligations		332	4,726
Owned leasehold property expenditure		18,381	12,996
Translations and transcriptions		22	21
Transport provided as part of the departmental activities		537	-
Travel and subsistence	5.3	27,858	22,366
Venues and facilities		2,759	858
Protective, special clothing & uniforms		58	23
Training & staff development		2,406	4,156
Total goods and services		602,747	481,704
5.1 External audit fees			
Regulatory audits		2,304	1,880
Other audits		-	245
Total external audit fees		2,304	2,125

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
5.2 Inventory			
Inventory surcharges		-	12
Domestic consumables		4,190	2,752
Learning and teaching support material		304	407
Food and food supplies		202	104
Fuel, oil and gas		19,009	20,918
Laboratory consumables		291	505
Other consumables		330	41
Parts and other maintenance material		22,234	21,270
Stationery and printing		10,357	8,670
Road construction and supplies		347	(153)
Medical supplies		20	39
Weapons and armaments		47	59
Total inventory		57,331	54,624
5.3 Travel and subsistence			
Local		26,471	22,086
Foreign		1,387	280
Total travel and subsistence		27,858	22,366
6. Interest and rent on land			
Interest expense		3	-
Rent on land		23	43
Total interest and rent on land		26	43
7. Financial transactions in assets and liabilities			
Other material losses written off	7.1	57	32
Debts written off	7.2	145	226
Total		202	258
7.1 Other material losses written off			
Nature of losses			
Vehicle collisions and damages		57	32

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
7.2 Debts written off			
Nature of debts written off			
Salary overpayment		40	126
Other staff-related write-off		94	30
State guarantees		11	70
Total		145	226
7.3 Irrecoverable amounts written off			
Salary overpayment		40	126
Other staff related write-off		94	30
State guarantees		11	70
Total		145	226
8. Transfers and subsidies			
Provinces and municipalities	Annexure 1B	10,369	1,575
Departmental agencies and accounts	Annexure 1C	6,648	6,737
Public corporations and private enterprises	Annexure 1D	71	225
Non-profit institutions	Annexure 1E	51	-
Households	Annexure 1F	3,719	5,466
Total		20,858	14,003
9. Expenditure for capital assets			
Buildings and other fixed structures		1,445,413	1,357,348
Machinery and equipment		65,624	32,527
Software and other intangible assets		137	4,169
- computer software		137	-
- other intangibles		-	4,169
Total		1,511,174	1,394,044
The following amount for Compensation of employees has been included in Expenditure for capital assets as project costs:		171,199	157,292

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
10. Unauthorised expenditure			
10.1. Reconciliation of unauthorised expenditure			
Opening balance		54,926	54,668
Unauthorised expenditure – current year		2,364	258
Unauthorised expenditure awaiting authorisation		<u>57,290</u>	<u>54,926</u>
10.2 Analysis of Current Unauthorised expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
Overspending on Programme 2	-	<u>2,364</u>	
11. Cash and cash equivalents			
Cash with commercial banks (local)		111,572	-
Cash receipts		859	3,281
Disbursements		(1,878)	(162)
Cash on hand		163	163
Total		<u>110,716</u>	<u>3,282</u>
12. Prepayments and advances			
Description			
Travel and subsistence		<u>376</u>	<u>141</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

					2006/07 R'000	2005/06 R'000
13. Receivables						
	Note	Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	13.1	2,090	778	-	2,868	2,440
Other Debtors	13.2	111	1,968	-	2,079	2,118
Intergovernmental Receivables	Annexure 4	92,171	-	-	92,171	50,070
Total		94,372	2,746	-	97,118	54,628
13.1 Staff Debtors						
Debtor Debt					2,604	2,461
Tax Debt					231	22
Salary Disallowance					-	(43)
Other					33	-
Total					2,868	2,440
13.2 Other debtors						
Dishonoured Cheques					110	147
Disallowance Miscellaneous					1,968	1,968
Pension Recoverable					1	3
Total					2,079	2,118
14. Voted funds to be surrendered to the Revenue Fund						
	Note					
Opening balance					(19,849)	24
Transfer from Statement of Financial Performance					10	151
Voted funds not requested/not received	14.1				-	(20,000)
Paid during the year					19,849	(24)
Closing balance					10	(19,849)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
14.1 Voted funds not requested/not received		
Funds not received	-	20,000

In 2006/07 the Department surrendered R151,000 to the Provincial Revenue Fund and R20 million was received by the Department from the Provincial Revenue Fund.

15. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	(18,825)	(21,290)
Transfer from Statement of Financial Performance	812,247	703,249
Paid during the year	(576,313)	(700,784)
Closing balance	217,109	(18,825)

In 2006/07 the Department surrendered R595,137 million to the Provincial Revenue Fund and R18,825 million was received by the Department from the Provincial Revenue Fund.

16. Bank overdraft

Cash with commercial banks (local)	-	116,942
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17. Payables – current

Description

	Notes	30 Days	30+ Days	Total	Total
Amounts owing to other entities	Annexure 5	-	244	244	-
Advances received	17.1	22,596	-	22,596	33,206
Other payables	17.2	432	-	432	242
Total		23,028	244	23,272	33,448

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
17.1 Advances received			
National Department of Transport – Bus Subsidies		21,732	31,760
Other		864	1,446
Total		22,596	33,206
17.2 Other payables			
Tender Deposits		2	1
Regional Service Council		-	1
Income Tax		-	39
Persal ACB Recalls		210	196
Pension Deductions		13	4
Other		207	1
Total		432	242
18. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		835,819	703,400
Add back non cash/cash movements not deemed operating activities		915,864	658,803
(Increase) in receivables – current		(42,490)	(22,933)
(Increase) in prepayments and advances		(235)	(17)
(Increase) in other current assets		(2,364)	(258)
(Decrease)/Increase in payables – current		(10,176)	15,277
Proceeds from sale of capital assets		(1,507)	(6,502)
Expenditure on capital assets		1,529,100	1,394,044
Surrenders to Revenue Fund		(556,464)	(700,808)
Voted funds not received		-	(20,000)
Net cash flow generated by operating activities		1,751,683	1,362,203
19. Reconciliation of cash and cash equivalents for cash flow purposes			
Cash with commercial banks (local)		111,572	(116,942)
Cash receipts		859	3,281
Disbursements		(1,878)	(162)
Cash on hand		163	163
Total		110,716	(113,660)

