



transport

Department:

Transport

PROVINCE OF KWAZULU-NATAL



Prosperity through mobility

Annual Report
2013/14



transport

Department:
Transport

PROVINCE OF KWAZULU-NATAL

Moving Forward Prosperously

Foreword

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 Bordered

(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.



KwaZulu-Natal Department of Transport

Annual Report 2013/14

Mr T. W. Mchunu, MEC for Transport and Community Safety and Liaison

I have the honour of submitting the Annual Report of the *Department of Transport* for the period 1 April 2013 to 31 March 2014.



Mr T. W. Mchunu, MEC for Transport and Community Safety and Liaison

31 May 2014

Date

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part a

general information



transport

Department:

Transport

PROVINCE OF KWAZULU-NATAL

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List of Abbreviations/ Acronyms

DPSA	Department of Public Service and Administration
eNaTIS	Electronic National Administration Traffic Information System
EHW	Employee Health and Wellness
EPMDS	Employee Performance Management and Development System
ERM	Enterprise Risk Management
EPWP	Expanded Public Works Programme
GPSSBC	General Public Service Sectorial Bargaining Council
GIAMA	Government Immovable Asset Management Act
GWEA	Government Wide Enterprise Architecture Project
HOD	Head of Department
HEI(s)	Higher Education Institutions
HIV	Human Immunodeficiency virus
HR	Human Resource
KZN	KwaZulu-Natal
LSD	Legal Services Directorate
MAS	Management Advisory Services
MTEF	Medium Term Expenditure Framework
MEC	Member of Executive Committee
NEHAWU	National Education and Allied Workers Union
OSD	Occupational Specific Dispensation
PRASA	Passenger Rail Agency of South Africa
PMDS	Performance Management and Development System
PALAMA	Public Administration Leadership and Management Academy
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
PSI	Public Service Induction
PGDP	Provincial Growth and Development Plan
PGDPS	Provincial Growth and Development Strategy
PTOG	Public Transport Operations Grant
POPCRU	Police and Prisons Civil Rights Union
RRD	Roads for Rural Development
RNI	Roads of National Importance
RRTF	Rural Road Transport Forum
SACCO	Savings Clubs and Savings & Credit Cooperatives
SACCO	Savings and Credit Co-operatives
SETA	Sector Education and Training Authority
SMS	Senior Management Service
SARS	South African Revenue Services
SCM	Supply Chain Management
SITA	State Information Technology Agency
SIP2	Strategic Infrastructure Projects 2
TB	Tuberculosis
VECA	Vukuzakhe Emerging Contractor's Association



Foreword by MEC

Mr T. W. Mchunu – MEC for Transport, Community Safety & Liaison

I am strongly encouraged by the progress the KwaZulu-Natal Department of Transport has made over the last five years. Even as we say a lot remains to be done, we should applaud the establishment of sound governance structures and systems, and more importantly, the development of road and transport infrastructure. During the term under review, between 2009 and 2014, a total of R23.5 billion was invested in capital roads construction and maintenance projects. Well over 433 kilometres of gravel roads were upgraded to blacktop or tar and an additional 552 kilometres of tarred roads were rehabilitated. Thousands more of kilometres and millions of square metres of roads were maintained, re-gravelled, resealed and bladed. During the same time, we built 71 vehicle and pedestrian bridges, making it easy for people in the most underdeveloped areas such as in uMzinyathi and uThukela municipal districts.

Critically, we sought to spread the benefits of development across infrastructure, training and development, public transport as well as in licence administration and law enforcement. We mean business when we say our scholar transport today makes it possible for nearly 22 000 learners to travel to school for free. Add to this, the 9 000 Amashovashova bicycles that learners in rural areas use to get to school. But the story would not be complete without mentioning the fact that well over 8.5 million citizens in KwaZulu-Natal now enjoy subsidised public transport.

On the regulatory front, we established the Public Regulatory Entity to drive the formalisation of the public transport industry through a well-managed licensing regime. Administrative governance became central to having a stable organisation across different components. This entailed starting and finalising a new organisational structure suitable to take this department forward. In addition, in the past four years we received unqualified audits and two clean audits. But this is one part of the deal. The other part, which is going to be the main occupation of the next administration of government is socio-

economic transformation. In our case, we are talking of an escalated drive for socio-economic transformation across the entire transport value chain. In this regard, I wish to state that no laxity on the part of those given the responsibility to implement the change we desire and have agreed upon as per our government policy, will be tolerated. In the same way, the safety of citizens on our roads will receive even more attention. We cannot fail on our commit to meet or even exceed the 50 percent reduction of road accidents by 2020, as per the UN Decade of Action for Road Safety.

Our drive to overcome the triple challenges of unemployment, poverty and inequality, requires a new resolve and determination from the all of us, especially officials and employees in the public service. The achievements of the past 20 years since we attained our freedom and democracy, are a firm foundation upon which we should grow. Come 2030, and in line with the objectives of the National Development Plan, we should reflect from a position of relative satisfaction. We should say, as Oliver Reginald Tambo, the late former President of the ruling African National Congress, put it:

“Whilst our policies were in terms of our beliefs and convictions, they also reflected and served the people’s interests. Above all, we sought to make the people part and parcel of our decisions.”

Let us remain disciplined, people-centred and work to move South Africa forward to a better life for all.



Mr. T. W. Mchunu

MEC for Transport, Community Safety and Liaison



Report of the Accounting Officer

Mr B. S. Gumbi – Head: Transport

Overview of Operations

Our road infrastructure development programmes have continued to play a critical role in socioeconomic advancement of KwaZulu-Natal rural areas. They have also helped improve the quality of life of the people in the still largely underdeveloped areas. Road and transport infrastructure is also where the bulk of KwaZulu-Natal Department of Transport's budget is invested – to ensure the maintenance of existing tarred and gravel roads as well as construction of new access and upgraded roads.

Today, our province boasts a 7 400 kilometres-long tarred road network, which is helping connect communities to essential amenities such as schools, clinics, towns, and major economic corridors. By so doing, we are playing our critical role in socio-economic development, helping bolster the growth of tourism, agriculture, manufacturing, logistics and other sectors. Directly and indirectly, we facilitate and do create tens of thousands of job opportunities, helping push back the triple challenges of unemployment, poverty and inequality.

On the empowerment front, our department has established a regulatory framework intended to support emerging, largely Black contractors. This framework allows for preferential procurement procedures aligned to the Broad Based Black Economic Empowerment Act. Manifested in the Vukuzakhe Emerging Contractors Association (VECA), this programme is an example of the implementation of preferential procurement by the department, aimed at providing sustainable support to small contractors. Going forward, the focus will be on ensuring that VECA is structurally capacitated to fulfil its mandate of supporting emerging contractors. As well, VECA should look to leverage opportunities across the construction industry and beyond government opportunities.

Through the Zibambele Road Maintenance programme, for example, the department initiated a direct intervention to tackle unemployment and poverty. Inspired by the "Kenyan Lengthman" model, where maintenance of a length of a road is awarded to a household rather than an individual, families are now sustainably enrolled.

“Through the Zibambele Road Maintenance programme, for example, the department initiated a direct intervention to tackle unemployment and poverty. Inspired by the “Kenyan Lengthman” model, where maintenance of a length of a road is awarded to a household rather than an individual, families are now sustainably enrolled.”

In line with the requirements of the National Development Plan 2030 and the Provincial Growth and Development Plan, our department continued to make progress in the provision of agricultural link roads in rural areas.

These serve as nodes for agricultural activity and increase this provincial focus sector's potential. Roads were surfaced and tracks have been upgraded to gravel road status. Under this programme, bridges, causeways and pedestrian bridges are constructed.

The Rural Road Transport Forum (RRTF) plays an important role in ensuring that community needs and objectives are catered for. The RRTF is comprised of a variety of community stakeholders drawn from their respective tribal authorities.

The spread of investments per district underscores the emphasis the department places on creating a balanced road and transportation network province-wide. This is so because we remain convinced that prosperity of the province needs

to have a broad base and must impact directly on the marginalised members of our society.

The provision of road and transport infrastructure must meet the basic, developmental needs of the people and be sustainable.

The infrastructure budget and expenditure has increased substantially over the last few years. This has helped us drive construction and maintenance programmes of transport infrastructure including intermodal transport facilities which are helping smaller towns develop their integrated transport networks.

In future, especially in the medium term, our steadfast focus will be to ensure that we complete already running and previously committed projects.

As well, upholding the highest standards of clean governance will occupy centre stage in the department as we advance our economy-critical service delivery programmes.



Overview of Financial Results

Departmental Receipts

There had been generally steady increase in the amount of revenue collected by the Department over the MTEF period. The increase in revenue collection can be attributed to improved revenue collection strategies, higher than anticipated applications for new and renewal of motor vehicle licences, as well as higher than anticipated applications for learners' and drivers' licences.

Given that the Province has the highest motor vehicle registration and licensing fees, the growth over the MTEF is revised to 4 per cent in 2014/15.

In addition there had been a steady increase in the amount of revenue from 2010/11 to 2013/14 due to the higher than anticipated collection in terms of applications for learners' licences and applications and renewal of drivers' licences.

Fines, penalties and forfeits reflecting the collection of traffic fines resulting from road traffic infringements also showed steady increase which can be attributable to improved recovery strategies and measures put in place for the collection of fines receivable (such as traffic fines, parking transgressions, etc.). However, substantial decrease from 2014/15 onward is anticipated due to expected implementation of Administrative Adjudication of Road Traffic Offences (AARTO) where, after 30 days, a percentage of fines received will be recorded as departmental revenue. If the transgressor pays within the 30-day period, only 50 per cent of the fine is payable to the department, substantially reducing the revenue collected. This is an incentive to encourage transgressors to make timely payments.

There is Interest which mainly consists of items such as interest on staff debts. This had been a fluctuating trend over the MTEF as a result of difficulty in accurately projecting due to its uncertain nature.

Sale of capital assets reflects the sale of redundant vehicles and departmental plant.

Departmental receipt	2013-14			2012-13		
	Estimate	Actual amount collected	(Over)/Under collection	Estimate	Actual amount Collected	(Over)/Under collection
Tax Receipts						
Motor Vehicle Licences	1 370 000	1 396 323	(26 323)	1 250 000	1 318 621	(68 621)
Sale of Goods and Services other than capital assets	120 000	130 592	(10 592)	100 000	126 819	(26 819)
Transfers received	-	-	-	-	-	-
Fines Penalties and forfeits	40 000	38 186	1 814	40 000	50 318	(10 318)
Interest, dividends and rent on land	200	202	(2)	150	274	(124)
Sale of capital assets	2 500	4181	(743)	4 500	1 951	2 549
Financial transactions in assets and liabilities	1 800	7 814	(6 014)	1 200	4 282	(3 082)
Total	1 534 500	1 577 298	(41 860)	1 395 850	1 502 265	(106 415)

Programme Expenditure Payment Summary

- This section summarises the payments and budget estimates for the vote in terms of programmes and the Department applied the following broad assumptions when compiling the budget:
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2013/14, to be adhered to over the 2014/15 MTEF.

All inflation related increases are based on CPI projections.

The services rendered by the department are categorised under five programmes, which are largely aligned to the uniform budget and programme structure of the Transport sector.

The department's mission is to provide the public with integrated and accessible road and public transport infrastructure and to promote road and public transport safety, through the interaction of these five programme.

Appropriation per programme						
Appropriation	2013/14			2012/13		
	Final	Actual	Variance Appropriation	Final	Actual	Variance
	Expenditure			Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000
1. ADMINISTRATION	257 304	257 304	-	250 657	250 657	-
2. TRANSPORT INFRASTRUCTURE	5 987 086	5 990 958	(3 872)	5 754 087	5 766 900	(12 813)
3. TRANSPORT OPERATIONS	1 137 899	1 143 133	(5 234)	1 012 986	1 012 986	-
4. TRANSPORT REGULATIONS	621 318	621 318	-	571 338	566 332	5 006
5. COMMUNITY BASED PROGRAMME	42 474	42 474	-	54 726	53 433	1 293
TOTAL	8 046 081	8 055 187	(9 106)	7 643 794	7 650 308	(6 514)

Virements

Virements that have taken place during the 2013/14 Financial Year were as a result of savings identified between programmes and used to defray expenditure pressures against other programmes.

The purpose of these virements was to ensure service delivery and alignment to the Department's mandated objectives.

The virements that were applied in the 2013/14 Annual Financial Statements are as per the below:

Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	243 870	-	13 434	257 304	257 304	-
TRANSPORT INFRASTRUCTURE	5 975 806	-	11 280	5 987 086	5 990 958	(3 872)
TRANSPORT OPERATIONS	1 133 735	-	4 164	1 137 899	1 143 133	(5 234)
TRANSPORT REGULATIONS	655 660	-	(34 342)	621 318	621 318	-
COMMUNITY BASED PROGRAMME	37 010	-	5 464	42 474	42 474	-
Total	8 046 081	-	-	8 046 081	8 055 187	(9 106)

All of these virements are permissible in terms of the PFMA and the Treasury Regulations.

Public Private Partnerships

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

Discontinued activities/ activities to be discontinued

No activities have been discontinued during the financial year under review.

New/proposed activities

There are no new/proposed activities during the financial year under review

Supply Chain Management

List of unsolicited bid proposals concluded for the year under review

Any unsolicited bids received would have been dealt with in terms of the National Treasury Practice Note on unsolicited bids, however there were no unsolicited bids received during this reporting period.

List whether SCM processes are in place to prevent irregular expenditure

The Department has issued a financial procedure manual which includes various procedures relating to SCM expenditure in order to mitigate irregular expenditure

Challenges experienced in SCM and how they were resolved

Human Resource Structure shortcomings were noted in the Regional and Cost Centre offices. The SCM components were beefed up as part of the restructuring processes in the Department.

Gifts and Donations Received in kind from Non-Related Parties

The Department received equipment for Departmental sports day from South African Breweries valued at R14000.

Exemptions and Deviations received from the National Treasury

The National Treasury has exempted the department from complying with certain sections of the Government Immovable asset management Act, No 19 of 2007. In particular the department is exempted from the following:

- The disclosure of building & other fixed structures in the disclosure notes for the tangible assets for the current and prior year.
- The use of fair value to value assets which is referred to in the asset management policy set by the National Treasury.

No conditions apply to these exemptions for the year ended 31 March 2014.

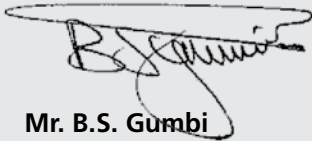
Events after the reporting date

Nil

Other

There is no other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs that is not addressed elsewhere in this report.

Approval



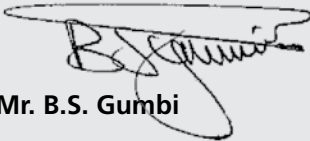
Mr. B.S. Gumbi

Head: Transport

31 May 2014

Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

I, Mr B. S Gumbi: Head: Transport confirms that the Annual Report and Financial Statements for the period 1 April 2013 to 31 March 2014 conform to the guidelines issued by National Treasury.



Mr. B.S. Gumbi

Head: Transport

31 May 2014

Vision

The department's vision is:

Prosperity through mobility.

Mission Statement

The Department's mission is:

While delivering on the Department's mandate and addressing the developmental needs of the Province, the Department will strive to provide the public with a road transportation system that is safe, integrated, regulated, affordable and accessible.

Strategic objectives

Strategic policy direction: The Department's strategic policy direction is to support rural development, poverty alleviation and job creation as the Department builds roads and bridges, provides safe integrated public transport systems, manages traffic and the safety of all road users.

The Department has set the following goals in order to achieve this:

- Provide access and mobility within the province.
- Effective management of the transport infrastructure network.
- Create an integrated land transport system.
- Promote a safe road environment.

Core functions

Turning the vision of the Department into reality can only be achieved by

focusing the attention and energy of all employees and relevant stakeholders on the performance of its core functions, namely:

Construct, maintain and repair the Provincial road network

The Department's mandate is to construct and maintain a balanced road network that meets the mobility needs of the citizens of KZN, and supports the National and Provincial growth and development strategies.

Plan, regulate and provide an integrated transportation system

The Department's mandate is to regulate public transport and ensure access to safe, efficient and affordable public transport. The Department is further mandated to facilitate development in the freight transport industry and the minimisation of negative externalities resultant from the transport of freight.

Manage Road Traffic

The Department's mandate is to create a safe road environment, through the reduction of road accidents. The main services rendered include road traffic enforcement, road safety education, the analysis and re-engineering of hazardous locations and the registration and licensing of vehicles.

Legislative and other Mandates

The key legislative mandates of the department are derived mainly from the following legislation:

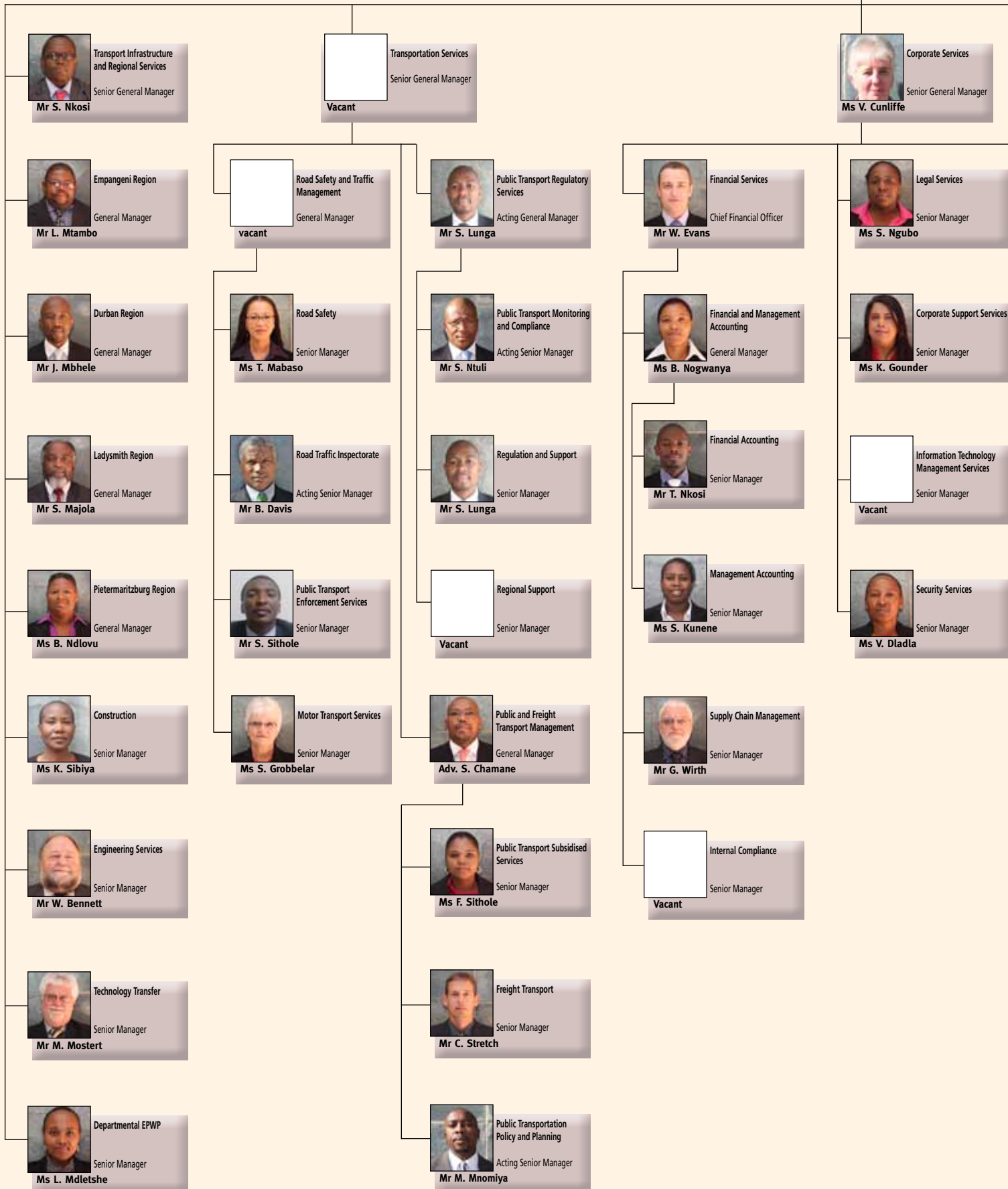
- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Cross-border Act (Act No. 4 of 1998)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998)
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- KZN Public Transport Act (Act No. 3 of 2005)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Transition Act (Act No. 22 of 2000)
- National Roads Act (Act No. 54 of 1971)
- National Road Traffic Act (Act No. 93 of 1996)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Urban Transport Act (Act No. 78 of 1977)