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2006/07 R'000	2005/06 R'000	
20. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annexure 3A	1,742	2,118
Claims against the department		Annexure 3B	63,428	* 63,428
Other departments (interdepartmental unconfirmed balances)		Annexure 5	1,058	35
Total		66,228	65,581	

* This amount was not disclosed in the prior year and has been brought in as an opening balance.

21. Commitments

Current expenditure

Approved and contracted	345	-
Sub-total	345	-

Non current expenditure

Approved and contracted	52,236	102,590
Approved but not yet contracted	44,810	8,917
Sub-total	97,046	111,507

Total Commitments	97,391	111,507
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22. Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Compensation of employees	210	-	210	196
Goods and services	60,841	-	60,841	26,170
Interest and rent on land	-	-	-	22
Transfers and subsidies	-	-	-	11,309
Buildings and other fixed structures	68,227	-	68,227	67,676
Machinery and equipment	2,888	-	2,888	1,021
Total	132,166	-	132,166	106,394

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2006/07 R'000	2005/06 R'000
Listed by programme level			
Administration		4,864	5,027
Road Infrastructure		115,420	89,699
Transportation		571	1,289
Traffic Management		8,563	9,371
Community Based Programme		2,748	1,008
Total		132,166	106,394
Confirmed balances with other departments	Annexure 5	1,491	1,532
23. Employee benefit provisions			
Leave entitlement		14,461	12,680
Thirteenth cheque		12,868	11,996
Performance awards		8,335	7,595
Capped leave commitments		67,765	65,471
Total		103,429	97,742
24. Key management personnel			
	No. of individuals		
Political office bearers (provide detail below)	1	773	649
Officials			
Level 15 to 16	3	2,595	2,434
Level 14	3	1,782	1,582
Family members of key management personnel	2	607	529
Total		5,757	5,194
25. Receivables for departmental revenue			
Tax Revenue – licence fees		39,549	17,999

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
26. Irregular expenditure			
26.1 Reconciliation of irregular expenditure			
Opening balance		1,967	-
Irregular expenditure – current year		-	1,967
Irregular expenditure awaiting condonement		1,967	1,967
Analysis of awaiting condonement per classification			
Current expenditure		1,967	1,967
Analysis of awaiting condonement per age classification			
Current		-	1,967
Prior years		1,967	-
Total		1,967	1,967

26.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings		
Fraudulent payments	The parties concerned have been dismissed from the service. The asset forfeiture unit has seized some of their assets.	-	2,549
	Amount recovered	-	(492)
Total		-	1,967

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

27. Lease commitments

	Land R'000	Buildings & other fixed structures R'000	Machinery & equipment R'000	Total R'000
27.1 Operating leases 2006/2007				
Not later than 1 year	-	1,188	16	1,204
Later than 1 year but not later than 5 years	-	2,018	13,426	15,444
Total present value of lease liabilities	-	3,206	13,442	16,648
27.2 Finance leases 2006/2007				
Not later than 1 year	-	-	344	344
Later than 1 year but not later than 5 years	-	-	1,140	1,140
Total present value of lease liabilities	-	-	1,484	1,484
Analysis				
Condoned	-	-	1,484	1,484
Total			1,484	1,484

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

28. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals/ Transfer	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	3,699,406	-	1,445,413	94,514*	5,050,305
Other fixed structures	3,699,406	-	1,445,413	-	5,050,305
MACHINERY AND EQUIPMENT	315,229	-	65,624	-	380,853
Transport assets	56,683	-	24,179	-	80,862
Furniture and office equipment	16,857	-	5,914	-	22,771
Other machinery and equipment	241,689	-	35,531	-	277,220
TOTAL TANGIBLE ASSETS	4,014,635	-	1,511,037	94,514	5,431,158

Note

* Disposals/transfer relates to improvements to non-residential buildings that was transferred to the Department of Works (refer to note 28.2). The balance of other fixed structures comprises of the road network.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

28.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash cost R'000	Non-cash Fair Value R'000	Capital Work in Progress current costs Cost R'000	Received current, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	1,445,413	-	-	-	1,445,413
Other fixed structures	1,445,413	-	-	-	1,445,413
MACHINERY AND EQUIPMENT	65,624	-	-	-	65,624
Transport assets	24,179	-	-	-	24,179
Furniture and office equipment	5,914	-	-	-	5,914
Other machinery and equipment	35,531	-	-	-	35,531
TOTAL CAPITAL ASSETS	1,511,037	-	-	-	1,511,037

Note

Minor assets include assets below R 5,000. They, however, exclude assets above R 5,000 which are used as input into capital projects, in which instance the amounts are capitalised as part of the project.

2007 – R 3,844

2006 – R 7,166

DISCLOSURE NOTES THE ANNUAL FINANCIAL STATEMENTS
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28.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Sold (cash) cost R'000	Non-cash Fair Value R'000	Total Cost R'000	Cash Received Actual R'000
BUILDING AND OTHER FIXED STRUCTURES	-	94,514	94,514	4
Other fixed structures	-	94,514	94,514	4
MACHINERY AND EQUIPMENT	-	-	-	1,503
Transport assets	-	-	-	1,498
Computer equipment	-	-	-	2
Furniture and office equipment	-	-	-	1
Other machinery and equipment	-	-	-	2
TOTAL	-	94,514	94,514	1,507

Note

Included in Non-cash Fair value disposals are disposals of immovable assets amounting to R 94,514m.

These immovable assets have been transferred to the Department of Works.

A breakdown of these transferred assets are as follows:

	R'000
Dwellings	-
Non-residential buildings	-
Other fixed structures	94,514*
Heritage assets	-
TOTAL	94,514

* Included in the R 94,514m is an amount of R 22,000m which was erroneously disclosed as a separate line item in the prior financial years disclosure notes.

28.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	2,342,058	1,357,348	-	3,699,406
Other fixed structures	2,342,058	1,357,348	-	3,699,406
MACHINERY AND EQUIPMENT	279,528	35,701	-	315,229
Transport assets	42,144	14,539	-	56,683
Furniture and office equipment	4,961	11,896	-	16,857
Other machinery and equipment	232,423	9,266	-	241,689
TOTAL TANGIBLE ASSETS	2,621,586	1,393,049	-	4,014,635

DISCLOSURE NOTES THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	4,239	-	137	-	4,376
TOTAL INTANGIBLE ASSETS	4,239	-	137	-	4,376

29.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Develo-ment work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	137	-	-	-	137
TOTAL	137	-	-	-	137

29.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	70	4,169	-	4,239
TOTAL INTANGIBLE ASSETS	70	4,169	-	4,239

DISCLOSURE NOTES THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

30. Revenue Bank Account

The department has a separate bank account (account number 052985849) for the collection of revenue from the sale of motor vehicle licences. The funds from this account are transferred to the main bank account on a monthly basis by Provincial Treasury.

31. Events after the reporting date

31.1 Public servants' strike

The impact of the Public servants' strike which commenced on 1 June 2007 (and lasted approximately 4 weeks) cannot be quantified. However, the overall functioning of the Department was not adversely affected.

31.2 e-NaTIS

The new e-NaTIS was officially operational from Friday, 13 April 2007.

The NaTIS was the National Traffic Information System, used throughout the country as the Technology which enables the business process, mandated by National & Provincial Road Traffic legislation. In KwaZulu-Natal the seventy-two (72) Registering Authorities and sixty-five (65) Vehicle Testing Stations; appointed as agents to the Department, as well as 39 Driving Licence Testing Centres; all Major Manufacturers, Builders & Importers; all Law Enforcement Agencies (RTI & SAPS) and all Provincial Offices that functioned on the NaTIS system, these have now all been changed over to e-NaTIS system.

The e-NaTIS is a far more advanced application, with a move from an INGRESS to ORACLE platform; and is a centralised, web-enabled application.

31.3 KwaZulu-Natal Taxi Council

The Department has made an application to the Minister of Finance, via Provincial and National Treasury, to delist the KwaZulu-Natal Taxi Council as a public entity. This function will be incorporated into the activities of the Department.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2005/06	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of Available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Treasury (provincial infrastructure grant)	348,194	-	-	-	348,194	348,194	348,194	100.0%	315,121	315,121
TOTAL	348,194	-	-	-	348,194	348,194	348,194	100.0%	315,121	315,121

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2005/06 Total Available R'000	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		%
Indlovu District Municipality	-	-	-	-	-	0.0%	-	-	0.0%	26
Uthukela District Municipality	40	-	-	40	27	67.5%	27	27	100.0%	140
Zululand District Municipality	52	-	-	52	37	71.2%	37	37	100.0%	139
Ilembe District Municipality	3	-	-	3	9	300.0%	9	9	100.0%	35
Amajuba District Municipality	20	-	-	20	18	90.0%	18	18	100.0%	65
Umkhanyakude District Municipality	23	-	-	23	9	39.1%	9	9	100.0%	37
Ethekwini Municipality	11,170	-	-	11,170	10,022	89.7%	10,022	10,022	100.0%	206
Umgungundlovu District Municipality	163	-	-	163	163	100.0%	163	163	100.0%	604
Ugu District Municipality	30	-	-	30	18	60.0%	18	18	100.0%	72
Uthungulu District Municipality	47	-	-	47	38	80.9%	38	38	100.0%	152
Umzinyathi District Municipality	30	-	-	30	29	96.7%	29	29	100.0%	99
Msunduzi	1,000	-	-	1,000	-	0.0%	-	-	0.0%	-
Mtubatuba	-	-	-	(1)	-	0.0%	(1)	(1)	0.0%	-
Unallocated	2,522	-	-	2,522	-	0.0%	-	-	0.0%	-
TOTAL	15,100	-	-	15,100	10,369		10,369	10,369		1,575

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2005/06 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %		
KZN Taxi Council Compensation Commissioner	6,084	-	-	6,084	5,906	97.1%	5,800	
	-	-	-	-	742	0.0%	937	
TOTAL	6,084	-	-	6,084	6,648		6,737	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2005/06 Total Available R'000	
	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
Private Enterprises									
Claims against the state	-	-	-	-	-	0.0%	-	-	225
Non life insurance premiums	-	-	-	-	102	0.0%	-	-	-
Fines & penalties	-	-	-	-	(31)	0.0%	-	-	-
TOTAL	-	-	-	-	71	-	-	-	225

ANNEXURE 1E
STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			2005/06 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %		
Transfers								
Gifts and Donations	-	-	-	-	51	0.0%	-	-
TOTAL	-	-	-	-	51	0.0%	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2005/06 Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Claims against the State	670	-	-	670	1,221	182.2%	62
Payments as act of grace	-	-	-	-	-	0.0%	2,476
Retirement/severance/leave gratuity	-	-	-	-	2,231	0.0%	3
Gifts and donations	-	-	-	-	-	0.0%	124
Ethekwini municipality	-	-	-	-	-	0.0%	2,715
Sub-total	670	-	-	670	3,452		5,380
Subsidies							
Fencing subsidies	-	-	-	-	267	0.0%	86
Sub-total	-	-	-	-	267		86
TOTAL	670	-	-	670	3,719		5,466