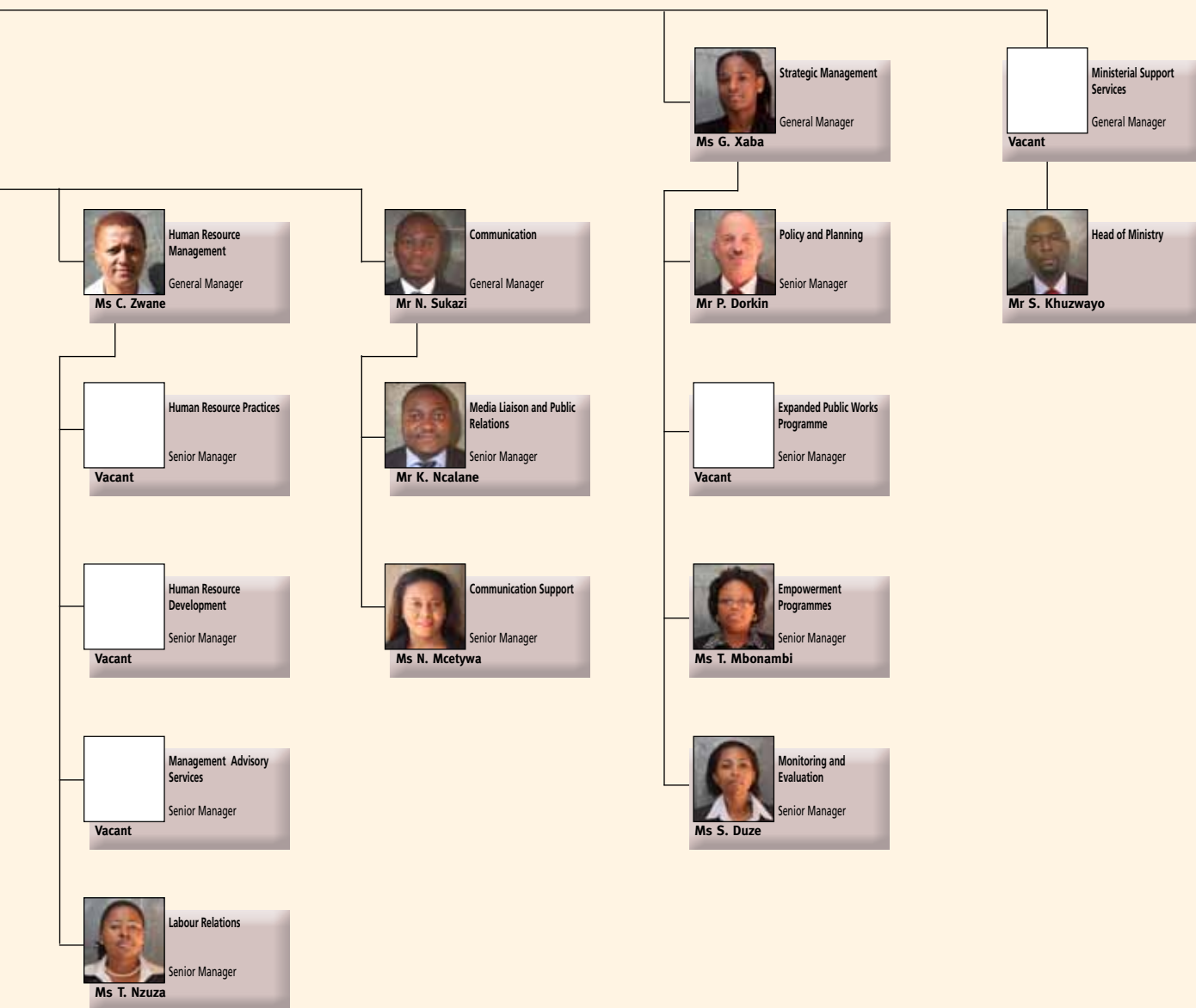


Organogram

MEMBER OF EXECUTIVE COMMITTEE
 MEC
Mr T.W. Mchunu

HEAD OF DEPARTMENT
 Head: Transport
Mr S. Gumbi





This organisational structure was approved by the MEC on 13/03/12. The official placement process has not been completed. The placement reflected is only a provisional placement.

Entities Reporting to the MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
VECA	<ul style="list-style-type: none"> Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003) Construction Industry Development Board Act (Act No. 38 of 2000) 	Transfer payment	Emerging Contactor Development
Hibiscus Coast Municipality	<ul style="list-style-type: none"> KZN Provincial Roads Act (Act No. 4 of 2001) 	Transfer payment	Infrastrucutre : Public Transport facilites





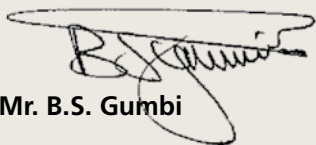


part b

performance information

Accounting Officers' Statement of Responsibility for Performance Information

I, Mr B. S Gumbi: Head: Transport have the honour of presenting the Department of Transport performance information per Programme for the period 1 April 2013 to 31 March 2014.



Mr. B.S. Gumbi

Head: Transport

31 May 2014

Programme / Subprogramme / Performance Measures						
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation	
Programme 1: Administration						
Percentage of women in management positions	43	54	42,5	11,5	Kindly note that there is a moratorium on the filling of posts due to the review of the organisational structure and it was envisaged that the entire process would have been finalised by the end of the financial period in question and posts filled. However, some of SMS posts have not been filled until such time that the review of the lower level structure is finalised. Furthermore, few management positions were advertised and those few that were advertised have not been filled as yet. However, the Department achieved and has maintained the achieved target of 50% women at SMS levels.	
Percentage of designated employees in management positions	84	76	82,9	6,9	Target achieved	
Percentage of persons with disabilities employed by the Department	0,67	0,68	0,7	0,02	Target achieved	
Programme 2: Transport Infrastructure						
Construction						
Number of lane-km of new surfaced roads constructed		20	4	-16	Due to major change to the scope of work on P577 brought about by Ethekwini Municipality, the construction programme was amended and therefore the work targeted was not achieved	
Number of kilometres of new gravel roads constructed	382	270	228	-42	Regions encountered problems with appeals as well as acquiring borrow pits	
Number of lane-km of surfaced road upgraded		-	-	-		
Kilometres of gravel roads upgraded to surfaced roads	112	82	104	22	Additional outputs achieved from sections of certain projects that were due for completion from the previous financial year	

Programme / Subprogramme / Performance Measures							
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation		
Number of square metres of non-motorised transport facility constructed		25 000	43 834	18 834	Proper validation of information from regions ensured target was met and exceeded		
Number of bridges constructed	7	7	10	3	Assessment of certain bridge projects revealed that it was more feasible to construct vehicular bridges instead of pedestrian bridges therefore the over achievement in vehicular bridges		
Number of pedestrian bridges constructed	10	13	17	4	3 bridges from the previous financial year were completed in 2013/14		
Design of Integrated Public Transport Networks		2	-	-2	The service provider did not have sufficient data available to complete the IPTNs. At this stage they are approximately 90% complete		
Number of Public Transport Infrastructure projects implemented		2	1	-1	Several delays were encountered with the implementation of the Estcourt facility with respect to designs as well as land ownership and owing to the proposed mall development		
Maintenance							
Number of kilometres of surfaced roads assessed (VCI's completed as per TMH 12)		3 590	3 785	195	The Department was able to assess more roads than was targeted		
Number of kilometres of gravel roads assessed (VCI's completed as per TMH 9)		7 920	9 531	1,611	The Department was able to assess more roads than was targeted		
Number of weighbridges calibrated to SABS standard	15	15	15	-	Target achieved		
Percentage of provincial road network in poor to very poor condition		46	46	-	Target achieved		
Number of lane-km of surfaced roads rehabilitated		490	488	-2	Target achieved		
Number of square metres of surfaced roads resealed	2 547 700	2 040 000	2 581 439	541 439	Due to the ageing network greater emphasis has been placed on this activity in order to prolong the life of the roads		

Programme / Subprogramme / Performance Measures						
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation	
Number of square meters of blacktop patching (including pothole repairs)	461 557	220 000	349 201	129 201	Ageing network therefore increased emphasis on this activity	
Number of kilometres of gravel roads bladed	94 400	115 000	91 752	23 248	Certain regions experienced plant breakdowns, prolonged repair turnaround	
Number of kilometres of road infrastructure assessed through road safety audits	1 730	1 730	-	-1 730	No audits undertaken in the 2013/14 financial year. Indicator to be revised	
Kilometres maintained using Zibambele Contractors	25 802	26 650	24 305	-2 345	Contractor turnover negatively affects output	
Programme 3: Transport Operations						
Public Transport Services						
Number of vehicles subsidised	1 341	1 300	1 300	-	The target is only an estimate	
Number of routes subsidised	1 700	1 700	1 700	-	Target achieved	
Number of vehicle kilometres subsidised	42 751 838	42 749 300	41 765 361	-983 939	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Kilometres operated per vehicle	31 884	32 415	31 685	-730	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Passengers per vehicle	4 287	4 300	4 216	-84	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Passengers per trip operated	56	52	56	4	Target was only an estimate	
Staff per vehicle	2	2.2	2.2	-		
Number of subsidised passengers	3 159 173	1 612 300	1 044 284	-568 016	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Number of unsubsidised passengers	177 783	211 600	101 190	-110 410	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Number of trips subsidised	1 239 225	1 327 900	1 181 862	-146 038	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	

Programme / Subprogramme / Performance Measures						
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation	
Number of trips monitored		796 700	934 101	137 401	Monitoring target is 60%, however, more than 60% was actually monitored	
Subsidy per passenger	13	15	15	-		
Number of subsidised passenger trips		69 300 000	66 259 416	-3 040 584	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating	
Number of scholars transported	19 562	19 560	20 045	666	Target achieved	
Number of schools receiving transport services	206	206	229	5	Target achieved	
Transport Safety and Compliance						
Number of road safety awareness interventions conducted		5	5	-	Target achieved	
Number of schools involved in road safety education programmes	944	950	956	6	Target achieved	
Undertake goal directed enforcement of public transport (Operation Shanela)	798	500	934	434	Mandatory special operations to conduct daily public transport operations in problematic areas increased output	
Number of school children trained	345 400	235 000	238 300	3 300	Target achieved	
Number of adults trained	59 633	43 000	43 783	783	Target achieved	
Number of crossing patrols provided	123	105	105	-	Target achieved	
Programme 4: Transport Regulation						
Transport Administration and Licensing						
Number of license compliance inspections executed	300 656	288 000	304 928	16 928	National DoT has clamped down on the issuing of illegal roadworthy certificates therefore KZN vehicle owners returning to province to have roadworthy tests performed on their vehicles	

Programme / Subprogramme / Performance Measures						
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation	
Operator Licence and Permits						
Number of operator permits still to be converted to licences	363	400	156	-244	The number of applications that have been considered by the adjudication in total do not meet the estimated target. The challenge is that not all are approved due to the fact that they are deferred due to different reasons, for example, conflict in the route in question. The adjudication has discovered that the operators submit the same permit that has been converted thus the number approved will automatically decline applications for conversion to operating licenses	
Number of abnormal load permits issued	20 173	18 700	24 127	5 427	Attainment of target is not within Departmental control	
Traffic law enforcement						
Number of speed operations conducted		18 250	15 071	-3 179	Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually and with the number of road accidents in the province	
Number of K78 roadblocks held		1 100	2 398	1 298	With the introduction of compulsory Thursday roadblocks and Remcom operations this indicator has been exceeded	
Number of hours weighbridges are operated	16 588	15 000	14 241	-759	During this period only 12 out of 15 weighbridges were operational due to road construction on the R103 Ladysmith, N11 One Tree Hill and Greytown	
Number of road side vehicle check point operations	71 408	36 000	42 700	6 700	Overachievement is due to the focus on roadworthiness aspects	
Number of kilometres patrolled	6 882 596	6 090 000	6 201 025	111 025	Target exceeded due to the vast area that needs to be patrolled as well as the increase in requests for abnormal load escorts	
Number of law enforcement officers trained: Diploma courses	11	-	-	-		
Number of law enforcement officers employed	824	824	787	-37		
Hours of manual speed timing activities	75 679	40 000	48 132	8 132	Focus on this measurement has been achieved due to the high volumes of traffic over the Easter and summer holidays and the number of accidents in the province	

Programme / Subprogramme / Performance Measures						
Performance Indicator	Actual achievements for 2012/13	Planned Targets for 2013/14	Actual achievement for 2013/14	Deviation from planned target to Actual Achievement	Comment on deviation	
Number of vehicles exceeding the speed limit	396 775	267 000	400 432	133 432	No control over this measure	
Number of vehicles checked in road side vehicle check point operations	1 682 933	2 040 000	1 581 611	-458 389	Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually	
Number of heavy vehicles screened	3 385 603	3 100 000	4 442 215	1 342 215	With the absence of rail as an alternate mode of transport there has been an increase in the transportation of goods by heavy vehicles	
Number of heavy vehicles weighed	181 538	155 000	160 573	5 573	Target achieved	
Number of vehicles which are overloaded	30 950	24 600	28 120	3 520	No control. Responsibility to ensure that vehicles are compliant rests with the consignee and consignor	
Number of vehicles detained	6 686	7 050	5 936	-1 114	No control over this measure	
Programme 5: Community-Based Programme						
EPWP Coordination and Monitoring						
Number of jobs created	58 329	59 160	55 132	-4 028	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator	
Number of employment days created	5 068 549	5 267 000	4 311 896	-955 104	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator	
Number of Full-Time Equivalents (FTE's) employed	22 036	22 900	18 747	-4 153	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator	
Number of youth (18-35) employed	10 747	11 600	15 517	3 917	Increased emphasis on the employment of women, youth and PLWDs	
Number of women employed	41 171	43 600	43 213	-387	Target substantially achieved	
Number of persons living with disabilities (PLWD) employed	17	15	27	12	Increased emphasis on the employment of women, youth and PLWDs	
Number of people trained	10 197	10 470	14 706	4 236		
Community Development						
Number of Zibambele contractors employed	41 617	41 000	37 393	-3 607	Contractor turnover negatively affects output	
Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Programme		250	202	-48	No further contractor training conducted in the 4 th quarter. Some areas encountered problems in securing service providers	

Overview of Departmental Performance

The Department has clearly defined service delivery outputs which are managed by the Department's respective components. These components report on their service delivery outputs in a format prescribed and defined by guidelines developed by the Treasury.

Service Delivery Environment

During the 2012/13 Financial Year, the Census 2011 results for the country were released. The results indicated an increase in the size of KwaZulu-Natal an increase of about fifty six square kilometre (56km²). Beyond an increase in the surface area of the Province there was also an increase in the total population of the Province from nine million, five hundred and eighty four thousand, one hundred and twenty nine (9 584 129) people in 2001 to ten million, two hundred and sixty seven thousand, three hundred (10 267 300) in 2011. Despite an increase in the total population of the Province, the Province's overall percentage share of the country's population decreased from twenty one point four percent (21.4%) to nineteen point eight percent (19.8%). The decrease in the Province's percentage share of the country's population resulted in a decrease in the Equitable Share Allocation given to the Province, this consequently resulted in the National Treasury decreasing the Department's budget over the MTEF. This budget reduction had an adverse effect on the Department's ability to deliver on its infrastructure and maintenance services.

The effects of road accidents especially those involving heavy vehicles have resulted in the Department increasing its focus on road safety matters. The Department's renewed emphasis on road safety encompasses all road users but pays particular attention to pedestrian safety, young road users, community involvement and public and freight transport safety. Due to the frequency of accidents involving heavy vehicles, the Department has increased attempts to prevent accidents involving these types of vehicles. In order to decrease road accidents in general but particularly accidents involving heavy vehicles, the Department increased the policing and supervision

of accident hot spots in the Province. The great emphasis placed on accidents involving heavy vehicles has led to the relaunch of a programme called Operation Phezukwabo. The purpose of this programme is to crack down on heavy load vehicles that endanger people's lives while they are on the Province's roads.

There was a decrease in the number of road fatalities reported in the Financial Year under review when compared to the previous Financial Year 2012/13. This decrease while indicative of the success of the Department's various road accident prevention programmes, will not lessen the Department's efforts at improving road safety through awareness campaigns and enforcement activities. The Department's continued attempts at decreasing road accidents and fatalities is a response to a United Nations initiative called a decade of safety on our roads (2010-2020). The United Nations road safety initiative is in line with the Department's Activism Against Road Carnages and Transgressions, the similarity of these initiatives led the Department to committing itself to halving road accidents in the Province. The commitment to halving road accidents is clearly indicated by the continuation and intensification of road safety programmes despite reported successes.

Service Delivery Plan

Plans for the 2014/15 Financial Year

This section looks at the focus areas of 2014/15. This section will outline what the Department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

Transport Infrastructure

Departmental programmes such as Operation kuShunquthuli will continue to focus on road infrastructure development in rural areas. The Department has identified key projects that will link rural communities to Provincial hubs of activity. This linkage will achieve the strategic goal of providing access and mobility within

the Province. The Department will continue to allocate a substantial amount of funding, funding that will go towards the construction of thirteen (13) Pedestrian Bridges in the 2014/15 Financial Year.

The Department will undertake the upgrading and rehabilitation of the Provincial road network, this will be done with the intention of improving and thus prolonging the lifespan of the Provincial infrastructure network. Some of the major projects that will be undertaken include:

Reducing the Province’s road network inequalities, the reduction of road network inequality continues to be a priority for the Department. Despite strides made in construction and maintenance in the past twenty (20) years, reducing the Province’s road network inequality coupled with the need to maintain the primary road network, continue to be the Department’s main objective.

Furthermore, a road network assessment indicates a huge backlog in terms of maintenance and construction. Limited funding makes it difficult to deal with the backlog as quickly and expediently as possible. Despite these challenges, the Department has made strides in improving the quality of the road network. In 2005, fifty two percent (52%) of the Province’s total road network was in a poor to very poor condition. The maintenance initiatives implemented by the Department resulted in an improvement of the road network. Initially fifty two percent (52%) of the Province’s total road network was in a poor condition, after the maintenance initiatives the

percentage of roads that are in good to very good condition has increased from seventeen percent (17%) in 2005 to twenty seven point two percent (27,2%) in 2012.

In order to ensure that communities have equitable access to services and economic opportunities, the Department needs to construct approximately eight thousand, seven hundred kilometre (8,700 km) of gravel access roads. Furthermore, it is estimated that the Department will need a budget of twenty seven billion point eight hundred and sixty eight million (27,868 000 000 000) in the next ten (10) years to service its construction and upgrade backlog.

The Department estimates that the creation of access for communities will decrease the cost of service provision in those areas. Furthermore, these new roads will unleash the latent agricultural potential of areas through reducing the transactional costs related to transport. There will also be an improvement in access to areas with tourism potential as the improved access will increase the number of tourists visiting those areas.

As it would be impractical to address the Department’s construction backlog over a single Financial Year due to both budgetary and capacity constraints within the construction industry. The construction backlog will be addressed over a ten (10) year period and the Department will require an annual funding of two point eight billion Rand (R2,8 000 000 000) per annum plus escalation to service its backlog. It is estimated that this programme will cost forty billion Rand (R40 000 000 000) to implement over a period of ten (10) years at an estimated eight percent (8%) construction industry inflation. When taking a conservative estimate of eight percent (8%) annual inflation into account, the required budget equates to two billion point seven hundred and eighty six million Rand (R2,786 000 000 000). When you factor in rehabilitation funding needs of two billion point one hundred and ninety seven million Rand (R2,197 000 000 000), the budget required increases to four billion point nine hundred and



eighty three million Rand (R4,983 000 000 000) versus the projected budget of two billion point seven hundred and ninety three million (R2,793 000 000 000) in 2014/15.

While the road network continues to exceed its lifespan, funding aimed at meeting road infrastructure needs remains insufficient, even though funding has increased in the past few years. Despite the insufficiency of funding, the Department continues to prioritise the provision of road infrastructure services, services that promote economic and social opportunities. This is done with the intention of alleviating historical inequalities.

To achieve this, the Department has committed itself to the provision of a balanced, equitable and sustainable road network and non-motorised transport infrastructure that will maximize social and economic development where it is currently needed most.

The Department's commitment is in line with the National Development Plan (NDP), Government's priorities, the Medium Term Strategic Framework and the Provincial Growth and Development Plan.

The Department plays a key role in supporting the Province with regard to the implementation of the National Infrastructure Plan's Strategic Integrated Projects (SIPs), in particular Strategic Integrated Projects two (SIP 2) which is the Durban-Free State-Gauteng logistics and industrial corridor. This is a key corridor that unlocks and supports the economic growth of South Africa in particular and sub-Saharan Africa in general.