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1G
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
National Department of Transport	Sani Pass	-	25,000	13,000	12,000
Uthungulu District Municipality	John Ross Highway	-	13,300	3,300	10,000
National Department of Transport	Overload control	-	1,295	635	660
South African National Roads Agency Limited	Shova Kalula Bicycle Project	-	1,893	991	902
TOTAL		-	41,488	17,926	23,562

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Annual Financial Statements

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
									R'000
ABSA Bank Limited	Housing	2,278	667	52	112	(16)	591	-	-
BOE Bank Limited	Housing	-	16	-	16	-	-	-	-
Peoples Bank FBC Fidelity Limited	Housing	65	13	-	-	-	13	-	-
FNB a Division of First Rand Bank	Housing	1,866	637	23	192	(50)	418	-	-
Ithala Bank Limited	Housing	367	34	36	-	-	70	-	-
Nedbank Limited	Housing	776	159	-	25	-	134	-	-
Nedbank (NBS)	Housing	272	54	-	-	-	54	-	-
Old Mutual (Nedbank/ Permanent Bank)	Housing	1,242	258	-	15	-	243	-	-
FNB (former Saambou Bank Limited)	Housing	208	48	-	-	(13)	35	-	-
Standard Bank of South Africa Limited	Housing	1,031	232	24	31	(41)	184	-	-
TOTAL		8,105	2,118	135	391	(120)	1,742	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2007 R'000
Claims against the department Unfinalised cases	63,428	-	-	-	63,428
TOTAL	63,428	-	-	-	63,428

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding 31/03/2007		Confirmed balance outstanding 31/03/2006		Unconfirmed balance outstanding 31/03/2007		Unconfirmed balance outstanding 31/03/2006		Total	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTEMENTS										
Correctional Services	-	796	-	326	796	796	-	326	1592	326
Education	-	2	-	3	2	2	-	3	4	3
Government Employees Pension Fund	-	1	-	-	1	1	-	-	2	-
Government Communications	-	71	-	71	71	71	-	71	142	71
Home Affairs	-	78	-	79	78	78	-	79	157	79
Independent Complaints Commission	-	12	-	11	12	12	-	11	23	11
Judicial Inspectorate of Prisons	-	10	-	1	10	10	-	1	11	1
Justice	-	6,655	-	4,629	6,655	6,655	-	4,629	11,284	4,629
Labour	-	60	-	89	60	60	-	89	120	89
Land Affairs	-	39	-	40	39	39	-	40	79	40
Office of the President	-	32	-	29	32	32	-	29	61	29
Public Prosecution	-	7	-	9	7	7	-	9	16	9
Public Services Commission	-	5	-	4	5	5	-	4	10	4
SA Human Rights	-	10	-	10	10	10	-	10	20	10
Social Welfare	-	4	-	4	4	4	-	4	8	4
South African Police	-	14	-	14	14	14	-	14	28	14
Sports, Arts and Culture	-	121	-	102	121	121	-	102	223	102
Statistics South Africa	-	16	-	8	16	16	-	8	24	8
Transport	-	-	-	819	-	-	-	819	819	819
Water Affairs and Forestry	-	7	-	2	7	7	-	2	10	2
Trade and Industry	-	1	-	1	1	1	-	1	2	1
Treasury	-	1	-	1	1	1	-	1	2	1
Other	-	847	-	137	847	847	-	137	984	137
Sub-total	-	8,789	-	6,389	8,789	8,789	-	6,389	15,178	6,389

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES (CONTINUED)

Government Entity	Confirmed balance outstanding 31/03/2007		31/03/2006		Unconfirmed balance outstanding 31/03/2007		31/03/2006		Total	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS										
Agriculture	-	-	-	-	4,322	2,541	4,322	2,541	4,322	2,541
Economic Affairs	-	-	-	-	5	2	5	2	5	2
Education	4,280	3,870	3,870	-	-	97	4,280	3,967	4,280	3,967
Health	19,477	18,382	18,382	-	39,113	903	58,590	19,285	58,590	19,285
Housing	-	1,185	1,185	-	-	5	-	1,190	-	1,190
Local Government and Traditional Affairs	-	327	327	-	1,075	471	1,075	798	1,075	798
Office of the Premier	-	-	-	-	641	232	641	232	641	232
Provincial Legislature	-	-	-	-	-	454	-	454	-	454
Provincial Taxi Office	-	-	-	-	293	293	293	293	293	293
Provincial Treasury	-	-	-	-	538	140	538	140	538	140
Provincial Treasury-Inventory	-	-	-	-	4,178	4,178	4,178	4,178	4,178	4,178
Royal Household	399	936	936	-	-	-	399	936	399	936
Safety and Security	-	-	-	-	220	256	220	256	220	256
Social Welfare	-	-	-	-	2,253	8,692	2,253	8,692	2,253	8,692
Works	-	-	-	-	1,233	490	1,233	490	1,233	490
Other	-	-	-	-	2,559	(1,179)	2,559	(1,179)	2,559	(1,179)
Sub-total	24,156	24,700	24,700	56,430	17,575	80,568	42,275	80,568	42,275	42,275
PUBLIC ENTITIES										
National Public Entities	-	-	-	-	2,730	1,398	2,730	1,398	2,730	1,398
Sub-total	-	-	-	2,730	1,398	2,730	1,398	2,730	2,730	1,398

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

Annual Financial Statements

ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES (CONTINUED)

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
OTHER GOVERNMENT ENTITIES						
Claims recoverable: Departments from other provinces	-	-	66	6	66	8
Sub-total	-	-	66	8	66	8
Total	24,156	24,700	68,015	25,370	92,171	50,070

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding 31/03/2007		31/03/2006		Unconfirmed balance outstanding 31/03/2007		31/03/2006		TOTAL	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Amounts NOT included in statement of financial position										
Current										
Office of the Premier	-	-	-	19	-	-	-	-	-	19
KwaZulu-Natal Works	1,247	616	-	-	-	1,247	-	616	1,247	616
Provincial Treasury	-	916	154	-	154	-	154	-	154	916
Health	-	-	889	-	889	-	-	-	889	-
Safety and Security	-	-	-	16	-	-	16	-	-	16
Education	-	-	15	-	15	-	-	-	15	-
Total	1,247	1,532	1,058	35	1,058	2,305	35	1,567	2,305	1,567
Amounts included in statement of financial position										
Current										
Housing	244	-	-	-	-	-	-	-	244	-
Total	244	-	-	-	-	-	-	-	244	-

Annual Financial Statements



Part 5

Human Resources

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KwaZulu-Natal Transport

Sector: Public Works, Roads and Transport

Output Type / Performance Measures per Programme	Target for 2006/07 Strategic Plan	Actual Output	Variance
Programme 2: Road Infrastructure			
Offer accredited technical training courses (T2)	30	36	6
Number of kilometres surfaced roads upgraded	76	74	-2
Number of kilometres new surfaced roads constructed P577	1	1	0
Number of square metres surfaced roads rehabilitated	660,000	1,023,770	363,770
Number of kilometres gravel roads constructed	420	330	-90
Number of kilometres of labour-based construction	14	14	0
Number of causeways constructed	49	57	8
Number of bridges constructed	1	1	0
Number of pedestrian bridges constructed	11	13	2
Number of square metres resealed tarred roads	1,000,000	1,229,939	229,939
Number of square metres of blacktop patching	120,000	141,025	21,025
Number of kilometres of blading	85,000	85,479	479
Number of kilometres re-gravel roads	900	978	78
Number of kilometres maintained by Zibambele contractors	20,100	20,148	48
Programme 3: Public Transport			
Number of BEE and SMME public transport operators trained	100	319	219
Number of BEE and SMME freight transport operators trained	200	263	63
Number of BEE bicycle sales & service shops established in rural areas	5	2	-3
Undertake goal-directed enforcement of public transport (operational Shanela)	312	284	-28
Number of truck stops whose development has been facilitated by the Department	1	0	-1
Assist municipalities in preparing legislated transport plans (PTP's)	4	4	
Review Provincial Public Transport Framework	Review Complete	Review Complete	
Percentage complete of the plan for movement of dangerous goods	75% Complete	100% Complete	
Number of public transport enforcement unit officer	105	96	-9

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KwaZulu-Natal Transport

Output Type / Performance Measures per Programme	Target for 2006/07 Strategic Plan	Actual Output	Variance
Programme 4: Traffic Management			
Number of remedial safety engineering measures	40	32	2
Number of crossing patrol provided	79	79	0
Number of hours of manual speed timing activities	75,000	63,592	-11,408
Number of hours of automatic speed timing activities	24,000	33,328	9,328
Number of vehicles checked in roadblocks	15,000	31,616	16,616
Number of kilometres patrolled	4,500,000	6,817,657	2,317,657
Number of schools participating in Learner education programmes	285	298	13
Numer of participants attending adult education programme	30,000	0	-30,000
Number of awareness campaigns	21	29	8
Numer of participants attending adult pedestrian programme		36,000	36,000
Number of transport vehicles weighed	160,000	195,732	35,732
Number of hours of overloading control enforcement	25,000	19,967	-5,033
Number of traffic officers employed	450	481	31
Number law enforcement officers trained	600	135	-465
Number of ommunity Road Safety Councils (CRSCs) trained	42	40	-2
Percentage of licenses paid on time	97%	97%	0
Number of weighbridges maintained/calibrated	13	14	1
Programme 5: Community-Based Programme			
Number of Zibambele contractors employed	32,000	32,076	76
Number of Zibambele savings clubs established	900	912	12
Number of capacity-building and development sessions for RRTFs	93	64	-29
Number of public participation events facilitated - RRTF meetings	372	375	3
Number of public participation events facilitated - CRSC meetings	480	480	0
Number of persons employed - EPWP projects	47,000	40,965	-6,035
Number of person days of work created - EPWP projects	3,500,000	3,236,635	-263,365
Develop BEE scorecard	Review	Reviewed	
Develop Expanded Public Works (EPWP) implementation framework	Implement	Implemented	
Number of Vukuzakhe contractors trained	150	0	-150

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

Human Resources

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (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	108,723	44,290	534	12,907	40.7	174	255
Road Infrastructure	1,905,714	333,228	1,505	11,996	17.5	133	2,506
Public Transport	83,384	13,241	0	56,711	15.9	323	41
Traffic Management	389,147	178,896	362	39,780	46.0	151	1182
Community Based Programmes	52,018	5,724	0	21,518	11.0	440	13
Theft and losses	201	0	0	0	0.0	0	0
Z= Total as on Financial Systems (BAS)	2,539,187	575,379	2,401	142,912	22.7	144	3,997

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R'000)	Total Compensation of Employees	Number of Employees
Lower skilled (Levels 1-2)	100,639	17,49	73	100,639	1,378
Skilled (Levels 3-5)	137,557	23,91	106	137,557	1,296
Highly skilled production (Levels 6-8)	222,763	38,72	211	222,763	1,054
Highly skilled supervision (Levels 9-12)	91,691	15,94	384	91,691	239
Senior management (Levels 13-16)	22,730	3,95	758	22,730	30
TOTAL	575,379	100	144	575,379	3,997