This main arterial corridor strengthens and serves as a catalyst for the logistics and transport corridor between South Africa's main industrial hubs, it improves access to Durban's export and import facilities and integrates the Free State's Industrial Strategy activities into the corridor. The corridor supports the new port in Durban and the Aerotropolis around King Shaka International Airport.

The Department's efforts and use of new technology to prioritise road investments resulted in an improvement of the road network, the percentage of roads that are in good to very good condition has increased from

17% in 2005 to
27,2% in 2012.

The King Shaka International Airport, the Dube Trade Port and the expansion of the Durban Harbour are major developments that have a significant impact on transport and thus movement in the Province. The Department is faced with the challenge of ensuring that Provincial infrastructure can adequately service these developments whilst simultaneously ensuring that the negative impacts (wear and tear of Provincial road network) of these developments is minimised.

While executing its mandates, the Department has been innovative in providing an effective and professional service to the community of KwaZulu-Natal. The Department has created numerous job opportunities whilst concurrently creating an environment that enables the emergence of a small enterprise sector particularly in rural areas. The Department's efforts and use of new technology to prioritise road investments resulted in an improvement of the road network, the percentage of roads that are in good to very good condition has increased from seventeen percent (17%) in 2005 to twenty seven point two percent (27,2%) in 2012.

The Department's efforts and mandates are also in support of the Province's Operation Sukuma Sakhe which aims to integrate the services of Government in order to ensure that it enriches the lives of the Province's citizens. The Department works closely with other departments to provide

a comprehensive integrated service packages to communities. The Department's involvement in Operation Sukuma Sakhe ensures that there is integrated Provincial planning and alignment of services.

While funding remains a challenge with regard to providing all the services that are required by communities, the other major challenge facing the Department is the availability of raw materials specifically gravel of a quality acceptable for usage as a riding surface. This places a significant challenge on the Department's ability to keep the cost of road construction and maintenance down.

The Department's activities are also informed by the S'hamba Sonke - Moving Together Programme. S'hamba Sonke is a roads upgrade and maintenance initiative, it is aimed at fixing and upgrading the entire secondary road network of South Africa. The programme creates new jobs for emerging contractors in the Province. This programme is implemented in the following key areas within the Department:

- prioritising the use of labour absorptive (intensive) construction methods;
- elimination of potholes on the Province's roads;
- creating access roads to schools, clinics and other public social infrastructure;
- establishing the Road Asset Management Systems (RAMS) and introducing the "Know your Network Programme".

Main Road P234, located in Nongoma was upgraded from gravel to blacktop,

40 km

of this road were upgraded.

Main Road P104, located in Ndwedwe was the upgraded form gravel to blacktop,

22 km of this road were upgraded.

- Main Road P234, located in Nongoma was upgraded from gravel to blacktop, forty kilometres (40 km) of this road was upgraded.
- Main Road P104, located in Ndwedwe was upgraded form gravel to blacktop, twenty two kilometres (22 km) of this road was upgraded.
- Main Road P1-1(M13), located between Hillcrest and Pinetown was rehabilitated, eleven kilometres (11 km) of blacktop road was rehabilitated.

Transport Operations

The Department has one (1) Integrated Public Transport Networks (IPTN) which is located in Sisonke Municipality and is scheduled for commencement in the 2014/15 Financial Year.

Public & Freight Transport

The public transport industry is characterized by the support it lends to economic opportunities and the access it grants to services. This industry is also fraught with challenges characterized by violent conflict between government and operators and between operators themselves. This industry sometimes operates in a manner that does not cater for the interests and needs of its patrons, the travelling public.

Despite these challenges, the Department has managed to significantly reduce conflict and violence in the industry over the years. This reduction in conflict was established through enforcement, the re-establishment of planning and regulation. To effect this reduction in conflict the Department worked in partnership with the operators within the industry so as to ensure development and empowerment.

The Department has prioritised the re-engineering of the public transport system through the development of Integrated Public Transport Networks and the construction of much-needed public transport infrastructure and facilities. The Department is involved in the roll out of Integrated Public Transport Networks for District

Municipalities, this will promote inter modal transfer facilities, integrate the transfer from one mode of transport to another and promote public transport systems. This will ultimately create a seamless public transport system benefitting all users.

The transformation of the bus sector remains a top priority for the Department. Subcontractors in this sector need to be empowered so that they can function independently of established contractors. In this regard, the Department's Public Transport Transformation Strategy will provide for the incorporation of all modes of transport into the public transport subsidised contracts. This results in taxi operators and small bus owners having ownership in the operating company and actively participating in the day to day running of the business.

The Department is facing a huge problem with regard to the movement of freight. This is due to the fact that there has been a significant increase in the amount of freight transport on the road network. This increase is as a result of the movement of freight from rail to the road network. KwaZulu-Natal is the freight transport driver for South Africa's export-driven economy. Millions of tons of freight are transported annually on the corridor between Johannesburg and Durban providing access to the South African ports. Currently only eighteen percent (18%) of all freight that moves along the corridor between Gauteng and Durban is by rail with the remaining eighty two percent (82%) being transported by road. Although it is not possible to move all freight by road, Transnet has developed a strategy to increase the modal split to forty two percent (42%) by 2025 by targeting certain commodities.

Heavy vehicle overloading continues to be a major problem in South Africa notwithstanding efforts at more effective overloading control by the authorities. Overloading causes premature road deterioration and when coupled with poor vehicle maintenance and driver fatigue, contributes significantly to South Africa's poor road safety record. It is estimated that approximately sixty

percent (60%) of the damage to the road network is caused by overloaded heavy vehicles and this represents a cost of at least seven hundred and fifty million Rand (R750 000 000) per annum to South Africa.

The impact of the movement of freight on the Provincial economy is enormous both in terms of income generated and also damage done to the Provincial road network. The challenge for the Department continues to be a structured Provincial approach to freight transport in order to reduce the negative impact of road freight overloading on the road system.

Learner Transport

The Department will continue to provide learner transport services in KZN over the 2014/15 Medium Term Expenditure Framework (MTEF), with a budget allocation of one hundred and thirty one point six million (R131.6 000 000) allocated in the 2014/15 Financial Year, this budget will provide two hundred and six (206) schools and nineteen thousand five hundred and sixty (19 560) learners with transport services.

Traffic Management and Transport Safety

The Department is striving to halve road accidents, not only because the United Nations has declared 2010-2020 as the decade for safety on our roads but also because the United Nations initiative is aligned with the Department's Activism Against Road Carnages and Transgressions Campaign. The Department wants to halve road accidents so as to stop the devastation and loss of human life caused by road accidents. People who are hurt on the roads end up in hospitals consuming health resources with no forewarning. People who die or are disabled due to road accidents end up negatively impacting social development through loss of skill, disability grants and orphans grants etc. The economic security of a family is negatively impacted when breadwinners die, are disabled or injured. Clearly, transport safety matters require a concerted and collective approach by all the people in the Province.

The challenge that the Department continues to face is ensuring the safe and efficient operation of the road network. This challenge is exacerbated

by the growth of freight and passenger trips on the road network as well as the increased traffic volumes caused by the economic growth resulting in more people purchasing vehicles.

Although the past two (2) years have seen a slight decrease in road fatalities, the increase in accidents caused by heavy motor-vehicles continues to be a bane for the Department.

Driver and pedestrian behavior and attitude remain a key challenge for the Department with regards to the reduction of road accidents. This behavior includes overloading of vehicles, speeding and transgressions in respect of alcohol and substance abuse.

However, the Department's concerted enforcement and educational campaigns seek to address these challenges. The Department's aggressive and integrated campaign, "Operation Valingozi" which strives to halt the increasing trend in road fatalities will continue. This road safety campaign is aimed at the reduction of road accidents and seeks to prevent the spate of road fatalities that the Province of KwaZulu-Natal has experienced in the past. The programme focuses on integrated law enforcement, building partnerships, promoting high moral values and respect for the rule of law and educational campaigns on road safety. This programme also seeks to encourage road users to take responsibility and be active against road carnages. The challenge in ensuring a consistent and sustained decrease in accidents is to develop an integrated engineering, enforcement, educational and evaluation strategy for the Province.

Community Based Programme

The Department will continue to expand the community-based labour-intensive road construction and maintenance programmes which are aligned with the objectives of the Expanded Public Works Programme (EPWP). Over the 2014/15 MTEF, the Department is committed to creating over five million, three hundred and thirty six thousand (5 336 000) days of employment, equating to sixty thousand (60 000) jobs created of which forty three thousand, eight hundred and

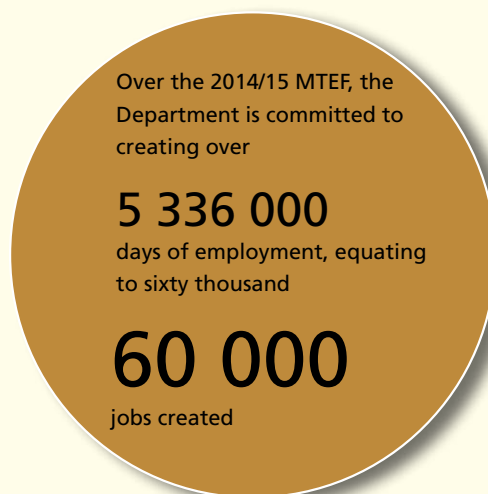
fifty (43 850) are for women and eleven thousand, eight hundred and fifty (11 850) for the youth.

The Department will receive funding in 2014/15 in respect of the EPWP Integrated Grant for Provinces to be utilised for the creation of EPWP job opportunities. The Department will continue with the development of a Broad-Based Black Economic Empowerment (BBBEE) road construction and maintenance industry through the provision of accredited business skills training for the Vukuzakhe contractors.

Improvement Plan

In line with the Legislative Framework and in accordance with the Public Service Regulations Chapter 1 Part ii C "all departments are required to submit a Service Delivery Improvement Plan (SDIP)". The KwaZulu-Natal Department of Transport developed a comprehensive SDIP for 2012/13 to 2014/15. This process was in line with all Department of Public Service and Administration (DPSA) requirements and gave a focused approach in improving service delivery areas with regard to the eleven (11) Batho Pele Principles identified by the Province of KwaZulu -Natal.

A holistic Departmental approach was followed during the process of developing the SDIP. Consultative workshops were held by the Department in conjunction with the KZN Officer of the Premier. These consultative workshops were held at the Department's Regional offices. The Regional offices together with Head Office were requested to identify issues that presented a



challenge for them in delivering on their mandate. These were submitted to Head Office for further consideration. The SDIP committee identified three (3) challenges from these submissions and developed the Departmental SDIP. The challenges were aligned with the following service delivery areas.

Challenge: Problem Statement	Sub Programme	Program
1) The constant deterioration of the road network	Maintenance	Transport Infrastructure
2) The continued instability in public transport sector	Transport Safety & Compliance	Public & Freight Transport
3) Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents	Transport Administration & Licencing	Transport Regulation

Main Service & Standards

The Constant Deterioration of Road Network

Main Service		Unit of measure	Desired Performance Level		
			Medium-term targets		
			Actual Standard of service 2012/2013	Desired Standard 2013/2014	Actual 2013/2014
Provincial Road Network Maintenance	Kilometers of surfaced roads rehabilitated	km	–	490	488
	Number of square meters of surfaced roads resealed	m ²	2 547 700	2 040 000	2 581 439
	Number of kilometers of gravel road re-gravelled	km	2 214	2 340	2 090
	Number of square metres of blacktop patching (including pothole repairs)	m ²	461 557	220 000	349 201
	Number of kilometres of gravel roads bladed	km	94 400	115 000	91 752

The continued instability in public transport sector

Main Service		Unit of measure	Desired Performance Level		
			Medium-term targets		
			Actual Standard of service 2012/2013	Desired Standard 2013/2014	Actual 2013/2014
A safe road environment	Undertake goal directed enforcement of public Transport (Operation Shanela)	number	798	500	934
	Research & Develop conflict resolution model	Number	2	2	

Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents

Main Service		Unit of measure	Desired Performance Level		
			Medium-term targets		
			Actual Standard of service 2012/2013	Desired Standard 2013/2014	Actual 2013/2014
A safe road environment	Number of new vehicles registered	number	80 000		

Batho Pele Arrangement in Relation to Main Service

The Constant Deterioration of the Road Network

KEY SERVICE	SERVICE BENEFICIARIES	CURRENT STANDARD 2012/2013		DESIRED STANDARD 2013/2014	ACTUAL ACHIEVEMENTS 2013/14
<ul style="list-style-type: none"> Provide a road network devoid of maintenance deflects Increase the live span of the province assets in relation road network & structures 	All road users	Consultation	IDF meetings, IDP meetings, Monthly RRTF meetings.	IDF meetings, IDP meetings, Monthly RRTF meetings.	Worked closely with Operation Sukuma Sakhe and the established war rooms (Achieved)
		Open & Transparent	Business plans submitted to RRTF and Stakeholder meetings	Include business plans on notice boards at offices and compounds.	Produced citizen report worked closely with Operation Sukuma Sakhe and the established war rooms,. (Achieved)
		Information	Disseminated through RRTF, IDF and IDP meetings	Cascade information from Head Office to Regions and Cost Centre's	Informed and empowered stakeholders. Worked closely with Operation Sukuma Sakhe and the established war rooms. (Achieved)
		Access	Decentralization of offices to namely: Cost Centres, Area Offices, Informally the Compounds	Formalize access at Compounds	Access to all district offices (Achieved)
		Redress	No current Measure	To have complaint registers at Area Offices and Compounds. To notify complainant of progress between 2-7 days of receiving complaint.	Operational redress mechanism was used in conjunction with Operation Sukuma Sakhe and the established war rooms. (Achieved)
		Value for money	Disseminating information to existing structures.	RRTF to have a budget in order to conduct bi-annually Imbizos.	Improved budget allocation and vacant post filled (Achieved)
		EIRE	Through EPMDs, Trophies. Those that are in acting positions receive acting allowances	Good Governance Competition. To advertise posts internally first in order to afford the internal staff the opportunity to apply.	Good Governance Competition. To advertise posts internally first in order to afford the internal staff the opportunity to apply (Achieved)

KEY SERVICE	SERVICE BENEFICIARIES	CURRENT STANDARD 2012/2013		DESIRED STANDARD 2013/2014	ACTUAL ACHIEVEMENTS 2013/14
		SDI	No current Measure	To introduce complaints registers at Compounds and Offices. To formalise a customer satisfaction Questionnaire.	Improved service delivery achieved through interaction with established war rooms and operation Sukuma Sakhe on delivery issues (Achieved)
		Courtesy	No current Measure	Training to switch board and field staff	Training of switch board and field staff through KwaZulu-Natal Provincial Public Service Training Academy (Achieved)
		Service Standards	Time frame	Adhere Departmental standards	Adhere Departmental standards (Achieved)
		Leadership & Strategic Direction	Presentations are conducted at RRTF, IDP and IDF meetings	To utilize media, Imbizos, RRTF and other report back meetings.	Achieved To utilize media, Imbizos, RRTF and other report back meetings.



The continued instability in Public Transport Sector

KEY SERVICE	SERVICE BENEFICIARIES	CURRENT STANDARD 2012/2013	DESIRED STANDARD 2013/2014	ACTUAL ACHIEVEMENTS 2013/14
Provision & maintenance of a stable Public Transport System	Public transport operators, owners & commuters	Consultation	<p>All consultation conducted through various association, incidence are still high</p> <p>All interaction is open and transparent</p> <p>Information is disseminated to stakeholders as per identified need and value-add to the business of the stakeholder.</p>	<p>Implement industry wide agreement, (Achieved)</p> <p>Achieved</p> <p>Improve in the utilization electronic and print media. (Achieved)</p>
		Open & Transparent	<p>Information is disseminated to stakeholders as per identified need and value-add to the business of the stakeholder.</p> <p>Make use of all available media to disseminate information through communications directorate and the media liaison office. Information that affects associations at an operational level is passed through general meetings with the members of the associations. Regional visits are also as information sharing sessions in the language of the operators.</p>	<p>The current office is ideally situated, (Achieved)</p>
		Access	<p>The offices of the Directorate are located at the premises of a public service delivery point for ease of access. The building is easily accessible on and has facilities to accommodate the physically disabled members of the public. Contact details of the office and those of the members of staff within the directorate are provided to stakeholders.</p>	<p>The current office is ideally situated, (Achieved)</p>

KEY SERVICE	SERVICE BENEFICIARIES	CURRENT STANDARD 2012/2013	DESIRED STANDARD 2013/2014		ACTUAL ACHIEVEMENTS 2013/14
		Redress	The directorate ensures that complaints that cannot be resolved are referred to the appropriate authority to be dealt with.	The capacity of the directorate need to be improved in order to be able to follow-up on referred complaints.	Department is undergoing restructuring however authority to fill critical post were obtained, certain critical are filled. Achieved
		Value for money	The Directorate is currently running on diminished capacity and these limits the turnaround time for interventions.	Capacity needs to be improved to ensure that there are adequate and timely interventions.	Department is undergoing restructuring however authority to fill critical post were obtained, certain critical are filled. Achieved
		EIRE	EPMDS	Qualifying members of the Directorate receive incentives through the EPMDS system.	Qualifying members of the Directorate receive incentives through the EPMDS system. Promote staff internally when restructuring is complete (Achieved)
		SDI	Capacity is severely diminished and there is an urgent need to improve it.	Members allocated to regions will have sufficient time to ensure that all matters reported in their region receive proper attention with improved turn-around time.	Department is undergoing restructuring however authority to fill critical posts were obtained certain critical are filled. Achieved
		Courtesy	All stakeholders dealt with are afforded the necessary professional courtesies.	Training of staff to improve courtesy	Achieved
		Service Standards	Focus is currently on attending to quantity with somewhat compromised quality.	It is anticipated that service standards will improve upon the ensuring that the requisite capacity is acquired.	Department is undergoing restructuring however authority to fill critical posts were obtained certain critical are filled. Achieved
		Leadership & Strategic Direction	There is adequate leadership and strategic direction for the directorate.	The appointment of a full time Manager of the Directorate will greatly improve initiatives in this regard.	Achieved

Improve the quality of Vehicle Registration and Licensing Services Delivered by the Department's Various Registering Agents

KEY SERVICE	SERVICE BENEFICIARIES	CURRENT STANDARD 2012/2013	DESIRED STANDARD 2013/2014	ACTUAL ACHIEVEMENTS 2013/14	
<ul style="list-style-type: none"> To render superior quality of service delivery to Motor Transport Service Agents in respect of Motor Vehicle Registration and licencing. 	Registering Authority Agents	Consultation <ul style="list-style-type: none"> Site visits and meetings. Service delivery questionnaires. 	<ul style="list-style-type: none"> Increased site visits and meetings. 	<ul style="list-style-type: none"> Achieved 	
		Open & Transparent <ul style="list-style-type: none"> Ensure that RAs are aware of services to be performed and who to contact should there be any problems. 	<ul style="list-style-type: none"> RAs to remain aware of services, and who to contact. 	<ul style="list-style-type: none"> Achieved. Emanating for the study conduct by the Department minimum service standards have been gazette for all RAs and DLTC 	
		Information <ul style="list-style-type: none"> All information required by RAs are communicated through circulars, training manuals, NaTIS messages. 	<ul style="list-style-type: none"> Dedicated post in section for the development of training material and circulars. 	<ul style="list-style-type: none"> Achieved. 	
		Access <ul style="list-style-type: none"> Telephonic, electronic and written communication support. High Risk transactions are communicated via the NaTIS (TMS). 	<ul style="list-style-type: none"> Maintain accessibility 	<ul style="list-style-type: none"> Achieved. 	
		Redress <ul style="list-style-type: none"> Aware of how to address their complaints, whom to contact and are given feedback. 	<ul style="list-style-type: none"> Analysis of complaints to improve services 	<ul style="list-style-type: none"> Achieved . 	
		Value for money <ul style="list-style-type: none"> Optimal utilization of minimal resources Monitor compliance in terms legislative prescripts. 	<ul style="list-style-type: none"> Ensure ongoing compliance in terms of legislative prescripts 	<ul style="list-style-type: none"> Achieved . 	
		EIRE	EPMIDS	<ul style="list-style-type: none"> Accredited training. To advertise posts internally first in order to afford the internal staff the opportunity to apply. 	<ul style="list-style-type: none"> Achieved
		SDI	<ul style="list-style-type: none"> Provides resources which in turn creates employment 	<ul style="list-style-type: none"> Ongoing standard 	<ul style="list-style-type: none"> Emanating for the study conduct by the Department minimum service standards have been gazette for all RAs and DLTC
		Courtesy	<ul style="list-style-type: none"> Render service in a professional friendly manner. 	<ul style="list-style-type: none"> Maintain standard. 	<ul style="list-style-type: none"> Maintain standard.
		Leadership & Strategic Direction	Provide adequate leadership	Strategy governed by national legislative prescripts	Strategy governed by national legislative prescripts

Organisational Environment

The need for integrated planning which supports efficient and structured service delivery has always been government's policy.

The organisational environment in which such integration occurs was previously constrained by a lack of skills and capacity in all spheres of government. Beyond a lack of skill and capacity there was a misalignment between the planning programmes initiated at a Provincial and Municipal level.

This misalignment led to a lack of clarity with regard to the allocation of functions and related funding between the spheres of government.

This constraint has been eased by the Department's implementation of the Province's Operation Sukuma Sakhe which aims to integrate the services of Government in order to ensure that it enriches the lives of the Province's citizens. Operation Sukuma Sakhe ensures that there is integrated Provincial planning and alignment of services down to ward level in the Province. The Department works closely with other departments to provide a comprehensive integrated service to communities.

Similarly, the Department plays a key role in supporting the Province with regard to the implementation of the National Infrastructure Plan's Strategic Integrated Project 2 (the Durban-Free State-Gauteng logistics and industrial corridor) which has resulted in representation in the Provincial Action Work Groups. This further contributes to Provincial planning alignment.

The Department continues to face a human resource constraint problem. The lack of availability of sufficiently skilled and technical staff in fields such as engineering, and management coupled with non-willingness to work for government, has meant that the Department has had to be innovative in ensuring that the professional and managerial skills it requires for service delivery are continually available. The awarding of bursaries

with service obligations to students studying engineering and technical fields, will alleviate the Department's skill problem.

The outsourcing of certain professional functions where skills are lacking in the Department has greatly assisted in ensuring that services are delivered to communities.

The Department has a programme for developing skills within the organisation but retention of high caliber staff is extremely difficult, this due to the higher salaries offered in the private sector.

The Department has also experienced difficulty with mentorship programmes due to the unavailability of suitable mentors.

Government's mandate to recruit and create job opportunities for people living with disabilities remains a challenge. The challenge emanates from the fact that the Department's buildings are inaccessible to people living with disabilities due to lack of structures like ramps which facility easier access.

The costs to obtain the necessary infrastructure and renovate buildings so that people living with disabilities may be employed are exorbitant.

Strategic Objectives

A balanced and equitable transport network through infrastructure development Policy Development

Provincial Road Network Maintenance

Integrated land Transport System

A safe road environment through effective law enforcement

BBBEE and SMME

Job creation and poverty alleviation development

Linkage between Strategic Goals, Strategic Objective & List of Services Rendered by Department to the Public

The core functions of the Department are to:

Construct, maintain and repair the provincial road network
Plan, regulate and provide an integrated transportation system
Manage road traffic

Number	Strategic Goals
1	Provide access and mobility within the province
2	Effective management of the transport infrastructure network
3	Promote an integrated land transport system
4	Promote a safe road environment

Strategic Goals	Strategic Objectives	Service Rendered
1 & 2	A balanced and equitable transport network through infrastructure development Policy Development	<ul style="list-style-type: none"> • Provide access to all road users • Appropriate level of service to all road users • Increase the safety on our road network • Increase the access to social, economic and public facilities to all communities • No disparities in relation to access through road network • Provide a road network devoid of maintenance defects • Increase the live span of the province assets in relation road network & structures
1,2 & 4	Provincial Road Network Maintenance	
1 & 3	Integrated land Transport System	<ul style="list-style-type: none"> • Ensure there is access to livelihood • Provide cheaper transport • No traffic congestions • Provide for the empowerment of Public Transport Operators
4	A safe road environment through effective law enforcement	<ul style="list-style-type: none"> • Save lives in relation to road traffic & public transport safety through public education & awareness • Provide a safe environment for commuters and operators • Mediate and regulate conflict in the industry
1,2 & 3	BBBEE and SMME development	<ul style="list-style-type: none"> • Create opportunities for the promotion of sustainable broad based black economic empowerment • Develop rural communities through access and awareness programs • Train and develop of SMMEs through mentorships and organisational training • Education and skills Economic and social development • Contribute to poverty reduction through social engineered programs.
1,2,3 & 4	Job creation and poverty alleviation	

As a means to deliver services to the communities of the Province while also satisfying government's electoral mandate, the core functions of the Department are aligned to government's five (5) key priorities, the Medium Term Strategic Framework as well as the Provincial Growth and Development Plan. Government has identified fourteen (14) Outcomes as focus areas for the Medium Term Strategic Framework while the Provincial Growth and Development Plan has seven (7) goals each with a set of strategic options.

The Department is currently in the process of reviewing its organisational structure. The review process has had an impact on the Department's vacancy rate with many posts remaining vacant until the finalisation of the organisational structure. The resultant staff shortages have had an impact on the Department's proactivity and in some cases have resulted in an increase in temporary staff.

Overview of Departmental Performance

This section provides a review of 2013/14, this section outlines the main achievements and progress made by the Department during the year and also provides a brief discussion pertaining to challenges and new developments.

Transport Infrastructure

Approximately seventy five percent (75%) of the Department's budget is dedicated to the upgrading and maintenance of road infrastructure. These upgrades and maintenance are in line with the Department's goals of providing a balanced road network that meets the mobility needs of all KwaZulu-Natal citizens. The upgrades and maintenance also provide a logistics platform for South Africa's global trade and are planned in accordance with the National and Provincial Growth and Development Strategies and the Provincial Growth and Development Plan.

In 2013/14, the Department continued with the road upgrade and construction programmes that support the corridors of the primary and secondary nodes through:

- The African Renaissance Roads Upgrading Programme (ARRUP), which encompasses the upgrading of roads to blacktop standards. The following are some of the projects currently underway:
 - o Main Road P700, located between Ulundi and Empangeni is in the process of being upgraded. In this project ninety five kilometres (95 km) of gravel road are due to be upgraded to a blacktop surface. To date approximately forty five kilometres (45 km) have been completed, with a further fifteen

kilometres (15 km) to be completed by the end of March 2014. The remaining thirty five kilometres (35 km) will be completed by 2014/15.

- o Main Road P230, located between Empangeni and Eshowe is also in the process of being upgraded. In this project thirty one point three kilometres (31.3 km) of gravel road are due to be upgraded to a blacktop surface. In this project the Department will not only be upgrading a road from gravel to blacktop surface but will also construct an underpass road. Approximately twenty five point two kilometres (25.2 km) have been completed and the balance of six point one kilometres (6.1 km) will be completed in 2014/15.

Operation KuShunquthuli

Operation KuShunquthuli focuses on transport infrastructure development in rural areas, rural areas being places of emphasis for service delivery. The Department continued to implement projects designed to stimulate a linkage between rural communities and Provincial hubs of activity. Some of the projects implemented during the 2012/13 MTEF included the following:

- The upgrading of main Road P127 located between Impendle and Himeville is currently underway. This project entails the upgrading of fifty five kilometres (55 km) of gravel road to a blacktop surface, to date twenty two point five kilometres (22.5 km) have been completed.
- The upgrading of main Road P73 located between Sipofu and Ixopo is currently underway. This project entails the upgrading of seventy five kilometres (75 km) of gravel road to blacktop surface, to date thirty two kilometres (32 km) have been completed. A further seven kilometres (7 km) will be completed by the end of March 2014. The balance of thirty six kilometres (36 km) will be completed by 2014/15.

Roads for Rural Development

This programme consists of the following major projects among others:

- The upgrading of main Road P58 located between Diemount Store and Ezingoleni is currently underway. This project entails the upgrading of twenty six kilometres (26 km) of gravel road to a blacktop surface, to date thirteen point four kilometres (13.4 km) have been completed. A target output of three kilometres (3 km) was intended to be completed by March 2014. The contractor involved in this project is battling to resume work due to problems pertaining to cash-flow and owing the South African Revenue Services (SARS). The Department expects that the remaining nine point six kilometres (9.6 km) to be completed during the 2014/15 Financial Year.
- The upgrading of main Road P732 located between Ezingoleni and Bushy Valley is currently underway. This project entails the upgrading of nineteen kilometres (19 km) of gravel road to blacktop surface, to date thirteen kilometres (13 km) have been completed, this project has not been without its challenges. The contractor that was originally appointed withdrew from the project due to cash-flow problems and the project had to be re-advertised. No outputs will be reported for this project in the 2013/14 Financial Year.

Transport Operations

The Department is implementing the Public Transport Transformation Strategy which will provide for the incorporation of all modes of transport into the public transport subsidised contracts. The implementation of this Strategy remains one of the priorities of the Department. The programme has been successfully implemented in Port Shepstone, taxi operators and small bus owners have ownership in the operating company and actively participate on day to day running of the business. The strategy is currently being rolled out to other services in other areas in the Province.

Road Safety

The effects of road accidents especially those involving heavy vehicles have resulted in the Department increasing its focus on road safety matters. The Department's renewed emphasis on road safety encompasses all road users but pays particular attention to pedestrian safety, young road users, community involvement and public and freight transport safety. Due to the frequency of accidents involving heavy vehicles, the Department has increased attempts to prevent accidents involving these types of vehicles. In order to decrease road accidents in general but particularly accidents involving heavy vehicles, the Department increased the policing and supervision of accident hot spots in the Province. The great emphasis placed on accidents involving heavy vehicles has led to the relaunch of a programme called Operation Phezukwabo. The purpose of this programme is to crack down on heavy load vehicles that endanger people's lives while they are on the Province's roads.

There was a decrease in the number of road fatalities reported in the Financial Year under review when compared to the previous Financial Year 2012/13. This decrease while indicative of the success of the Department's various road accident prevention programmes, will not lessen the Department's efforts at improving road safety through awareness campaigns and enforcement activities.

Learner Transport

During the 2013/14 Financial Year, the Department received an allocation of one hundred and twenty five million (R125 000 000) and provided learner transport services to two hundred and six (206) schools and nineteen thousand, five hundred and sixty (19 560) learners.

Integrated Public Transport Networks

The Department has completed five (5) (Ugu, uMkhanyakude uMgungundlovu, iLembe and Uthungulu) IPTNs, four (4) (uThukela, Zululand, uMzinyathi and Amajuba) are currently in underway.

Community Based Programme

Expanded Public Works Programme (EPWP)

The Department continued to expand community-based labor-intensive road construction and maintenance programmes, programmes aligned with the objectives of Expanded Public Works Programme (EPWP). The Department created five million, two hundred and sixty seven thousand (5 267 000) person days of employment which equated to fifty nine thousand, one hundred and sixty jobs (59 160) jobs created over the 2013/14 MTEF.

Key Policy Development and Legislative Changes

Although there have changes to the legislative environment, these changes have not significantly impact on the Department's activities, the Department will continue with its strengthened emphasis on activities, programmes, projects and policies to ensure that it is aligned with and completely supports the Provincial Growth and Development Strategy (PGDS) and the resultant Provincial Growth and Development Plan (PGDP) which was approved in November 2012.

As the PGDS is meant to serve as the overarching strategic framework for Provincial development, it is imperative that the Department's activities are aligned with it. Furthermore, the PGDS and PGDP are aligned with the current Provincial, National

and Global policy frameworks, namely the six (6) Provincial Priorities, the Fourteen National Outcomes, the New Growth Path, the National Planning Commission's Diagnostic Report and National Development Plan, and the Millennium Development Goals (MDGs). The PGDS recognises that economic, social and environmental benefits are not evenly distributed in society. The spatial marginalisation from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth.

The Department realises that transport infrastructure is key and paramount in achieving the vision of the PGDS and the Department is striving to ensure that our road infrastructure networks will support the realisation of the PGDS.

Strategic Outcome Orientated Goals

The Department's strategic goals are summarised as follows:

1	Provide access and mobility within the Province
2	Effective management of the transport infrastructure network
3	Promote an integrated land and transport network
4	Promote a safe road environment

The Department created

5 267 000

person days of employment which equated to

59 160

jobs created over the 2013/14 MTEF.

Strategic Goal 1	Provide access and mobility within the Province
Goal Statement	The Department seeks, in the spirit of the cooperative governance, to plan and provide access to roads and bridges (including pedestrian bridges) to communities particularly the previously marginalised rural areas with the aim of improving the quality of lives of our people thereby striving to achieve an equitable, balanced road network.
Justification	To ensure access and mobility to communities
Links	<ul style="list-style-type: none"> • Poverty alleviation • Creation of decent jobs • Support economic development • Access to community facilities, i.e. health, education, agriculture, housing etc.
Strategic Goal 2	Effective management of the transport infrastructure network
Goal Statement	The Department seeks to plan, design, construct, repair and maintain a balanced transport network that supports the Provincial Growth and Development Strategy and the Provincial Spatial Economic Development Strategy thereby promoting economic and social development of the Province
Justification	To support economic and social development in the Province
Links	<p>Road infrastructure is the backbone of all economic and social development activity in the Province.</p> <ul style="list-style-type: none"> • Provincial Growth and Development Strategy (PGDS) • Provincial Spatial Economic Development Strategy (PSEDS)
Strategic Goal 3	Promote an integrated land transportation system
Goal Statement	The Department seeks to create a well-managed, integrated land transportation system, incorporating all modes of transport, both public and private, that is accessible to all people of the Province
Justification	<ul style="list-style-type: none"> • Provide easy and seamless travel for the people of the Province • Integrate different modes of transport • Provision of transport to employment and social services
Links	<p>Speeding up growth and transforming the economy</p> <ul style="list-style-type: none"> • Developing of Public Transportation Infrastructure • Provision of Public transport services • Rural public transport • Safety
Strategic Goal 4	Promote a safe road environment
Goal Statement	We seek to provide a safe road environment for all road users (drivers, passengers, commuters, pedestrians and goods) through Education, Enforcement, Engineering and Evaluation
Justification	To save lives by reducing accidents
Links	<ul style="list-style-type: none"> • Access to communities and facilities • Safety

Performance Information by Programme

The activities of Department are organised in the following programmes and sub-programmes:

Programme 1: Administration

Sub-Programmes:

- Office of the MEC Management
- Corporate Support
- Departmental Strategy

Programme 2: Transport Infrastructure

Sub-Programmes:

- Programme Support Infrastructure
- Infrastructure Planning
- Infrastructure Design
- Construction
- Maintenance

Programme 3: Transport Operations

Sub-Programmes:

- Programme Support Operations
- Public Transport Services
- Transport Safety
- Compliance

Programme 4: Transport Regulation

Sub-Programmes:

- Programme Support Regulation
- Transport Administration and Licensing
- Operator Licence and Permits
- Law Enforcement

Programme 5: Community Based-Programme

Sub-Programmes:

- Programme Support Community Based, Community Development, Innovation and Empowerment
- EPWP Co-ordination



Programme I: Administration

The purpose of this programme is to provide the Department with management and administrative, strategic, corporate support and financial services (including Human Resource Management, Labour Relations and Legal Services) in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The Administrative programme consists of four (4) sub-programmes namely the Office of the MEC, Management, Corporate Support and Departmental Strategy. These sub-programmes are in line with the sector specific budget format.



Sub-Programme: Corporate Support Services

Corporate Support Services

The Corporate Support Services Directorate is dedicated to excellent and efficient customer services. This directorate is responsible for providing the following services; Occupational Health and Safety, Office Accommodation, Office Services, Information Technology Support and Departmental Transport Services.

Official Accommodation

The compilation of the Departments U-AMP is a requirement in terms of the Government Immovable Asset Management Act (GIAMA). The U-AMP was completed and submitted to Provincial Treasury and the Department of Public Works (excluding Road Infrastructure).

Fleet Management

The Department maintains a Provincial Asset Register of all the official vehicles which increased to six thousand nine hundred and four (6 904) continued to provide fleet management support services to the seventeen (17) User Departments in the Province. In the Financial Year (2013/14) under review, the Department procured and handed over seven hundred and eleven (711) official vehicles .

Information Technology

In the Financial Year under view, the Department of Transport embarked on an extensive information technology (IT) Security and Governance project program in line with the Corporate Governance of information and communication technologies (CGICT) Framework provided by the Department of Public Service and Administration (DPSA).

The Department also embarked on the following project, an Enterprise Architecture project which is based on Government Wide Enterprise Architecture (GWEA), Business Continuity and the IT Disaster Recovery Plans. The Department also strived to ensure the physical safety of its IT resources by improving server security. In line with ensuring the

physical safety of its IT resource the Department also embarked on a Desktop upgrade and improvement project which included improving desktop security. The Department also bolstered its Local Area Network (LAN) and Wide Area Network (WAN) security by installing antivirus, spyware and intrusion detecting software.

Management Advisory Services(MAS)

Subsequent to the approval of the organisational top layer structure, MAS is currently engaged in the process of finalizing the lower Departmental structure.

Land and Legal Services

The Legal Services Directorate rendered legal advice to the Department on legal matters and interpreted legislation, including policies and practices with the aim to ensure a safe and habitable working environment within the legal confines of society.

During the Financial Year under review, the Department successfully performed the following activities;

- Rendered efficient and professional legal services to top management and line functionaries in the Department.
- Reviewed draft legislation and prepared input as well as conducted research.
- Formulated Departmental/ Provincial legislation.
- Assisted and provided support with regard to the administration of legal matters relating to the Department as well as statutory bodies including the liaisons with other institutions or government departments regarding legal matters.
- Provided support in respect of legal matters relating to formal and informal interventions and commission of enquiry.
- Provided development, training and presentations on Acts administered by the Departments.

Human Resource Management

The Human Resource Management rendered efficient service through integrated, sound, human resource management practices.

Employee Health and Wellness (EHW) Programme

The Department's Employee Health and Wellness Programme assisted employees with life skills. These health and wellness programmes were facilitated through weekly communiqués. These communiqués were distributed to all Departmental employees with the intention of educating employees about health issues. The communiqués contained information that the Department hoped would reduce employee absenteeism and thus increase productivity. This programme also dealt with issues such as alcohol and other types of drug abuse, problems that negatively affect performance.

Interventions

Human Immunodeficiency Virus (HIV) /Acquired Immunodeficiency Syndrome (AIDS) and Tuberculosis (TB) Management

The Department continued to encourage employees to test for HIV (Human Immunodeficiency Virus), Diabetes Cholesterol, Blood Pressure (BP) and Tuberculosis (TB). This has resulted in early identification of disease, referrals which contributed to reduction of absenteeism.

Human Resource Development

Adult Education and Training (AET)

As the foundation of lifelong learning and human resource development, the AET Programme had ensured that affected employees have achieved the appropriate level of literacy and numeracy. The overall total number of AET learners, centers and educators were three hundred and ten (310), twenty eight (28) and twenty (20), respectively during the 2013/14 Financial Year. Out of three hundred and ten (310), two hundred and forty six (246) learners participated in final matric examination and one hundred and eight five (185) learners (76%) passed.

Compulsory Induction Programme (CIP) for Public Service

The Training and Development section rolled out the Compulsory Induction programme for levels 1-12. The programme has five (5) sessions spread over twenty four (24) months.

Internship Programme

The Departmental structured Internship programme that is aligned with the National Internship Framework for the Public Service was implemented. The objective of the programme is to deliver an effective system that ensures the continuous development of qualified and committed candidates for future appointment as well as addressing skills shortage within the Department. The Department has so far employed ten (10) graduate learners for a period of twelve (12) months.

Learnership Programme

The Department is undertaking an Internal Audit Technician Learnership and currently twenty one (21) officials are undergoing this learnership who after completion will obtain an NQF level six (6) qualification from the Institute of Internal Auditing.

Career Development

Internal Bursaries

Employees who had indicated the need for a tertiary qualification in their Personal Development Plan were invited to apply for internal bursaries. The internal bursary scheme is not only intended to help advance the personal developmental goals of employees, it is also intended to implement the Workplace Skills Plan.

External Bursaries

Two (2) Departmental external bursary recipients have completed their Bachelor of Science Degrees in Civil Engineering (BSC in Civil Engineering). These two (2) students have been appointed as Candidate Engineers in the Department. Apart from the above mentioned students, eight (8) other students have completed their studies of which five (5) have completed National Diploma in Civil Engineering and three (3) completed a National Diploma in Mechanical Engineering.

Cabinet had approved the management of external bursaries by the Office of the Premier, therefore the Department had not advertised external bursaries except for only two (2) bursaries

which were awarded under special circumstances in the field of Bachelor of Law and Bachelor of Science (Civil).