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

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 per Programme (R'000)
Administration	29,034	60	383	0.8	614	1.3	1,878	3.9	48,420
Road Infrastructure	155,756	43.3	1,272	0.4	5,378	1.5	7,903	2.2	359,456
Public Transport	5,726	46.8	106	0.9	123	1	315	2.6	12,223
Traffic Management	102,744	52.5	34,623	17.7	2,107	1.1	9,196	4.7	195,552
Community Based Programmes	1815	19.6	0	0	58	0.6	75	0.8	9,260
TOTAL	295,075	47.2	36,384	5.8	8,280	1.3	19,367	3.1	624,911

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 per Salary Band (R'000)
Lower skilled (Levels 1-2)	59,550	26.1	971	0.4	2,762	1.2	1,812	0.8	227,976
Skilled (Levels 3-5)	74,335	65.7	8,904	7.9	2,166	1.9	5,449	4.8	113,205
Highly skilled production (Levels 6-8)	107,137	57.4	20,326	10.9	2,307	1.2	9,054	4.8	186,741
Highly skilled supervision (Levels 9-12)	43,914	56.4	6,183	7.9	854	1.1	2,612	3.4	77,857
Senior management (Levels 13-16)	10,139	53	0	0	191	1	440	2.3	19,132
TOTAL	29,5075	47.2	36,384	5.8	8,280	1.3	19,367	3.1	62,4911

Human Resources

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KWAZULU-NATAL TRANSPORT

Human Resources

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
1. Administration	417	255	38.8	16
2. Road Infrastructure	4138	2506	39.4	13
3. Public Transport	125	41	67.2	0
4. Traffic Management	1571	1182	24.8	1
5. Community-Based Programme	22	13	40.9	1
TOTAL	6273	3997	36.3	31

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)	2365	1378	41.7	1
Skilled (Levels 3-5)	1943	1297	33.2	25
Highly skilled production (Levels 6-8)	1555	1044	32.9	4
Highly skilled supervision (Levels 9-12)	372	248	33.3	1
Senior management (Levels 13-16)	38	30	21.1	0
TOTAL	6273	3997	36.3	31

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
TOTAL	0	0	0	0

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KWAZULU-NATAL TRANSPORT

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	2,365	12	0.5	3	25	0	0
Skilled (Levels 3-5)	1,943	161	8.3	26	16.1	5	3.1
Highly skilled production (Levels 6-8)	1,555	132	8.5	30	22.7	0	0
Highly skilled supervision (Levels 9-12)	372	35	9.4	12	34.3	2	5.7
Senior Management Service Band A	31	1	3.2	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	6,273	341	5.4	71	20.8	7	2.1

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	6	4		1	11
Male	11	3	4	3	21
Total	17	7	4	4	32
Employees with a Disability	0	0	0	0	0

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1 April 2006 to 31 MARCH 2007 – KWAZULU-NATAL TRANSPORT

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TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Nil	0				
Total	0				3997
Percentage of Total Employment	0				

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KWAZULU-NATAL TRANSPORT

TABLE 5.1 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2006)	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
TOTAL	0	0	0	0	0

TABLE 5.2 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2006)	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)	1595	0	0	1365	85,6
Skilled (Levels 3-5)	1152	12	1	902	78,3
Highly skilled production (Levels 6-8)	1017	25	2,5	722	71
Highly skilled supervision (Levels 9-12)	234	18	7,7	160	68,4
Senior management (Levels 13-16)	29	2	6,9	26	89,7
TOTAL	4027	57	1,4	3175	78,8

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KwaZulu-Natal Transport

Human Resources

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	10	0	0	10	6	5	0	0	5	1	22
Professionals	391	45	162	598	150	182	18	61	261	61	1070
Clerks	139	18	39	196	22	301	34	127	462	153	833
Service and sales workers	63	2	3	68	2	4	0	0	4	0	74
Craft and related trades workers	125	11	29	165	53	13	0	1	14	0	232
Plant and machine operators and assemblers	333	0	1	334	0	2	0	0	2	0	336
Elementary occupations	1276	2	9	1287	6	135	0	1	136	1	1430
TOTAL	2337	78	243	2658	239	642	52	190	884	216	3997
Employees with disabilities	5	0	0	5	1	3	0	2	5	0	11

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

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	0	1	2	0	1	0	0	1	1	4
Senior Management	11	0	0	11	7	6	0	1	7	1	26
Professionally qualified and experienced specialists and mid-management	78	9	25	112	56	43	2	17	62	9	239
Skilled technical and academically qualified workers, junior management, supervisors, foremen	292	34	134	460	141	166	24	88	278	175	1054
Semi-skilled and discretionary decision-making	734	33	77	844	30	285	25	83	393	29	1296
Unskilled and defined decision making	1221	2	6	1229	5	141	1	1	143	1	1378
TOTAL	2337	78	243	2658	239	642	52	190	884	216	3997
Employees with disabilities	5	0	0	5	1	3	0	2	5	0	11

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KwaZulu-Natal Transport

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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
Professionally qualified and experienced specialists and mid-management	3	0	0	3	0	2	0	1	3	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen	22	0	1	23	1	24	1	3	28	0	52
Semi-skilled and discretionary decision making	117	5	16	138	3	143	9	20	172	2	315
Unskilled and defined decision making	1	0	1	2	0	4	0	0	4	0	6
TOTAL	143	5	18	166	4	173	10	24	207	2	379
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

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
Top Management	0	0	1	1	0	0	0	0	0	1	2
Senior Management	10	0	1	11	8	5	0	1	6	1	26
Professionally qualified and experienced specialists and mid-management	50	10	22	82	49	28	0	12	40	7	178
Skilled technical and academically qualified workers, junior management, supervisors, foremen	183	26	118	327	124	103	15	56	174	124	749
Semi-skilled and discretionary decision-making	608	22	46	676	24	121	18	54	193	23	916
Unskilled and defined decision-making	1207	2	6	1215	6	137	1	1	139	1	1361
TOTAL	2058	60	194	2312	211	394	34	124	552	157	3232
Employees with disabilities	6	0	0	6	1	3	0	1	4	0	11