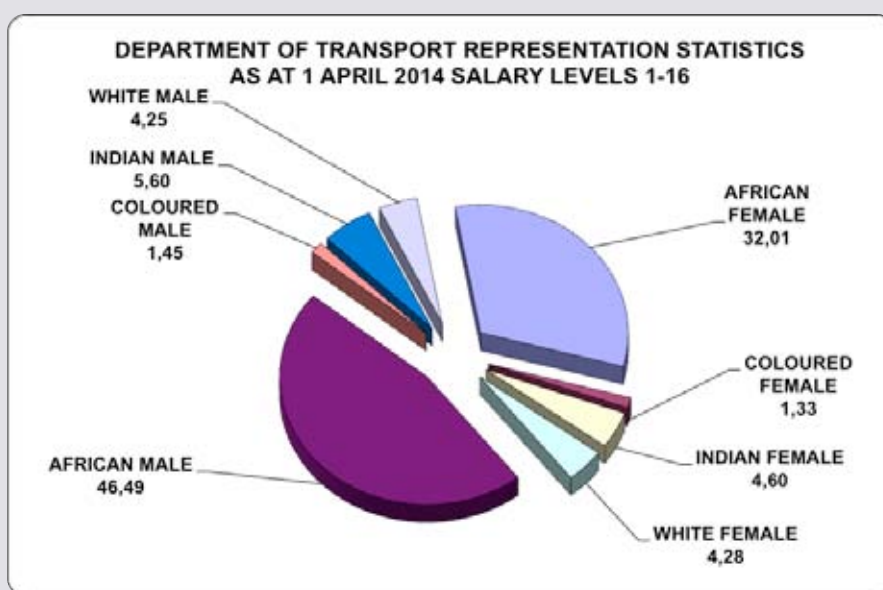
Artisan Development Programme

Artisan development has been prioritised due to the shortage of this critical skill and the impact it has on growth and the creation of employment in this country. The second goal of the National Skills Development Strategy III, clearly states that we have to increase access to the occupationally – directed programmes at both intermediate and higher level professional qualifications (apprenticeship, artisanship, etc.). The aim therefore is to train tradesman aides until they become qualified artisans. There have been twenty two (22) officials nominated for the artisan development programme. Two (2) in plumbing, one (1) in welding, one (1) in carpentry and eighteen (18) in earthmoving. All the candidates have been assessed and the appropriate training interventions have been determined. All the earthmoving candidate artisans that were identified commenced with their training. Of the eighteen (18) earthmoving candidates two (2) candidates have been trade tested.

Employment Equity

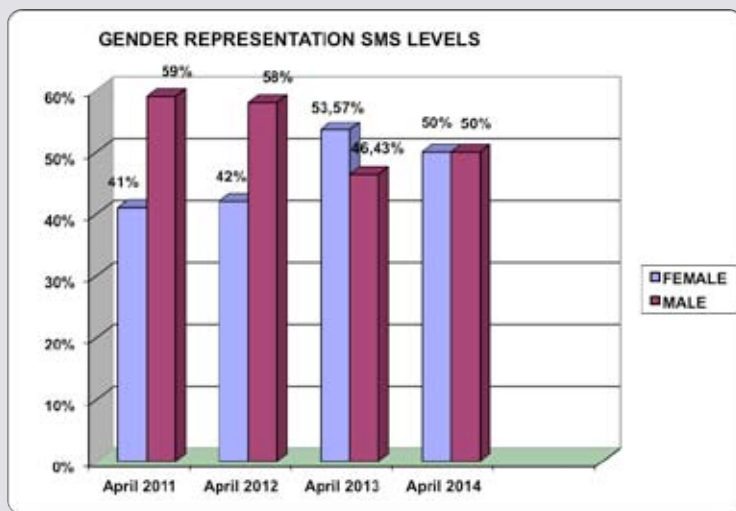
The Department has complied with the requirements of the Employment Equity Act (EEA) by providing relevant and accurate reports to the Department of Labour (DoL) about issues pertaining to employment. There have been no queries received from the DoL with regard to the reports submitted.

The pie chart below depicts the workforce profile of the entire Department in terms of race and gender.

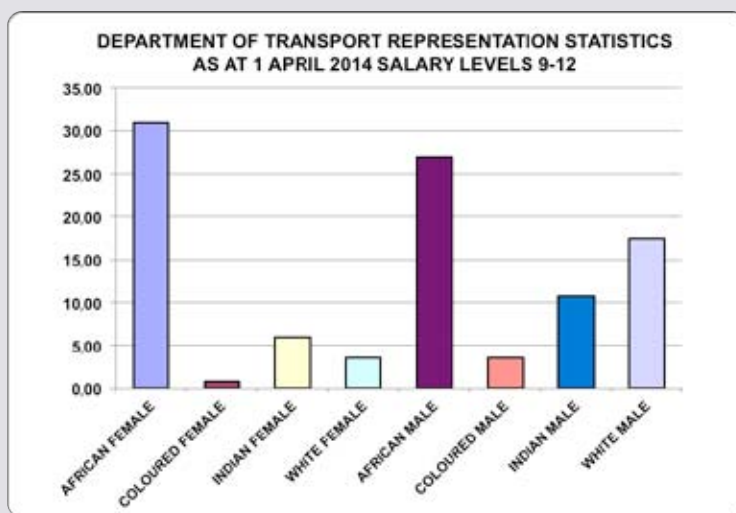


The workforce profile of the Department currently (01 April 2014) shows that fifty percent (50%) of the posts at Senior Management Service (SMS) level are occupied by women (all races) and men occupy the corresponding percentage.

Below is the table showing a comparison between females and males at SMS level from April 2011 to April 2014.



The table below depicts the comparison between males and females at the Middle Management Level, i.e. salary levels nine to twelve (9 – 12) from April 2011 to April 2014.



The table above shows that females at the Middle Management Levels are currently occupying forty one point twenty six percent (41.26%) of posts relative to fifty eight point seventy four percent (58.74%) currently occupied by males. When comparing this year’s data with last year’s, it shows a decrease of twelve point thirty one percent (12.31%) of women at the aforementioned levels.

People with Disabilities within the Department in all occupational levels are currently occupying zero point seventy one (0.71%) of the entire staff complement, pinpointing a deficit of one point twenty nine (1.29%) from Cabinet’s target of two percent (2%).

In view of the above information and as part of the Department’s transformation agenda, the Department will continue with the affirmative action drive. The Department will prioritise the promotion and or appointment of women and also focus on the employment of people living with disabilities. The prioritisation of women and people living with disabilities is not solely based on the fact that this is a statutory requirement but rather because the Department believes that it is the right thing to do.

Labour Relations

Grievances

The previous financial cycle recorded a total of sixty four (64) grievances as compared to the total of thirty six (36) received during this financial period of reporting, which is a reduction by fifty six percent (56%) of grievances.

Disciplinary matters

The previous financial cycle recorded eighteen (18) disciplinary matters handled compared to the current financial period which recorded nine (9) disciplinary matters, which is a fifty percent (50%) reduction on disciplinary matters.

Disputes Lodged

The previous financial cycle recorded six (6) disputes referred outside of the Department, compared to an increase to eleven (11) disputes referred in the current financial period, an increase by thirty six percent (36%), which is still within reasonable limits when considering the size of the workforce.

Strike Action

No strike action took place during this financial period, which confirms workplace stability and the maintenance of sound labour relations.

Precautionary Suspensions

The previous financial cycle recorded the total number of suspensions at sixteen (16), when compared to the total number of seven (7), which is a forty three percent (43%) reduction from the previous financial period.

Collective bargaining

The Directorate continues to participate meaningfully at the following Provincial fora;

- General Public Service Sectoral Bargaining Council
- Public Service Coordinating Bargaining Council
- Labour Relations Forum
- Social Grants and Housing Task Team level

Programme 1	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
Administration				
	Percentage of women in management positions	54	42,5	Kindly note that there is a moratorium on the filling of posts due to the review of the organisational structure and it was envisaged that the entire process would have been finalised by the end of the financial period in question and posts filled. However, some of SMS posts have not been filled until such time that the review of the lower level structure is finalised. Furthermore, few management positions were advertised and those few that were advertised have not been filled as yet. However, the Department achieved and has maintained the achieved target of 50% women at SMS levels.
	Percentage of designated employees in management positions	76	82,9	Target achieved
	Percentage of persons with disabilities employed by the Department	0,68	0,7	Target achieved



Programme 2: Transport Infrastructure

The purpose of this programme is to provide access to a safe and affordable road network that promotes mobility of citizens, goods and services through construction and maintenance of a transport infrastructure that is sustainable, integrated and environmentally sensitive. This road network is mainly intended to facilitate and support social empowerment and economic growth that complies with the Provincial Growth and Development Strategy.

This programme is aligned with the Department's Strategic Goals one (1) and three (3). The need for road infrastructure is critical for the mobility of citizens, goods and services including the movements of agricultural produce to markets in urban centres. Road infrastructure continues to play an important dual role in the economy as a catalyst for economic integration, redistribution and development.

Sub Programme: Programme Support Office

Assistance Programme and Technical Support

On-going training and mentorship was provided to trainee engineers and technicians to increase their level of competence in their respective fields as well as increase their knowledge.

Other Training

The Department's Technology Transfer (T²) centre continued to provide training during the 2013/14 Financial Year. Various courses such as the International Computer Driving Licence (ICDL), technical courses as well as internships were successfully carried out.

Sub-Programme: Infrastructure Planning Infrastructure Management Systems

Bridge Management System

The Web2Project system was utilised to manage the construction and design of bridges, causeways and other smaller structures.

Transport Infrastructure Management System

The Department finalised its Transport Infrastructure Management System (TIMS) which will be implemented in the following Financial Year. The TIMS will capture information pertaining to projects, information about contract levels, time frames, priorities and budget allocations. This tool will be used to monitor the progress of projects in terms of outputs as well as expenditure.

Pavement Management System

The Department utilised leading world-class network survey technology to assess the Provincial road network, both surfaced and gravel roads were assessed. During these assessments it was observed that the network maintained post 1994 by the Department has since deteriorated to such

an extent that a high degree of rehabilitation is required. In order to curb this deterioration the Department introduced a Pavement Management System (PMS). In initiating the Pavement Management System (PMS) various types of asset management equipment were utilised. The equipment was used to obtain scientific data, data needed in order to validate the condition of the road network. After the acquisition of data, the data was entered into the RosyCam system, which is a Pavement Management System that optimises the network and produces a report on the prioritisation of repair. The output produced by the RosyCam system was then modelled around budget constraints and thus adequate repair strategies were devised.



Sub-Programme: Infrastructure Design

The Department took steps to ensure that designs were completed at least six (6) months before the commencement of the new Financial Year. As part of the planning and design process, standards for road construction were evaluated and tested to ensure value for money.

Survey and Road Information

This sub-program supplies the Department with information it needs for the planning, design, construction and maintenance programs it intends to implement. This information was furnished to the Department in the form of technical road related documents and plans. These technical reports are used for the declaration of roads and the registration of Public Rights of Ways in terms of the Roads Act.

Survey

The planning, design, construction and maintenance processes that were supported by the Survey Section are as follows:

- Consultants were supported with Survey Contract specifications, adjudications, appointments, checking and archiving
- The survey contracts section appointed Land Surveyors to survey expropriated land and to lodge the diagrams at the Surveyor-Generals Office in order for the Province to take title of the land under the road and dispose of unused land.
- Engineering Software packages evolved during the past year and the Surveyors have made themselves familiar with these changes.
- A Road Logging service was supplied to the Regional offices to assist them to capture assets which were included in the Departmental Geographical Information System (GIS) system.

Road Information

Road Information Services supplied the following services, in terms of legislation.

- Maintenance and upgrades of the Geographical Information System took place (GIS).
- Core data, classified in terms of RIFSA, was expanded to include the full network of National, Provincial, Municipal and private roads within the GIS.
- The Internet Map Server was upgraded to give a new front end and feel.
- The declaration of roads in terms of the Roads Act was not continued due to unpaid accounts with the Government Printers. Public rights of ways identified in the regions have been added to the register.
- The document and plan libraries have been scanned and images of the Structural, Road and Expropriation Plans are now available to users on the server.

Transportation Engineering

Road Control

This sub-section of the Traffic Engineering dealt with applications pertaining to the subdivision of and development of land applications, access to Provincial main roads, mining, environmental and any matter pertaining to sections ten (10), twelve (12), thirteen (13), nineteen (19), twenty (20) and twenty one (21) of the Kwazulu-Natal Provincial Roads Act No. 4 of 2001.

The Department implemented a new data base software package to register and keep track of all applications and correspondences submitted to the component for comments.

Structural Design

A total number of seventeen (17) pedestrian bridges and ten (10) vehicle bridges were designed and constructed.

Geometric Design

The Department has to date, completed nine (9) infrastructure project designs for construction. The Department has approximately sixty six (66) projects under review and approximately forty one (41) design projects for which amendments are being carried out.

The Department has an ongoing training program for Candidate Technicians. After the completion of the training programme Candidate Technicians will be eligible for registration with the Engineering Council of South Africa.

Traffic Engineering Design

The traffic surveys of the eleven (11) traffic signal applications that were received have been conducted. Four (4) traffic signal designs have been completed and approved. Furthermore, numerous requests for various traffic calming measures were dealt with during this reporting period.

Mechanical Support

The following is a list of road making plant items purchased during the Financial Year 2013/14.

Plant Purchases 2013/14			
Item	Quantity	Unit Price	Total Price
Front end Loader	3	R 983 194. 33	R2 949 582. 99
Loader (quick hitch)	1	R 779 105. 97	R 779 105 .97
Service truck	2	R 714 554. 10	R1 429 108. 20
Water tanker	6	R 675 909. 00	R4 055 454. 00
Crane truck	6	R 797 872. 00	R4 787 232. 00
Crane truck	6	R 1 234 232. 16	R7 405 392. 96
Tip truck	8	R 585 467. 41	R 4 683 739. 28
Tip truck	8	R 670 746. 67	R5 365 973. 36
Transport horse	2	R 1 381 506. 04	R2 763 012. 08
Platform truck	4	R 480 952. 00	R1 923 808. 00
Total	46		R30 753 588. 78

Signposting

The following table presents information regarding the number of signposts approved by the Department during the Financial Year 2013/14.

Description	2013/2014	
	Private Sector	State Institutions
Applications for the design of sign-faces and intersection layout diagrams for Tourism Directional Road Signage from the Private Sector and State Institutions (Hospitals, Clinics, Schools, SAPS, Dept Social Welfare, Dept Housing etc.)	21	59
Total	80	

	2013/2014
Applications for the design of sign-faces and updating of intersection layout diagrams from Regional Cost Centre's for replacement of existing signs and new signs	27

Sub-programme:

Construction

Upgrade from Gravel to Blacktop Standard.

The following photographs present visual evidence of gravel roads that were upgraded to blacktop standards in the 2013/14 Financial Year.



P100 and P102 intersection - during construction



P100 and P102 intersection – after construction

New Gravel Roads Constructed

Access and mobility are arguably the most stubborn challenges with regard to improving service delivery in rural South Africa. The Department has therefore invested significantly on road infrastructure development in rural areas. This is due to the fact that road infrastructure is the backbone of development in all key sectors, as road infrastructure enables the development of other sectors.

The following photographs present visual evidence of the construction of gravel roads in the 2013/14 Financial Year.



Ntendeka New Gravel Road before Construction



Ntendeka New Gravel Road after Construction

Construction of Concrete Paved Roads



Ndlela Access Road before and after construction

New Bridges and Pedestrian Bridges Constructed

The construction of bridges is central to the provision of access and improvement of the quality of life of rural people. Bridges are important structures because they provide access over rivers and impassable landscapes thereby granting communities vital access to clinics, schools and other public amenities.



3374 Weza River Pedestrian Bridge Site before and after Construction

Sub-programme:

Maintenance

The Department continued to undertake preventative, routine and emergency maintenance in order to gradually decrease the percentage of roads in a poor to very poor condition. The Maintenance programme's objective is to increase the lifespan of Provincial roads and decrease vehicle operating costs by undertaking a combination of maintenance activities. By utilising various asset management equipment and techniques like scientific data and the Pavement Management System (PMS), the Department effectively prioritised roads for maintenance and efficiently utilised the allocated funding to deliver a safer road environment.

Rehabilitation



P23- 2 before Rehabilitation and after Rehabilitation

Service Delivery Achievements

Programme 2: Transport Infrastructure

Programme 2	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
Construction				
	Number of lane-km of new surface roads constructed	20	4	Due to major change to the scope of work on P577 brought about by Ethekewini Municipality, the construction programme was amended and therefore the work targeted was not achieved
	Number of kilometres of new gravel roads constructed	270	228	Regions encountered problems with appeals as well as acquiring borrow pits
	Number of lane-km of surfaced road upgraded	-	-	
	Kilometres of gravel roads upgraded to surfaced roads	82	104	Additional outputs achieved from sections of certain projects that were due for completion from the previous financial year
	Number of square metres of non-motorised transport facility constructed	25 000	43 834	Proper validation of information from regions ensured target was met and exceeded
	Number of bridges constructed	7	10	Assessment of certain bridge projects revealed that it was more feasible to construct vehicular bridges instead of pedestrian bridges therefore the over achievement in vehicular bridges

Programme 2	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
Construction				
	Number of pedestrian bridges constructed	13	17	3 bridges from the previous financial year were completed in 2013/14
	Design of Integrated Public Transport Networks	2	-	The service provider did not have sufficient data available to complete the IPTNs. At this stage they are approximately 90% complete
	Number of Public Transport Infrastructure projects implemented	2	1	Several delays were encountered with the implementation of the Estcourt facility with respect to designs as well as land ownership and owing to the proposed mall development
Maintenance				
	Number of kilometres of surfaced roads assessed (VCI's completed as per TMH 12)	3 590	3 785	The Department was able to assess more roads than was targeted
	Number of kilometres of gravel roads assessed (VCI's completed as per TMH 9)	7 920	9 531	The Department was able to assess more roads than was targeted
	Number of weighbridges calibrated to SABS standard	15	15	Target achieved
	Percentage of provincial road network in poor to very poor condition	46	46	Target achieved
	Number of lane-km of surfaced roads rehabilitated	490	488	Target achieved
	Number of square metres of surfaced roads resealed	2 040 000	2 581 439	Due to the ageing network greater emphasis has been placed on this activity in order to prolong the life of the roads
	Number of kilometres of gravel road re-gravelled	2 340	2 090	Regions encountered problems in finding suitable quarries, numerous projects in appeal stage and delays due to orders
	Number of square meters of blacktop patching (including pothole repairs)	220 000	349 201	Ageing network therefore increased emphasis on this activity
	Number of kilometres of gravel roads bladed	115 000	91 752	Certain regions experienced plant breakdowns, prolonged repair turnaround
	Number of kilometres of road infrastructure assessed through road safety audits	1 730	-	No audits undertaken in the 2013/14 financial year. Indicator to be revised
	Kilometres maintained using Zibambele Contractors	26 650	24 305	Contractor turnover negatively affects output



Programme 3: Transport Operations

The purpose of this programme is to plan, regulate and facilitate the provision of an integrated land transport service.

This programme consists of three (3) sub-programmes namely Programme Support Operations, Public Transport Services and Transport Safety and Compliance which are aligned with the sector specific budget format.



Sub Programme: Programme Support Operations Planning

Integrated Public Transport System

In line with the National Transport Policy, Public Transport Strategy and Action Plan, the Department continued to be instrumental in assisting Planning Authorities that lacked capacity to prepare Integrated Rapid Public Transport Networks (IRPTN) and Integrated Public Transport Networks (IPTN). The progress of the development of IRPTN/IPTN in the Province can be summarised as follows.

The following Municipalities have prepared and completed their IRPTN's/IPTN's: eThekweni Transport Authority, uGu, uMgungundlovu, uThungulu, iLembe and uMkhanyakude District Municipalities. The Development of Zululand, uThukela, Amajuba and uMzinyathi District Municipalities has commenced. The IPTN concept has been presented at Council meetings and steering committees have been established to guide and facilitate this exercise.

The IPTN's for Zululand, Amajuba, uMzinyathi and uThukela which were initially due for completion by the end of the 2013/14 Financial Year will be finalised by the end of June 2014 due to a lack of data. The Sisonke District Municipality's IRPTN/IPTN will be prepared in the 2014/15 Financial Year.

Public Transport Infrastructure

Weighbridges

Weighbridges are calibrated bi-annually as determined by legislation. One hundred seventy four thousand, three hundred and forty seven (174 347) vehicles were weighed on fifteen (15) Provincial weighbridges. The average overloading of trucks is seventeen percent (17%); trucks are given leeway with respect to overloading. Yet even with the leeway of three point six percent (3.6%) of the initial seventeen percent (17%) had exceeded the amended load specifications and

thus were charged. There was a reduction in the number of vehicles weighed due to the fact that the weighbridges in Ladysmith and One tree Hill could be negated by trucks by taking this alternative route which circumnavigates these weighbridges.