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 MARCH 2007 – KwaZulu-Natal Transport

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TABLE 6.5 - Terminations

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	0	0	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	4	1	0	5	2	1	0	0	1	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen	19	3	4	26	14	13	0	1	14	15	69
Semi-skilled and discretionary decision making	128	4	15	147	5	68	9	13	90	5	247
Unskilled and defined decision making	113	0	0	113	1	4	0	0	4	0	118
TOTAL	264	8	19	291	23	86	9	14	109	20	443
Employees with disabilities	0	0	0	0	1	0	0	0	0	0	1

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

TABLE 6.6 - Disciplinary Action

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
Counselling	1	1	0	2	0	1	0	1	2	0	5
Verbal Warning	6	0	2	8	0	0	0	0	0	0	8
Written Warning	4	2	3	9	0	2	1	2	5	0	14
Final Written Warning		0	3	3	0	0	1	0	1	1	5
Suspension	5	0	4	9	2	0	0	0	0	0	11
Demotion	0	0	1	1	1	0	0	0	0	0	2
Dismissal	2	0	1	3	0	0	1	1	2	0	5
Not guilty	0	0	0	0	0	1	0	0	0	0	1
Case withdrawn	0	0	0	0	1	1	0	0	0	0	1
TOTAL	18	3	14	35	4	5	3	4	10	1	52

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

Human Resources

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	13			13	7	7		1	8	2	30
Professionals	39	1	19	59	38	13	2	13	28	12	137
Technicians and Associate Professionals	355	46	148	549	114	175	17	55	247	60	970
Clerks	129	16	37	182	22	291	33	119	443	141	788
Service and Sales Workers	82	2	3	87	2	4			4		93
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	124	11	26	161	51	14		1	15		227
Plant and Machine Operators and Assemblers	54			54		1			1		55
Elementary Occupations	1541	2	10	1553	5	137		1	138	1	1697
TOTAL	2337	78	243	2658	239	642	52	190	884	216	3997
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

HUMAN RESOURCES OVERSIGHT

1 April 2006 to 31 March 2007 – KwaZulu-Natal Transport

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	203	639	31.8	1,399	6,893
African, Male	580	2332	24.9	3,052	5,261
Asian, Female	81	188	43.1	691	8,528
Asian, Male	80	243	32.9	835	10,434
Coloured, Female	18	52	34.6	109	6,076
Coloured, Male	26	78	33.3	228	8,762
Total Blacks, Female	302	879	34.4	2,200	7,283
Total Blacks, Male	686	2653	25.9	4,114	5,997
White, Female	125	216	57.9	1,030	8,243
White, Male	121	238	50.8	1,621	13,397
Employees with a disability	5	11	45.5	58	11,657
TOTAL	1239	3997	31	9,023	7,283

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)	308	1378	22.4	939	3,049
Skilled (Levels 3-5)	305	1296	23.5	1,187	3,892
Highly skilled production (Levels 6-8)	462	1054	43.8	3,537	7,656
Highly skilled supervision (Levels 9-12)	137	239	57.3	2,490	18,175
TOTAL	1212	3967	30.6	8153	6727

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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)
TOTAL	0	0	0	0	0

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	22	17	129,4	635	28,864	4.6	13,733
Band B	3	10	30	121	40,333	4.7	2,601
Band C	2	2	100	115	57,500	6.9	1,657
Band D	0	1	0	0	0	0	0
TOTAL	27	30	90	871	32259	4.8	17991

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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
Abnormal Appointment	2	33,3	2	33,3	0	0	2	2	0
Skilled (Levels 3-5)	1	16,7	1	16,7	0	0	1	1	0
Highly skilled supervision (Levels 9-12)	3	50	3	50	0	0	3	3	0
TOTAL	6	100	6	100	0	0	6	6	0

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	16,7	0	0	1	1	0
Other occupations	2	33,3	2	33,3	0	0	2	2	0
Professionals and managers	3	50	3	50	0	0	3	3	0
TOTAL	6	100	6	100	0	0	6	6	0

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TABLE 9.1 - Sick Leave for 1 January 2006 to 31 December 2006

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)	5101	90,1	667	27.5	8	797	4595
Skilled (Levels 3-5)	5730	102,4	790	32.6	7	1,228	5866
Highly skilled production (Levels 6-8)	5416	72,4	773	31.9	7	2,043	3921
Highly skilled supervision (Levels 9-12)	1034	79,3	176	7.3	6	745	820
Senior management (Levels 13-16)	122	80,3	16	0.7	8	242	98
TOTAL	17403	87,9	2422	100	7	5055	15300

TABLE 9.2 - Disability Leave (Temporary and Permanent) for 1 January 2006 to 31 December 2006

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)	2244	100	85	23.8	26	349	2243
Skilled (Levels 3-5)	1537	98,9	88	24.6	17	336	1520
Highly skilled production (Levels 6-8)	3910	99,6	168	47.1	23	1,446	3893
Highly skilled supervision (Levels 9-12)	237	99,6	14	3.9	17	169	236
Senior management (Levels 13-16)	21	100	2	0.6	11	41	21
TOTAL	7949	99,5	357	100	22	2341	7913

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TABLE 9.3 - Annual Leave for 1 January 2006 to 31 December 2006

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	32796,08	23	1431
Skilled (Levels 3-5)	24462,52	19	1277
Highly skilled production (Levels 6-8)	23457	22	1055
Highly skilled supervision (Levels 9-12)	5067	20	248
Senior management (Levels 13-16)	582	19	31
TOTAL	86364,6	21	4042

TABLE 9.4 - Capped Leave for 1 January 2006 to 31 December 2006

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2006	Number of Employees as at 31 December 2006
Lower skilled (Levels 1-2)	605	6	75	105	100315	1329
Skilled (Levels 3-5)	323	7	84	45	60613	721
Highly skilled production (Levels 6-8)	596	6	69	102	57725	840
Highly skilled supervision (Levels 9-12)	99	6	83	17	15948	193
Senior management (Levels 13-16)	3	2	138	2	2890	21
TOTAL	1626	6	77	271	237491	3104

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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 2006/07 due to non-utilisation of leave for the previous cycle	224	35	6400
Capped leave payouts on termination of service for 2006/07	939	285	3295
Current leave payout on termination of service for 2006/07	80	43	1860
TOTAL	1243	363	3424

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 & related diseases (if any)	Key steps taken to reduce the risk
All Employees in the Department	All employees have been exposed to educational 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 these containers with condoms on a regular basis and the EAP Component monitors this.
	Should any employee, whilst performing their daily functions, come into contact with blood, at the Department's cost they will receive the necessary Post Exposure Prophylaxis treatment at a private hospital.

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programme

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 the health and wellbeing 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		The EAP component became fully functional in 2003. Since 2006 the component has been changed to the Employee Wellness programme. The component currently has an Assistant Manager in charge who reports to the SGM. Due to the re-structuring, posts have not been filled and there is an ATE assisting with Admin duties. The budget allocation for the financial year 2006/2007 is R5 million.
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 social or personal 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.

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Question	Yes	No	Details, if yes
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 stakeholder(s) that they represent.	Yes		The Department is made up of five (5) Regions and in each Region an EAP/HIV/AIDS committee has been constituted comprising, of at least 10 members within each Region. The functions of these delegates is to assist with the coordination of various projects and programmes and the referrals of employees to EAP for assistance. Regional committees are chaired by the Deputy Managers(DM): Corporate Services who in turn represent their Regions once a month at a Departmental meeting at Head Office. The names of these officials and their Regional representatives are:- Gugu Hlabisa(DM) and Richard Burns(Pietermaritzburg), Sinah Hlela(DM), Joyce Mabanga and Pinky Mangole(Empangeni), David Mthembu(DM) and Pretty Dube(Durban), Agnes Ndlovu(DM) and Denton Mayaba(Ladysmith). 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 status? If so, list the employment policies/ practices so reviewed.	Yes		All policies and practices have been and are regularly reviewed.
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 of confidentiality.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		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 an HIV test done.

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Question	Yes	No	Details, if yes
			<p>When an employee comes to the clinic they are informed of the various tests available to them 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 Lab to get a confirmation test done as well as a CD4 and Viral Load test for which the EAP Budget pays. They are then told that once the result is confirmed positive they will be put onto the EAP/HIV/AIDS Wellness programme for HIV/AIDS and given a monthly supply of combination medication. Their health monitored on a monthly basis thereafter.</p>
			<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 they need support to manage HIV/AIDS 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. 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 multi-vitamins 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 & 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>

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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	5	9.6
Verbal Warning	8	15.4
Written Warning	14	27.0
Final Written Warning	5	9.6
Suspension	11	21.2
Demotion	2	3.8
Dismissal	5	9.6
Not guilty	1	1.9
Case withdrawn	1	1.9
TOTAL	52	100

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total
Loss of Firearm	1	5.5
Failure to comply with instructions	2	11.0
Fraud	11	61.0
Absenteesim	1	5.5
Leaving workstation without authority	3	17.0
TOTAL	18	100

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total
Resolved	7	22
Not resolved	25	78
TOTAL	32	100

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TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	1	25
Settled	3	75
TOTAL	4	100%

TABLE 11.6 - Strike Actions

Strike Actions	
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	12
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	365
Cost (R'000) of suspensions	1,060,821

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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	10	0	34	0	34
	Male	20	0	51	0	51
Professionals	Female	40	0	0	0	0
	Male	97	0	0	0	0
Technicians and associate professionals	Female	307	0	26	0	26
	Male	663	0	47	0	47
Clerks	Female	584	0	198	0	198
	Male	204	0	192	0	192
Service and sales workers	Female	4	0	3	0	3
	Male	89	0	67	0	67
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	15	0	34	0	34
	Male	212	0	57	0	57
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	54	0	280	0	280
Elementary occupations	Female	139	0	134	0	134
	Male	1558	0	1254	0	1254
Gender sub totals	Female	1100	0	429	0	429
	Male	2897	0	1948	0	1948
Total		3997	0	2377	0	2377

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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	10	0	48	0	48
	Male	20	0	69	0	69
Professionals	Female	40	0	43	0	43
	Male	97	0	77	0	77
Technicians and associate professionals	Female	307	0	106	0	106
	Male	663	0	372	0	372
Clerks	Female	584	0	382	0	382
	Male	204	0	129	0	129
Service and sales workers	Female	4	0	0	0	0
	Male	89	0	9	0	9
Skilled agriculture and fishery workers	Female	0	0	3	0	3
	Male	0	0	11	0	11
Craft and related trades workers	Female	15	0	2	0	2
	Male	212	0	47	0	47
Plant and machine operators and assemblers	Female	1	0	1	0	1
	Male	54	0	83	0	83
Elementary occupations	Female	139	0	13	0	13
	Male	1558	0	510	0	510
Gender sub totals	Female	1100	0	598	0	598
	Male	2897	0	1307	0	1307
Total		3997	0	1905	0	1905

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	64	92.8
Temporary Total Disablement	4	5.8
Permanent Disablement	1	1.4
Fatal	0	0
Total	69	100

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TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Engineering Services	187	365	R 141,399,864
Management Advisory Services	88	365	R 146,935,342
Legal services	6	365	R 5,539,598

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
84	281	365	R 293,874,805

TABLE 14.2 - Analysis of consultant appointments using appropriated 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
Engineering Services	65%	66%	139
Management Advisory Services	70%	70%	79
Legal Services	100%	100%	6

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	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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