To control the extent of overloading in KZN, the Department has implemented a strategy to improve existing weighbridges and to construct additional weighbridges at identified locations. An annual audit of improvements required at the weighbridge offices was conducted and improvements were prioritized to ensure the Department remained within budget.

The Department is currently investigating the feasibility of constructing three (3) weighbridges. These new weighbridges are planned for Teza (North Coast, N2), Camperdown (N3) and the John Ross highway. The Kokstad TCC is currently in its final design stage and funding has been allocated.

In order to be able to determine the extent of overloading in our Province, the Department had to utilize methods other than the weighbridge. These methods were mainly used on Provincial roads which did not have static weighbridges. Due to the lack of weighbridges on these roads the Department used statistics gathered from high speed weigh-in-motions (HSWIM), low speed weigh-in-motions (LSWIM) and mobile weighbridge mats known as vehicle load monitoring (VLM) to control overloading.

Weigh-in-motion (wim) sites

A Weigh-In-Motion (WIM) is a sensor pan installed on the road surface. A WIM sensor resembles a steel pan. A WIM sensor is a permanent traffic monitoring site and is used in conjunction with a traffic counting station to determine the axle load of vehicles in motion.

The Department has installed twelve (12) WIM at various locations on the provincial road network.

Infrastructure improvements

The Department remained committed to constructing and improving public transport

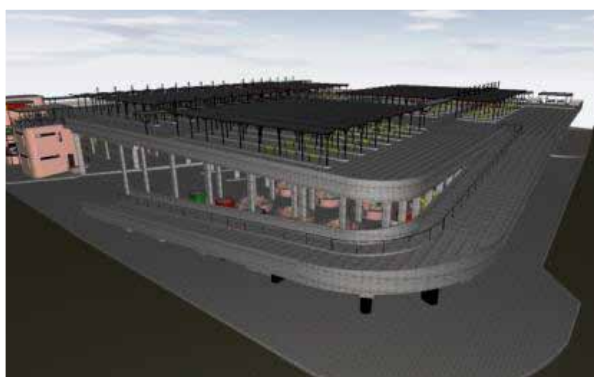
infrastructure in the Province. The implementation of Intermodal facilities in KwaDukuza and Port Shepstone is on-going. The Port Shepstone Public Transport Facility is currently going through Municipal procurement processes for the appointment of suitable contractor. Whilst the Port Shepstone Public Transport Facility progresses the KwaDukuza Public Transport Facility has been delayed due to land related matters which the Municipality is currently dealing with. The Department petitioned Passenger Rail Agent South Africa (PRASA) to assist with the development of the KwaDukuza Facility. PRASA has through Intersite (section of PRASA) indicated an interest in getting involved in the construction of the facility.

The construction of the Estcourt Public Transport Facility has commenced and stakeholder consultation remains a critical factor in ensuring continuous buy in from all affected and interested stakeholders. Once completed the facility will be handed over to the Municipality, the Municipality will be responsible for its operation and maintenance.

A feasibility study and preliminary designs have been commissioned and completed for the UMzikhulu Public Transport Facility. The preparation of detailed designs is currently eighty percent (80%) complete. The delays experienced are due to land matters (EIA) which the Municipality is currently dealing with. Upon the finalization of both the detailed designs and EIA matters, the construction of the facility will commence. It is envisaged that the construction of the facility will commence in 2014/15 Financial Year.



Umzimkhulu bus rank



Proposed Public Transport Facility: Umtshezi

The construction of the Mondlo Public Transport Facility has been completed. Upon completion this facility was handed over in March 2014 to Abaqulusi Local Municipality by the MEC for Transport and Community Safety and Liaison, Mr. W Mchunu.



Handing over of the Abaqulusi Transport Facility

Public Transport Shelters

In 2012/13 Financial Year no public transport shelters were constructed by the Department, due to financial constraint and cost cutting measures. However, in the Financial Year under review (2013/14) a total of forty (40) shelters are currently under construction within Mbabazane Municipality.



Sub Programme: Public Transport Services

The purpose of this subprogram is to manage and monitor the provision of subsidized public transport services. The functions include ensuring that funds allocated to subsidise public transport service yield maximum outcome, ensure achievement of performance standards, ensure economic transformation of the subsidized public transport sector and provide education and capacity building.

The Department provides subsidized public transport services which are funded through Public Transport Operations Grant. In many respects performance in the provision of the service has been above average.

Performance outputs achieved during the Financial Year under review are demonstrated on the following table:

Table-Subsidised Public Transport Performance

Performance measure	Output
Total number of kilometers subsidized	41 765 361
Total number of passenger trips subsidized:	66 259 416
Total number of trips subsidized:	1 181 862
Total penalties accumulated:	R 12 187 679



Subsidised Public Transport

Monitoring of Subsidised Services

In order to ensure that service providers contracted to render subsidized services complied with their contractual obligations and performance standards, the Department monitored the services provided through the use of monitoring firms. Performance aspects which were monitored included departure and arrival time compliance, passengers transported, passenger's perceptions about the service rendered, bus inspections, bus cleanliness and comfort. A target of at least sixty percent (60%) of the service per contract had to be monitored. For this Financial Year (2013/14) sixty six percent point eight (66.8 %) monitoring was done. On the bases of this monitoring, penalties were imposed on service providers for non-performance.

Leaner Transport

The Department is currently providing leaner transport services to two hundred and twenty-nine (229) school and twenty thousand and forty-five schools (20 045) learners covering all the Districts in the Province. The Department plans to increase the number of learners and schools and schools year on year depending on budget availability and demand. The following table provides a summary of the schools that benefitted in the Financial Year under review.

Table-Summary of Benefitting Schools

DISTRICT	NUMBER OF LEARNERS	NUMBER OF SCHOOLS
1. Sisonke	2 084	23
2. Pinetown	2 022	13
3. Umgungundlovu	1 823	20
4. Amajuba	2 121	21
5. Ilembe	1 394	21
6. Uthukela	1 302	17
7. Ugu	2 212	18
8. Zululand	1 642	10
9. Umzinyathi	893	12
10. UMkhanyakude	1 653	25
11. Uthungulu	2 079	20
12 Umlazi	1 001	11
TOTAL	20 226	211

The Department of Education has identified additional thirty (30) schools and four thousand five hundred and sixty five (4 565) learners to benefit in 2014/15.



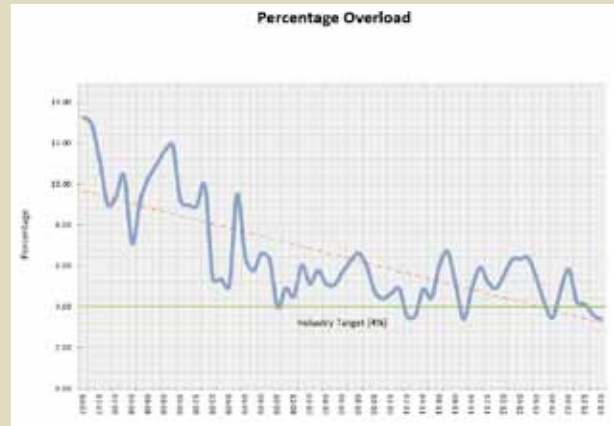
Sub programme: Transport Safety and Compliance Regulatory Control

Overloading Control

Heavy vehicle overloading continues to be a major problem in South Africa irrespective of the efforts made by authorities with regard to controlling this issue. Overloading is problematic because it causes premature road deterioration. Premature road deterioration coupled with poor vehicle maintenance and driver fatigue contribute significantly to South Africa's poor road safety record. It is estimated that approximately sixty percent (60%) of the damage to the road network is caused by overloaded heavy vehicles. To control overloading in KZN, the Department has constructed fifteen (15) static weighbridges at various locations in the Province. In addition to the construction of weighbridges the Department also implemented a Road Transport Management System (RTMS) in order to control the overloading of heavy industry vehicles.

The RTMS is an initiative that introduces self-regulation in the heavy vehicle industry which encourages consignees, consignors and hauliers engaged in the road logistics value chain to implement a vehicle management system that preserves the road infrastructure, improves road safety and increases productivity. To date, eighty four (84) depots have been RTMS accredited, in other words approximately five thousand, four hundred and ninety six (5 496) trucks have implemented the system.

The coal industry especially Eskom is presently ensuring compliance of their transporters when transporting their cargo. At present the timber and sugar industries are participating and monthly meetings are held to discuss weighbridge statistics at their respective Mills and the measures taken to deter overloading and consequently, there has been a significant reduction in the extent of overloading at both the sugar and timber mills in KZN.



Abnormal Loads

To facilitate and support the country's economic and or social interests various vehicles that are used in the transportation of heavy loads may be exempted from the dimensional and mass limitations as prescribed in the Regulations pertaining to the National Road Traffic Act, Act No.93 of 1996. During the 2013/14 Financial Year, the Abnormal Load Permit Office processed twenty three thousand, four hundred and eleven (23 411) transactions in Permit Revenue. This is a growth of sixteen percent (16%) in permit numbers when compared to the 2012/13 Financial Year.



Abnormal Load

Performance Base Standards (PBS)

Using a more flexible approach to the prescriptive requirements of the National Road Traffic Act for the transportation of goods the KwaZulu-Natal Department of Transport (KZN DoT) has successfully piloted a Performance Based Standard Scheme (PBS) approach for the transportation of commodities. This scheme is intended to decrease

the number of heavy vehicles on the mainstream road network. This is done by encouraging heavy vehicles to travel on a specific subset of the roads on a road network so as to ensure the protection of the road infrastructure and the maintenance of safety levels.

The Performance Based Standards Pilot project has seen the number of freight trips reduced by fifty nine thousand, four hundred and seventy (59 470) with one million, two hundred and thirty thousand (1 230 000) liters of fuel saved and a carbon dioxide (CO2) emissions reduction of three thousand, two hundred and thirty (3 230) tons during the 2013/14 Financial Year.



67 ton PBS Timber Vehicle operated by Zabalaza Transporters which has been introduced in KwaZulu-Natal as part of the Performance Based Standard Pilot Project

Public Transport Monitoring and Compliance

As public transport related conflict continues to plague the Province, its nature requires investigation and the creation of interventions that include amongst other stakeholders

- The South African Police Services – To investigate crimes committed.
- The Municipalities – To deal with matters that are of Municipal competence such as Public Transport Facilities
- Municipal Police – To enforce matters within their competency
- The Public Transport Enforcement Unit – To enforce matters regulated by the National Land Transport Act and related legislation
- Community Structures such as the Public Transport Passenger’s Associations - To assist in matters that involve passengers and/or general members of the community.
- Industry Leadership – To deal with internal industry matters.

It is therefore inevitable that some matters may take longer to resolve than others, given the often different complexities of the matters attended to. Some of the reasons for outstanding matters are the following:

- Awaiting decisions by competent Authorities, such as the Adjudication Committee, The Transport Appeals Tribunal, the courts and the Municipalities.
- On-going Interventions.

The following table presents a summary of matters attended to in the Financial Year under review and their status.

Region	Number of Matters Resolved	Number of Matters Outstanding
Durban	24	7
Empangeni	16	5
Ladysmith	7	3
Pietermaritzburg	7	6
Totals	54	21

Table illustrating Performance of Programme 3: Transport Operations

Programme 3 Sub programme	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Public Transport Services				
	Number of vehicles subsidised	1 300	1 300	The target is only an estimate
	Number of routes subsidised	1 700	1 700	Target achieved
	Number of vehicle kilometres subsidised	42 749 300	41 765 361	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating



Programme 3	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
	Passengers per vehicle	4 300	4 216	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
	Passengers per trip operated	52	56	Target was only an estimate
	Staff per vehicle	2.2	2.2	
	Number of subsidised passengers	1 612 300	1 044 284	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
	Number of unsubsidised passengers	211 600	101 190	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
	Number of trips subsidised	1 327 900	1 181 862	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
	Number of trips monitored	796 700	934 101	Monitoring target is 60%, however, more than 60% was actually monitored
	Subsidy per passenger	15	15	
	Number of subsidised passenger trips	69 300 000	66 259 416	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
	Number of scholars transported	19 560	22 045	Target achieved
	Number of schools receiving transport services	206	229	Target achieved

Programme 3	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
Transport Safety and Compliance				
	Number of road safety awareness interventions conducted	5	5	Target achieved
	Number of schools involved in road safety education programmes	950	956	Target achieved
	Undertake goal directed enforcement of public transport (Operation Shanela)	500	934	Mandatory special operations to conduct daily public transport operations in problematic areas increased output
	Number of school children trained	235 000	238 300	Target achieved
	Number of adults trained	43 000	43 783	Target achieved
	Number of crossing patrols provided	105	105	Target achieved



Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe road environment through the regulation of traffic, public infrastructure, law enforcement and the registration and licensing of vehicles and drivers. The programme consists of four (4) sub programmes aligned with the sector specific budget format, namely Programme Support Regulation, Operator License and Permits, Transport Administration and Licensing and Law Enforcement.



Sub Programme: Programme Support Office

Flagship Project(s)

Commissioning of Vehicles

During the period 2013/14 the Directorate commissioned eighty three (83) pool and four (4) subsidised motor vehicles to assist in law enforcement.



Roll Out of Easy Pay

It became necessary to facilitate payment of traffic fines through Easy Pay at any of the outlets or agencies which have this facility. Payment can also be made online on the Easy Pay website. The Traffic Management System has been modified so as to accommodate the Easy Pay payment method. The Easy Pay method has improved the collection of revenue from traffic offences especially those captured by Traffic Cameras.

Launching of the Traffic Fines Tracing Task Team

On the 16th July 2014 MEC for Transport, Community Safety and Liaison launched the traffic fines tracing task team which emanated from his budget speech commitment. The team comprised of fifty four (54) officers from the Road Traffic Inspectorate and Public Transport Enforcement Services. The purpose of this exercise was to encourage motorists to pay admission of guilt fines. The team executed six thousand and sixty four (6 064) warrant of arrest and served seven thousand, eight hundred and thirty one (7 831) summonses.

Traffic Chief's Summit Awards Ceremony

The Park Rynie Road Traffic Inspectorate (RTI) did the KwaZulu-Natal Department of Transport

(KZN DoT) proud. The Park Rynie Road Traffic Inspectorate was declared the best performing station in the entire country after scooping four (4) awards at the National Road Traffic Management Corporation competition which was held in East London. MEC for Transport, Community Safety and Liaison, Mr W. T Mchunu congratulated this station for the excellence it displayed and for flying the KZN DoT flag high during the prestigious National occasion.

Mr Mchunu said "Indeed, RTI has proved its reputation as the most prestigious law enforcement agency in the country. Your hard work and dedication has earned you great victory. You have done us proud and I would like to encourage other stations to strive for such results as we continue to save lives and curb road carnages"

The Park Rynie Road Traffic Inspectorate station won awards in the following four (4) categories, the station was given the award for going the extra mile, this award was won by Provincial Inspector Timothy Simpson. The station also won the Most Innovative Idea award which went to Senior Admin Clerk Jenny Pillay, the Traffic Officer of the year award was won by Station Commander Aboo Aboobaker and the Service Excellence award was won by the entire station. For their efforts each member of the team received a trophy, a certificate, blackberry phone and an I-pad.

Successes

On the 02nd February 2013 a combined integrated law enforcement operation was held on the R102 road. This integrated law enforcement operation was spearheaded by the Umdloti Road Traffic Inspectorate. Two (2) officers from the Umdloti Road Traffic Inspectorate namely Duane Scott and Branden Thring were deployed with the Automatic Number Plate Recognition (ANPR) vehicle. They stopped a suspicious looking vehicle and subsequently searched the vehicle and its occupants. Upon searching the vehicle and its occupants the police officers discovered one hundred and eighty (180) Mandrax tablets, this discovery led to the arrest of the occupants of the vehicle.

Table: Resources for traffic management by region

Regions of Province	Number		
	2011/12	2012/13	2013/14
Region 1			
Traffic officers	204	193	174
Administrative staff	26	26	17
Highway patrol vehicles	78	85	74
Region 2			
Traffic officers	185	184	177
Administrative staff	34	30	13
Highway patrol vehicles	117	112	94
Region 3			
Traffic officers	143	136	131
Administrative staff	34	26	22
Highway patrol vehicles	89	74	75
Region 4			
Traffic officers	211	202	191
Administrative staff	127	63	54
Highway patrol vehicles	136	104	128
Special Ops			
Traffic officers	86	83	89
Administrative staff	13	12	11
Highway patrol vehicles	84	89	80
Traffic Training College			
Traffic officers	16	16	19
Administrative staff	7	10	11
Highway patrol vehicles	20	21	19
Head Office			
Traffic officers	5	5	6
Administrative staff	29	19	17
Highway patrol vehicles	10	6	7
T.C.O			
Traffic officers	0	0	0
Administrative staff	44	44	43
Highway patrol vehicles	0	0	0
Whole Province			
Traffic officers	850	819	787
Administrative staff	270	230	188
Highway patrol vehicles	534	491	477

Sub Programme:Transport Administration and Licensing National Traffic Information System (eNaTIS)

Motor Vehicle Revenue Collection

Motor Transport Services (MTS) continued to maximize revenue collection by means of pre-determined processes and preventative measures undertaken prior to the registration and licensing of a motor vehicle. One of the preventative measures undertaken to maximize revenue collection is the correct classification of motor vehicles on the eNaTIS system. This coupled with on-going debtor control, linking of debt on eNaTIS and investigations into outstanding debts recorded on the eNaTIS, contributed to the collection of motor vehicle registration and licensing fees.

Implementation of National Service Delivery Standards

During the 2013/14 Financial Year, Minimum Service Delivery Standards prescribed by a Quality Management System (QMS) published in the Government Gazette No 36520 of 31 May 2013 were implemented at all Registering Authorities (RA's), Driving Licence Testing Centres (DLTC's) and Vehicle Testing Stations (VTS's) as a nationally driven initiative to achieve a higher standard of Service Delivery for all citizens.

Vehicle Technical Compliance

The Department reduced non-compliance within the motor industry. The following bears testimony to this fact:

- A total of three hundred and twenty one (321) applications for special classifications, in term of Regulation twenty one (21) of the National Road Traffic Act, 1996 (Act No. 93 of 1996), were dealt with, thereby ensuring that correct license fees were recovered and that vehicles not allowed on public roads were not issued normal licence discs.

- Two hundred and twenty (222) applications for tare mass changes were dealt with. Each of these was verified to ensure that the correct technical/legislative processes regarding the "modifications" were followed so as to ultimately ensure road safety.
- With regard to the Motor industry, fifty five (55) applications to become "motor dealers" were received. Each application was inspected.
- A total of one hundred and six (106) Manufacturers, Importers and Builders were audited for compliance during this period ensuring that the end product supplied is indeed the same as that which the South African Bureau of Standards (SABS) has homologated.
- With regard to the annual Provincial fleet verification exercise, a total of two thousand four hundred and thirty nine (2 439) vehicles were checked and verified for compliance/non-compliance thus ensuring delivery of the Department's mandate in terms of Cabinet Resolution No. 485 dated 11 December 1996.
- A total of forty (40) weighbridge inspections were conducted by the component to ensure that premises offering this services to the public had equipment that was properly calibrated and complied with the legislative requirements of the National Road Traffic Act, 1996 (Act No. 93 of 1996).
- A total of one hundred and thirty (130) Certification of Roadworthiness inspections were carried out for the purposes of investigating either complaints brought to the attention of the Department by members of the public, or as a result of information received.

Vehicle Test Station Administration

Seventy two (72) Vehicle Test Stations facilitates in the Province of KwaZulu-Natal were established, administered and monitored. Five (5) applications in respect of the registration of vehicle testing

stations were assessed resulting in two (2) of the five (5) applications being approved in principle and remaining three (3) being declined.

- The Department assessed and successfully opened two (2) new Vehicle Testing Stations and the relocated one (1) vehicle test station in terms of applicable legislation.
- Due to non-compliance with the requirements set for the registration of a Vehicle Testing Station nine (9) Vehicle Test Stations were issued with notices of intention to suspend and or cancel.
- Ten (10) examiners of vehicles were issued with notices of intention to suspend and, or cancel due to failure to comply with applicable legislation resulting in one (01) examiner of vehicles being cancelled.
- Three (3) Vehicle Test Station Agreements were concluded in terms of Regulation 137C of the National Road Traffic Act, 1996 (Act No.93 of 1996).

Sub Programme: Operator and Permits

Regulation of Public Transport Operations

The Department continued to successfully accelerate the issuing of operating licenses and permits to all modes of public transport. The Regulation and Support directorate within the Provincial Regulatory Entity is responsible for Regulation of Public Transport in the Province.

Section thirty two (32) of the National Land Transport Transition Act, 22 of 2000(NLTTA) requires that all permits should be converted to Operating Licenses on a date to be determined by the Minister. In Gazette number 27 999, the Minister of Transport gazetted that all permits should have been converted by 30 November 2005.

To date, there are approximately twenty one thousand permits (21 000) within the Province which needed to be converted to operating licenses. In terms of the NLTTA the onus of converting the permits to operating license lies with the applicant. In the Financial Year 2012/13 only three hundred and sixty three (363) permits were converted into operating licenses out of a target of four hundred (400). In the Financial Year under review, a total of three thousand, seven hundred and forty nine (3 749) operating licenses and one thousand, eight hundred and forty seven (1 847) permits were issued out while and one hundred and fifty six (156) permits still to be converted into operating licenses.

Public Transport Associations

The provision of safe, reliable, affordable and integrated public transport services requires a close working relationship between government, public transport operators and public transport users. The Department is still committed to working closely with KwaZulu-Natal SANTACO, KWANABUCO and Public Transport Passenger Associations in view of the improving the Province's public transport system.



Sub Programme: Law Enforcement

Table: Traffic Law Enforcement

Measurable Objective	Performance Measure	Actual Outputs 2012/13	Target Outputs 2013/14	Actual Outputs 2013/14	Deviation from Target	
					Unit	%
Input						
Number of traffic officials per km of surfaced road in province	Ratio	1:37	1:54	1:228	(-174)	(-322)
Number of officers per highway patrol vehicle	Ratio	2:1	2:1	2:1	-	-
Process						
Number of hours manual speed timing operations	Actual number	75,679	40,000	48,132	8132	20,33
Number of k78 roadblocks held (new)	Actual number	New	1,100	1,298	198	18
Number of roadside check operations (VCP') (New)	Actual number	New	36,000	42,700	6,700	18.61
Output						
Number of unroadworthy vehicles suspended	Actual number	7,072	7,425	6,381	(-1,044)	(-14.06)
Number of driving licenses suspended	Actual number	1,89	134	81	(-53)	(-39,55)
Number of driving licenses cancelled	Actual number	8	4	2	(-2)	(-50)
Quality						
Efficiency						
Number of registered vehicles per traffic officer	Ratio	1:419	1:386	1:461	(-75)	(-19, 43)
Ratio of fines issued paid	Ratio	15:1	10:1	25:1	(-15)	(-150)

Overloading Control

During the 2013/14 Financial Year, a total of one hundred sixty thousand, five hundred and seventy three (160 573) vehicles were weighed at the twelve (12) operational Provincial weighbridges of which ninety nine thousand, one hundred and ten (99 110) were weighed on the N3 corridor. There was a two percent (2%) decrease in the extent of overloading on the N3 corridor, overloading decreased from approximately sixteen percent (16%) to about fourteen percent (14%).

Table: Weighbridge Performance

Measurable Objective	Performance Measure	Actual Outputs 2012/13	Target Outputs 2013/14	Actual Outputs 2013/14	Deviation from Target	
					Unit	%
Input						
Number of weighbridges	Number	-	15	12	(-3)	(-20)
New weighbridges to be constructed	Number	-	-	-	-	-
Process						
Hours weighbridges to be operated	Number	16,588	15,000	14,241	(-759)	(-5.06)
Number of heavy vehicles weighed	Number	181,538	155,000	160,573	5573	3.59
Output						
% of vehicles overloaded (i.e. over the 2 % tolerance)	Percentage	5	5	5.8	(-0.8)	(-16)
Number of overloaded vehicles impounded	Number	6,686	7,020	5,936	(-1084)	(-15.44)
Efficiency						
Number of hours weighbridges operated as % of total hours in year	Percentage	7	8	3	(-5)	(-62.50)
Number of vehicles inspected per hour	Number	7	4	11,16	7.16	179

Road Safety Education

The strategic objectives of Road Safety are the provision of a safe road environment and the facilitation of the change of the behaviours and attitudes of road users. In view of these objectives, the Road Safety Programme aims to conduct road safety education and create public awareness. The fourfold (4) strategy provides an approach to the primary areas of concern, concentrating on the behaviour of road users and geographical hazardous areas. The Fourfold (4) strategy comprises of enforcement, education of both adults and children, remedial engineering measures in the form of high impact low cost projects and evaluation based on research.

Learner Education Projects

Scholar Patrol

According to the Road Traffic Act (Act 93 of 1996), section 57.5, scholars and students (learners) can be organized into patrols (known as scholar patrols) in order to display a stop sign in the prescribed manner (SADCRTSM 11/97, section 2.8) so that the safety of pedestrians crossing a public street or road can be ensured. Scholar Patrols are established where there is a need and where it is demanded by circumstances. Scholar patrolling is an important part of road safety education and essential to enhancing the safety of scholars, regulate traffic, improve speed calming and facilitate the safe road crossing of scholars.

The project uses school learners to assist pedestrians particularly school children with crossing the road when going to and from school. The scholar patrol project is a holistically managed programme with support from the Local Traffic Department, Department of Transport and the school. Learners are trained to operate the scholar patrol under the supervision of an educator.

A National Insurance Policy is in place that provides insurance cover for all learners and supervisors involved in the operation of a scholar patrol. There are one hundred and twenty five (125) operational scholar patrols in the Province.



A Scholar Patrol in operation in the Durban Region

Participatory Education Techniques

The Participatory Education Techniques Project encourages grade ten (10) and eleven (11) high school learners to identify road safety problems in their respective communities, problems that have a direct impact on their school and community. Learners are workshopped on research and project management skills. Learners are given two (2) months to develop solutions to the problems they have identified. They then present their identified problems and proposed solutions to a panel of adjudicators as part of a road safety competition. This project provides the platform for learners to develop research, project management, presentation and decision making skills.

The project commenced with the selection of schools, workshops on how to conduct research and manage a project and monitoring sessions. After these sessions the competition commenced in earnest with Regional competitions followed by Provincial competition capped by a National competition.

The Provincial Competition took place on 07 September 2013 at the Karridene Hotel in Durban. A total number of eight (8) schools (two (2) per region) participated in the Provincial Competition. Glenhills Secondary School from the Durban Region represented by a team of five (5) learners was the winner of the Provincial Competition and represented KwaZulu-Natal at the National Competition.



Glenhills Secondary-Winner of the Provincial Competition

The National Competition was held on 02 December 2013, at the Cedar Park Convention Centre in Sandton, Gauteng. Glenhills Secondary from KwaZulu-Natal was placed first in the country and each learner in the team won a Samsung Galaxy Notebook. The award recognized excellence in the following areas:

- a) Presentation of current research on road safety problem(s) supported by legitimate sources.
- b) Presentation of proposed solutions to resolve the identified problem(s) supported by legitimate sources.
- c) Presentation skills.



The team of learners from Glenhills Secondary that represented the Province of KwaZulu-Natal in the national competition

Road Safety Talks

This project is done at both primary and high school level and as well as at Edu fairs. The Asiphephe Road Safety Truck provides a mobile stage and sound effects and is used as a platform to teach basic road safety rules. At primary schools the Road Safety Mascot (Robbie Robot) interacts

with learners and reinforces basic road safety rules through play. Road Safety through Entertainment allows learners to have a break from their normal classroom routine by providing an exciting, interactive and fun programme. A total number of five hundred and eighty one (581) schools were reached in the 2013/2014 Financial Year.



Learners participating in our "Road Safety Talks" project at schools

Road Safety Debates

The Road Safety Debates Project targets grade ten (10) and eleven (11) learners. Learners debate road safety issues in order to persuade those holding differing opinions to conform. Through the medium of debate learners become aware of road safety issues currently affecting the country, what policies and procedures are in place and provide innovative ways of how our current road safety situation can be improved.

The style of debating that is utilized is called the "World Schools Style of Debating". In the world schools style of debating each debate comprises of six (6) speeches delivered by two (2) teams of three (3) members each representing the proposition and opposition sides. The first six (6) speeches are six (6) minutes in duration with each team then finishing up by giving a three (3) minute concluding reply speech.

The project commenced with the selection of schools, workshops on how to debate, monitoring sessions, Regional competitions,

Provincial competition and ended with a national competition. A total number of sixty (60) schools participated in the 2013/14 project cycle.

The Provincial Competition took place on 17 August 2013 at the Imperial Hotel in Pietermaritzburg. The Provincial winner was Bhekintuthuko High School from the Ladysmith Region. As per the National Policy on the "Implementation of the Road Safety Debates Project" a Provincial team should comprise of five (5) learners from a minimum of four (4) different schools. Hence the Provincial team representing KwaZulu-Natal was as follows:

Table illustrating pupils that represented KwaZulu-Natal at National Road Safety Debate

Name	Surname	DOE DISTRICT	Name of School
Eugene Nhlanhla	Mchunu	Pinetown	Kwantebeni High
Sinqobile	Chebekhulu	Obonjeni	Velangaye High
Danny	Madondo	Amajuba	Bhekinthuthuko High
Senzosenkosi	Ntuli	Amajuba	Amazulu High
Sinenhlanhla	Ngema	Empangeni	Velangaye High



The team selected at the Provincial Competition held on 17 August 2013 to represent KwaZulu- Natal at the National Competition

The KwaZulu-Natal team was placed third (3rd) in the National Competition and each learner won E-Readers to the value of ten thousand Rand (R10 000.00) for their school library. The award recognizes excellence in:

- a) Presentation of current researched road safety information supported by legitimate sources.
- b) Public speaking skills.

- c) Ability to analyse arguments presented by opposing/proposing teams and the provision of counter arguments during the actual debate.



The KwaZulu-Natal Team accepting their prize at the National Competition Ungqimu Idada no Usiyazi Idada ("Silly Duck and Clever Duck") Road Safety Education Project

The Ungqimu Idada no Usiyazi Idada-Silly Duck and Clever Duck Road Safety Education Project was piloted by the Road Safety Directorate to educate young road user about safe road practices using the principle of self-discovery through interaction with cartoon characters. The characters used in this project are "Silly Duck and "Clever Duck". The "Silly Duck" does not follow road safety rules thus jeopardizing his safety while the "Clever Duck" follows road safety rules. In this way the young road user is able to differentiate between good and bad road safety practices which assists them in making wise road safety decisions while using the road. In order to reach a wider audience the Road Safety Directorate utilized the medium of radio (Radio UKHOZI) to spread road safety knowledge through interaction with cartoon characters (Silly Duck and Clever Duck) in the form of road safety lessons. Road Safety lessons are broadcast every Thursday at 09h05 and repeated every Saturday at 08h45 on Radio UKHOZI. At the end of the radio broadcast educators are encouraged to send a

short message service (SMS) to the radio station. Through a random selection process schools are selected to win a resource package for their school.

The Ungqimu Idada no Usiyazi Idada-Silly Duck and Clever Duck Road Safety Education Project was awarded first position in the Annual Traffic Management Incentive Awards under the category "Best Road Safety Education Project". The awards recognize excellence or outstanding performance within the various functional areas of traffic management in an endeavour to promote safe road usage. The awards ceremony was held on 28 November 2013 in Port Elizabeth. The award recognizes excellence in the following areas:

- d) Innovation-The dissemination of road safety information through the medium of radio at a set time allows educators to tune in and practically conduct the lesson with their learners. Educators are also not taken out of the classroom for workshops.
- e) Creativity-Supporting the lesson with exciting, fun and interactive road safety songs and jingles has added a fun element to the concept.
- f) By introducing a competition element, educators listen to the lesson and can then send an SMS to the radio station and stand a chance of winning a road safety resource package which consists of thirty eight (38) learner books, one (1) educator guide and an audio CD of road safety songs.



Learners singing the road safety songs with actions in the classroom

Adult Education Projects

School Crossing Patrol Services

The main aim of this service is to ensure that children cross the road to and from school safely and under the supervision of an adult. The National Road Traffic Act number 93 of 1996 Section 3 A (1) (e) refers to the School Crossing Patrol as a reserve traffic warden. The following is of relevance to the above:-"that any local authority may appoint persons as traffic wardens or as reserve traffic warden to exercise or perform within its area such powers and duties of a traffic officer as the MEC may determine". In terms of existing legislation only a Municipal Authority can appoint a reserve traffic officer or warden(s) to perform the school crossing patrol service, and this is not extended to the Provincial Authority. The Department therefore entered into a Memorandum of Understanding with all interested Municipalities

ACTIVITIES	To provide a safe crossing point for learners at nominated schools.	
IMPLEMENTATION	Throughout the Province	
TARGET	No of Crossing Points:	123
	No of Schools:	114
EPWP FUNDING	This project has also received an incentive grant for the period Oct 2011 to March 2014.	
EPWP TARGET	No of Beneficiaries:	79

Driver Development

Thuthukisa Abashayeli

A larger percentage of accidents on the Province's roads can be attributed to poor driver behavior/ attitude, fatigue, lack of skills and knowledge. In an attempt to correct the deficiencies that exist within the driving fraternity, the Driver of the Year project was revamped. The revamped competition focused on enhancing the skills of drivers through the provision of road safety education. The revamped competition provided drivers with knowledge and understanding of the consequences of their behavior. This was done with the hope

that once informed drivers would attempt to drive safer. The drivers were only allowed to participate in the competition if they had undertaken road safety education. Developing drivers also serves as an incentive for the business sector to invest in advanced driver training for their heavy motor vehicle drivers because skilled drivers contribute to the saving of lives and economic savings for the company.

PURPOSE	Educate heavy motor vehicle drivers on safe road practices
IMPLEMENTATION	Throughout KZN Province.
TARGET	1 training session for identified adjudicators 1 training session for nominated drivers 1 National Competition 1 International Competition

Freight Education

The purpose of this programme was the implementation of a road safety education programme within the Freight industry which provides information on basic road safety rules to educate the freight industry drivers on the dangers of unsafe driving. This initiative coupled with the Truck Drivers Wellness programme furthered enhance road safety education in the freight industry. The trucking wellness programme aims to promote health and wellness amongst truck drivers through the offering of the following services by health care professionals: eye testing, blood sugar reading, blood pressure reading and TB screening. A healthy driver is a safe driver.

PURPOSE	To hold workshops/training sessions with freight industry. Holding information sessions with truck drivers/owners. Attend RTMS meetings to provide education to the freight industry. Participation in wellness clinics with N3TC and Toll Concessionaire.
IMPLEMENTATION	Throughout KZN Province.

TARGET	No of workshops with freight industry: 20 No of drivers and operators targeted : 1744 No of Wellness clinics: 10
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Adult Pedestrian Education

The main aim of the Adult Pedestrian Project is to determine the knowledge, attitudes and behaviour of pedestrians in respect of road usage and alcohol consumption. The knowledge gained from this project assists in changing pedestrian attitudes towards drinking and walking and general road usage, so as to reduce pedestrian fatalities.

PURPOSE	Undertaking road safety education presentations at gathering points for adult pedestrians such as clinics, pensions pay points etc. by Community Road Safety Councils
IMPLEMENTATION	Throughout KZN Province.
TARGET	Number of CRSC members trained to undertake presentations: 164 Number of presentations: 1 955 Number of pedestrians to be reached: 41 000

Community Outreach

Interfaith

The project aims to foster relationships with all denominations through various religious bodies. Intensive education and awareness was conducted on an on-going basis to internalise norms and values to make people safer road users. Members of these structures meet regularly and on an on-going basis and this allowed for consistent, cost efficient and cost effective dissemination of information and communication. The Department therefore entered into a partnership with various religious bodies to promote road safety within their respective organisations.

Table illustrating Programme 4: Transport Regulation

Programme 4	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
Transport Administration and Licensing				
	Number of license compliance inspections executed	288 000	304 928	National DoT has clamped down on the issuing of illegal roadworthy certificates therefore KZN vehicle owners returning to province to have roadworthy tests performed on their vehicles
	Number of operator permits still to be converted to licences	400	156	The number of applications that have been considered by the adjudication in total do not meet the estimated target. The challenge is that not all are approved due to the fact that they are deferred due to different reasons, for example, conflict in the route in question. The adjudication has discovered that the operators submit the same permit that has been converted thus the number approved will automatically decline applications for conversion to operating licenses
	Number of abnormal load permits issued	18 700	24 127	Attainment of target is not within Departmental control
Traffic law enforcement				
	Number of speed operations conducted	18 250	15 071	Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually and with the number of road accidents in the province
	Number of K78 roadblocks held	1 100	2 398	With the introduction of compulsory Thursday roadblocks and Remcom operations this indicator has been exceeded
	Number of hours weighbridges are operated	15 000	14 241	During this period only 12 out of 15 weighbridges were operational due to road construction on the R103 Ladysmith, N11 One Tree Hill and Greytown
	Number of road side vehicle check point operations	36 000	42 700	Overachievement is due to the focus on roadworthiness aspects
	Number of kilometres patrolled	6 090 000	6 201 025	Target exceeded due to the vast area that needs to be patrolled as well as the increase in requests for abnormal load escorts

Programme 4	Performance Measure	Annual Target	Annual Output	Explanation of Responses
Sub programme				
	Number of law enforcement officers trained: Diploma courses	-	-	
	Number of law enforcement officers employed	824	787	
	Hours of manual speed timing activities	40 000	48 132	Focus on this measurement has been achieved due to the high volumes of traffic over the Easter and summer holidays and the number of accidents in the province
	Number of vehicles exceeding the speed limit	267 000	400 432	No control over this measure
	Number of vehicles checked in road side vehicle check point operations	2 040 000	1 581 611	Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually
	Number of heavy vehicles screened	3 100 000	4 442 215	With the absence of rail as an alternate mode of transport there has been an increase in the transportation of goods by heavy vehicles
	Number of heavy vehicles weighed	155 000	160 573	Target achieved
	Number of vehicles which are overloaded	24 600	28 120	No control. Responsibility to ensure that vehicles are compliant rests with the consignee and consignor
	Number of vehicles detained	7 050	5 936	No control over this measure



Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme and the following:

- The management and co-ordination of the Expanded Public Works Programmes.
- Development of programmes to further Broad Based Black Economic Empowerment (BBBEE)
- Develop programmes to bring about the development and empowerment of impoverished communities.

The programme consists of four (4) sub-programmes namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring. These four (4) sub-programmes are aligned with the sector specific budget format.



Sub Programme: Programme Support Community Based

Enterprise Development

The Department has advanced Black Economic Empowerment (BEE) through targeted procurement policies which are supported by training and other programmes designed to remove barriers to entry and performance. Through Enterprise Development the Department seeks to enhance the participation of emerging contractors and Small, Micro and Medium Enterprises (SMME's) within the Transportation sector by creating an environment conducive to success. The Department plans to create this conducive environment by providing emerging contractors and SMME's with the right combination of technical and capacity building initiatives.

These developmental initiatives are intended to ensure that the full potential of small businesses is met by assisting with regard to fulfilling contractual obligations and the achievement of projects outputs within stipulated timelines. The Department seeks to do this by linking the current Vukuzakhe scope of work to more appropriate and structured training support programmes which are driven through Construction Industry Development Board (CIDB) and Broad Based Black Economic Empowerment (BBBEE) prescripts. The role of the Department in terms of capacitating emerging contractors and small, micro and medium enterprises (SMME's) cannot be over emphasized.

Monitoring and Evaluation

Government has taken a conscious decision to elevate Monitoring and Evaluation of government performance and service delivery on its agenda on the quest for continuous improvement in service delivery. Government has put in place guiding policies to ensure that this mandate is executed effectively and efficiently. In 2004, the Cabinet initiated plans for a monitoring and evaluation system for government. The Presidency subsequently developed the *Policy Framework for the Government-wide Monitoring and Evaluation*

System (GWMES). The Policy Framework on the GWMES is supported by three (3) other frameworks, namely: The National Evaluation Policy Framework (NEPF) under the Department of Performance Monitoring and Evaluation, the Framework for Managing Programme Performance Information (FMPPI) under National Treasury and the South Africa's Statistical Quality Assessment Framework (SASQAF) under Statistics South Africa (StatsSA). The framework for Monitoring and Evaluation, which is in place in the Department is premised on these mandates.

Monitoring and Evaluation is the central hub for the capturing, dissemination and storage of all Departmental service delivery information. This component has been very instrumental in ensuring that the Department complies with all requirements in terms of mandatory reports from National Treasury, Provincial Treasury and other Governmental Departments. Service delivery quarterly reports indicating the performance of this Department were compiled and submitted timeously to National Treasury in the Financial Year under review. The component also compiled two (2) six (6) month service delivery reports, these reports were a reflection of how the Department performed against targets set. These service delivery reports were tabled in Parliament by the Executive Authority.

The Monitoring and Evaluation conducted forty five (45) site inspections and several technical investigations during the course of the Financial Year under review.

The Department successfully drove the Management Performance Assessment Tool (MPAT) which is continuously monitored. Of particular importance studies pertaining to the evaluation of Service Delivery Improvements (S.D.I) were undertaken. The proud to report that , a report furnished by members of the Department of Public Services and Administration (DPSA) and Public Service Commission (PSC) at the Departments Provincial Development and Growth Plan (PDGP) presentation, highlighted some success areas within Monitoring & Evaluation.

Policy and Planning

The purpose of the planning and policy development of the Department has been to ensure integration of service delivery within the Department and other spheres of Government. During the 2013/14 Financial Year, two (2) policies were approved for implementation by the Department. Details of the approved policies are as follows:

NO	TITLE	DATE APPROVED
	Corporate Governance of ICT Policy	31:03:2014
	Business Continuity and Information Technology Disaster Recovery Policy	31:03:2014

The Provincial Growth and Development Strategy (PGDS) and the resultant Provincial Growth and Development Plan (PGDP) were approved by Cabinet for implementation by departments. These documents are aligned with the current Provincial, National and Global policy frameworks namely the Six (6) Provincial Priorities, the Fourteen (14) National Outcomes, the New Growth Path (NGP), the National Planning Commission's Diagnostic Report, National Development Plan (NDP) and the Millennium Development Goals (MDGs). The Department had ensured that all activities, programmes, projects and policies were aligned with and complement the PGDS and the resultant 2013 PGDP.

The Department's Annual Performance Plan for 2013/14 to 2015/16 was developed and approved for implementation. The document was tabled by the MEC at his Budget Speech on 31 May 2013. The Department was tasked with the coordination of Rural Road Asset Management Systems (RRAMS) for the Municipalities by the National Department of Transport. The Department initiated the process and all the District Municipalities have taken on S 3 and S 4 technicians to collect data pertaining to road assets.

The Department was tasked with the coordination of Strategic Infrastructure Projects 2 (SIP2) in the Province. In this regard a focus group has been

formed with all the relevant stakeholders in the Province to ensure there is an integrated approach in the endeavour to improve freight movement and lowering logistics costs between the Durban - Free State - Gauteng Corridor. The activities of the group continued during the Financial Year under review.

The Department has undertaken the Functional Road Classification for all roads within the Province and has engaged with all Municipalities to get a consensus position on the classification of roads. The RRAMS exercise mentioned above will confirm that all these roads are in existence and thereafter consultation will take place with all road authorities to ensure assignment thereof.

The Department commenced with the development of an intensive, collaborative Project Prioritisation System to facilitate the ranking of all Road Network projects within KZN Province based on technical criteria. The purpose of the system is to provide prioritised schedules of transport infrastructure needs that can assist with the:

- Comparison between alternative projects;
- preparation of project programmes;
- checking of priorities for projects on existing programmes, based on technical criteria and
- determining of network needs and backlogs for various types of projects.

Sub Programme: Community Development

Community Liaison

The Community Liaison Sub-Directorate is responsible for the facilitation of Rural Road Transport Fora to promote community participation on road related matters. One of the realizations made by the Department is that policies and strategies can be put in place, however without effective community participation, the implementation of such policies and strategies can never have the desired socio economic impact on the targeted communities. Such structures however need to be

coordinated, capacitated and trained in various fields in order for them to be effective in their interventions.

Performance Targets

The performance targets for 2013/14 Financial Year, were to facilitate capacity building on Business planning, Facilitation of RRTF's monthly meetings and facilitation of the alignment of DoT structures with Municipality Structures. The sub-directorate facilitated three hundred and eight four (384) local RRTF monthly meetings to ensure active involvement of communities and other stakeholders in the implementation of rural road infrastructure projects throughout the Province. In these meetings RRTF's discussed development issues and monitored the progress of rural road projects.

Alignment of Departmental Liaison structures with Municipality Structures

During 2012/13 Financial Year several consultation meetings were held with different Municipalities in the Province. The purpose of these meetings was to introduce a system that would align Departmental and Municipal structures. The structures were going to be established from the ward committees up to the District/Municipality level. The consultation was successful in most of the Municipalities, Municipalities submitted their nominees.

Pilot Programme: Labour Intensive Programme

Pilot Programme was involved in the labour intensive construction of D1264 during the Financial Year. The focus was mainly on the labour-intensive construction of the roadbed, mechanised construction of the sub-base and base layers and the construction of one kilometre (1km) of continuously reinforced ultra-thin concrete pavement. Trial were also undertaken on the labour-intensive construction of the G4 base layer.

Labour Content

A total of two hundred and fifty five (255) people were provided with working opportunities on D1264 and worked a total of eighteen thousand seven hundred and four (18 704) person days. This equates to eighty one (81) full time work equivalents

Social Development

The Department is responsible for poverty alleviation and the development of contractors. This is done through job creation which is intended to support rural households. In 2013/14 Financial Year, engagements with the Interim Zibambele Provincial Council on issues of common interest and embarkement on a planned consultation with Zibambele contractors were undertaken.

As part of developing contractors, it is important to communicate issues that affect contractors such as savings clubs and other related issues. This gave the Department an opportunity to scan the circumstances around issues pertaining saving.

Of the twelve (12) KZN Municipal Districts only three (3) were not targeted for this exercise. The contractors consulted were from the following Municipalities: Sisonke, UMgungundlovu, UMzinyathi, UThukela, Zululand, UThungulu, UGu and ILembe.

Sub Programme: Innovation and Empowerment

Emerging Contractor Development Vukuzakhe Emerging Contractors Association (VECA)

Alignment of VECA Structures with Municipality Structures

The Vukuzakhe Emerging Contractors Association (VECA) has restructured its local associations so as to ensure that they are aligned to District Municipalities. This restructuring will align VECA activities and planning with District and Local Municipalities. Enterprise development has already initiated engagements with Local Municipalities such as uMshwati, Richmond, uMvoti and Mpofana with regard to the involvement of emerging contractors in their IDP's (Integrated Development Plans). These initiatives are going to ensure that emerging contractors are not solely dependent on the Department for work opportunities.

Vukuzakhe Associations: Election of District Committees

The Department facilitated the election of District Committees in association with VECA. The facilitation was to ensure that the structures are in line with the new structural demarcations of the Department. To date, there are eleven (11) Districts Committees that have been launched.



The Vukuzakhe Emerging Contractor Association- 16 members Provincial Committee

Financial Management Training and Support

During the Financial Year under review the Department embarked on the provision of accredited National Qualifications Framework Two (NQF 2) unit standard training: "General Conditions of Contracts" to emerging contractors, through their Vukuzakhe Associations. The Department was able to provide training to one hundred and forty eight (148) learners. All competent learners will be awarded a unit standard certificate from the Services Sector Education and Training Authority (SETA) in line with the National Qualifications Framework (NQF).

Technical Intervention

The Department is committed to providing effective strategies that will assist the government with regard to exploring opportunities for job creation within the construction industry. Beyond job creation within the construction industry, the Department has pledged continued support against the fight on poverty and unemployment. In this regard, the Department has contributed towards promoting accessibility to the economy by

affording opportunities to women, youth, people with disabilities (PWD's) and rural communities. This ensures sustainable development of emerging business entities and positively contributes towards effective economic activities. The Vukuzakhe programme therefore has been fully committed in creating opportunities for all target groups through value chain procurement principles. The Department has been able to achieve some of its targets through improving its activities by;

- Putting emphasis on issues of ensuring compliance and sustainable development through the B-BBEE score card which forces contractors and suppliers to be compliant.
- Provide support to Vukuzakhe emerging contractors with regard to B-BBEE verifications for their entities.
- Strengthening business linkages with relevant internal and external stakeholders with regard to business support and development and realizing the concretization of PPP's e.g. ABSA, DEDT, and SEEDA.

Broad Based Black Economic Empowerment

The Department committed itself in the previous Financial Year to ensure that its contractors are well versed about issues pertaining to Broad Based Black Economic Empowerment (B-BBEE). The commitment to ensuring that contractors are knowledgeable about issues pertaining B-BBEE stems from the fact that B-BBEE has a major influence on business activities and business growth. The Department provided awareness-training workshops to the whole of KwaZulu-Natal, where Vukuzakhe contractors were exposed to issues pertaining to B-BBEE so as to ensure that their business entities were in good standing as far as B-BBEE is concerned. The establishment of whether businesses were in good standing was done through a B-BBEE verification process.

To this date, almost eighty five percent (85%) of the Department's Vukuzakhe contractors have been through the processes of verification. Apart from this, the Department of Transport engaged in workshops for B-BBEE verification in association

Department of Economic Development and Tourism (DEDT). The Department was also engaged in verification utilizing Transport Sector Codes, this type of verification is very stringent due to its high targets. The project was hosted by the National Department of Transport (NDoT). The KwaZulu-Natal Transport Department (KZN DoT) achieved a Level (five) 5 rating and was thus rated as the best Provincial Transport Department. This was a great achievement and spoke magnitudes about the activities undertaken by the Department towards the attaining of B-BBEE objectives.



B-BBEE workshops held in Durban with VECA

Technical Mentorship Support

In view of the Department’s limited resources, the Department has taken it upon itself to identify and forge linkages with other Government departments, private sector businesses and other relevant stakeholders. The Department is continuously trying to improve the Technical/ Mentorship support being provided to Vukuzakhe contractors by introducing outcomes based training short programmes.

Sub Programme: EPWP Coordination and Monitoring

The Expanded Public Works Programme (EPWP) is one of government’s short-to-medium term programmes aimed at alleviating and reducing unemployment and thus poverty. It is a national programme covering all spheres of government and state-owned enterprises (SOE’s). The programme involves re-orientating line function budgets so that government expenditure results in more work opportunities particularly for unskilled labour.

The Department continued to support EPWP job creation initiatives by using Labour Intensive programmes for purposes of road maintenance and construction projects reported in Programme: Transport Infrastructure. The focus areas for EPWP included safety maintenance, routine maintenance, new infrastructure and special maintenance. The Labour Intensive programmes were funded through the EPWP conditional grant.

Over the MTEF, the Department targeted five million, two hundred and sixty seven thousand (5 267 000) person days of work equating to fifty nine thousand, one hundred and sixty (59 160) work opportunities. During the reporting period four million, three hundred and eleven thousand, eight hundred and ninety six (4 311 896) person days of employment and fifty five thousand, one hundred and thirty two (55 132) work opportunities were created. Of the opportunities created twenty eight point fifteen (28.15%) were for the youth, seventy eight point thirty eight (78.38%) were for women and people with disabilities is twenty seven (27).



Table illustrating Programme 5: Community Based Programme

Programme5 Sub programme	Performance Measure	Annual Target	Annual Output	Explanation of Responses
EPWP Coordination and Monitoring				
	Number of people employed	59 160	55 132	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
	Number of employment days created	5 267 000	4 311 896	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
	Number of Full-Time Equivalents (FTE's)	22 900	18 747	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
	Number of youth (16-35) employed	11 600	15 517	Increased emphasis on the employment of women, youth and PLWDs
	Number of women employed	43 600	43 213	Target substantially achieved
	Number of persons living with disabilities (PLWD)	15	27	Increased emphasis on the employment of women, youth and PLWDs
	Number of people trained	10 470	14 706	Target met
Community Development				
	Number of Zibambele contractors employed	41 000	37 393	Contractor turnover negatively affects output
	Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Programme	250	202	No further contractor training conducted in 4th quarter. Some areas encountered problems in securing service providers

Summary of Financial Information

Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
Responsible Minister/MEC	Minister Mr T.W. Mchunu, MEC for Transport and Community Safety and Liaison		
Administering Department	KwaZulu-Natal Department of Transport		
Accounting Officer	Head: Transport: Mr B.S Gumbi		

Departmental Revenue, Expenditure and other Specific Topics Revenue Collection

Table Breakdown of the sources of revenue

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Target	2013/14 Actual	% deviation from target
Tax revenue	1 083 507	1 231 524	1 318 621	1 343 000	1 396 323	104
(Specify)						
Non-tax revenue	153 192	168 085	177 411	155 150	168 980	108.9
(Specify)						
Sales of capital assets	4 009	3 558	1 951	4 500	4 181	92.9
(Specify)						
Financial transactions (Recovery of loans and advances)	5 271	6 315	4 282	1 250	7 814	625.1
TOTAL DEPARTMENTAL RECEIPTS	1 245 979	1 409 482	1 502	1 503 900	1 577 298	104.8

Interest, Dividends and Rent on Land

Interest, dividends and rent on land consist mainly of interest on staff debts. There was a fluctuating trend that can be attributed to the difficulty of accurately projecting for these items due to their uncertain nature.

Sales of Capital Assets

Sales of capital assets reflects the sale of redundant vehicles and Departmental plant. There was a fluctuating trend which can be attributed to the difficulty in projecting with certainty the collection of these receipts. Moreover there has been an increase over the MTEF due to inflationary increments.

Transactions in Financial Assets and Liabilities

The Department collects revenue from transactions in financial assets and liabilities. These transactions are made up of recoveries of staff debt and stale cheques. The fluctuations witnessed over the past seven (7) year period can be attributed to the difficulty in budgeting for this category due to its uncertain nature. The high collection in 2013/14 Revised Estimate is due to improved revenue and debt collection strategies learnt from previous years.

Departmental Expenditure

The services rendered by the Department are categorised under five (5) programmes. These programmes are aligned to the revised uniform budget and programme structure of the Transport sector which was revised in 2011. The Department's mission is to provide the public with an integrated and accessible public transport infrastructure and also to promote road and public transport safety through the interaction of these five (5) programmes. This section summaries the payments and budget estimates for the vote in terms of programme.

Table Departmental Expenditure

Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	243 870	-	13 434	257 304	257 304	-
Transport Infrastructure	5 975 806	-	11 280	5 987 086	5 990 985	(3 872)
Transport Operations	1 133 735	-	4 164	1 137 899	1 143 133	(5 234)
Transport Regulations	665 660	-	(34 342)	621 318	621 318	-
Community Based Programmes	37010	-	5 464	42 474	42 474	-
Total	8 046 081	-	-	8 046 081	8 056 187	(9 106)

Conditional Grants and Earmarked Funds

The Department receives a Provincial allocation in the form of an equitable share and National conditional grant allocations for the maintenance and construction of road infrastructure, subsidising of bus transport in the Province and creating job opportunities through EPWP projects. Included under conditional grants is the Provincial Roads Maintenance Grant, Public Transport Operations Grant and the EPWP Incentive Grant.

Public Transport Operations Grant

The purpose of this sub programme is to manage and monitor the provision of subsidised public transport services, The functions include ensuring that funds allocated to subsidise public transport service yield maximum outcome in reducing the burden of affordability, improving the standard and reliability of public transport, ensuring achievement of performance standards, ensuring economic transformation of the subsidised public transport sector and providing education and capacity building.

The Department provides subsidised public transport services which are funded through the Public Transport Operations Grant. The purpose of the Public Transport Operations grant is to provide supplementary funding for the provision of public transport services by contracts which are kilometre based that are affordable and supportive of the intermodal efficiencies to users of public transport. The aim is to ensure that user, especially the poor enjoy affordable public transportation. In many respects performance in the provision of the service has been above average.

In 2013/14 Financial Year, the Department received a Public Transport Operations Grant to the amount of eight hundred and fifty two million, three hundred and twenty five thousand Rand (R852, 325, 000). Performance outputs achieved during the Financial Year under review are demonstrated on the following table:

Table-Subsidised Public Transport Performance

Performance measure	Output
Total number of kilometres subsidized	41 765 361
Total number of passenger trips subsidized:	66 259 416
Total number of trips subsidized:	1 181 862
Total penalties accumulated:	R 12 187 679

Expanded Public Works integrated Grant for Provinces

The purpose of the EPWP Integrated Grant is to incentivise Provincial Departments to expand their work creation efforts through the use of labour intensive delivery methods to improve the quality of life of the poor people and increase social stability through employing previously unemployed people to perform the infrastructure construction and maintenance activities. The employment of previously unemployed people contributes to the reduction of the levels of poverty and increases the levels of employment, skills development through work experience and sustainable work opportunities.



Table: EPWP Output

Department of Transport	Target	Actual	Target	Actual	Target	Actual
	2011/12	2011/12	2012/13	2012/2013	2013/14	2013/14
DoT Infrastructure Budget (R'000)	4 536 965	4 762 820	2 411 750	2 901 214	5 975 806	5 995 033
% of Infrastructure Budget	68	71	72	72	74	74
EPWP Project Budget (R'000)	586 181	619 166	64 290	64 290	5 550	6 838
Person days of Work	5 240 000	4 240 610	5 280 000	5 068 549	5 267 000	431 1896
Number of job opportunities	57 000	45 035	57 000	58 329	59 160	55 132
Number of Fulltime Equivalents	22 782	19 843	22 950	22 036	22 900	18 747
Number of Youth Employed	11 400	34 114	8 200	10 747	11 600	1 5517
Number of Women Employed	34 200	37 376	38 500	41 171	43 600	43 213
Number of People with Disabilities	8	32	15	17	15	27
Number of learnerships	-	-	-	-	-	-
Number of Persons Trained	17 100	32 031	9 000	10 197	10 470	14 706
Number of person days of training	235 400	306 720	305 000	367 092	-	-

Programme/ Sub Programme	Final Appropriation	2013-14 Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	2012-13 Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration						
Office of the MEC	10 063	10 063	-	11 330	11 330	-
Management	7 254	7 254	-	7 568	7 568	-
Corporate Support	227 814	227 814	-	215 721	215 721	-
Departmental Strategy	12 173	12 173	-	16 038	16 038	-
Total	257 304	257 304	-	250 657	250 657	-
Transport Infrastructure						
Programme Support Infrastructure	138 153	138 153	-	141 624	141 624	-
Infrastructure Planning	27 496	27 496	-	40 286	40 286	-
Infrastructure Design	19 379	19 379	-	17 540	17 540	-
Construction	3 092 799	3 096 671	(3 872)	2 888 401	2 901 214	(12 813)
Maintenance	2 709 259	2 709 259	-	2 666 236	2 666 236	-
Total	5 981 852	5 981 852	(3 872)	5 754 087	5 766 900	(12 813)
Transport Operations						
Programme Support Operations	26 311	26 311	-	38 430	38 430	-
Public Transport Services	1 040 315	1 045 549	(5 234)	901 766	901 766	-
Transport Safety and Compliance	71 273	71 273	-	72 790	72 790	-
Total	1 143 132	1 143 132	(5 234)	1 012 986	1 012 986	-
Transport Regulations						
Programme Support Regulation	247	247	-	346	346	-

Programme/		2013-14			2012-13	
Sub Programme	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transport Admin and Licensing	100 044	100 044	-	103 272	103 272	-
Operator Licence Permit	43 693	43 693	-	39 584	39 584	-
Law Enforcement	477 334	477 334	-	428 136	428 136	-
Total	621 318	621 318	-	571 338	571 338	-
Community Based Programme						
Programme Support Community Based	5 097	5 097	-	5 041	5 041	-
Community Development	22 304	22 304	-	13 227	13 227	-
Innovation and Empowerment	8 236	8 236	-	20 733	20 733	-
EPWP Co-Ordination and Monitoring	6 838	6 838	-	15 752	15 752	-
Total	42 475	42 475	-	54 726	54 726	-

Transfer Payments

Name of Public Entity	Services rendered by public entity	Amount Transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
VECA	Acceleration of Empowerment and development of Emerging Contractors	R 1 451 723.67		
Hibiscus Coast Municipality	Port Shepstone Intermodal Facility	R 10 000 000.00		

Conditional Grants and Earmarked Funds

The Department receives a Provincial allocation in the form of an equitable share and National conditional grant allocations for the maintenance and construction of road infrastructure, subsidising of bus transport in the Province and creating job opportunities through EPWP projects. Included under conditional grants is the Provincial Roads Maintenance Grant, Public Transport Operations Grant and the EPWP Incentive Grant.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Provincial Roads Maintenance Grant
Expected outputs on grant	
Actual outputs achieved	
Amount per amended DORA	R1 521 913 000
Amount transferred	R1 521 913 000
Reasons if amount as per DORA not transferred	
Amount spent by department	R1 521 913 000
Reasons for funds unspent	
Monitoring mechanism by the transferring department	Monthly reporting
Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Public Transport Operations Grant
Expected outputs on grant	
Actual outputs achieved	
Amount per amended DORA	R852 325 000
Amount transferred	R852 325 000
Reasons if amount as per DORA not transferred	
Amount spent by department	R916 193 000
Reasons for funds unspent	
Monitoring mechanism by the transferring department	Monthly Reporting
Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	EPWP Incentive Grant
Expected outputs on grant	
Actual outputs achieved	
Amount per amended DORA	R88 487 000
Amount transferred	R88 487 000
Reasons if amount as per DORA not transferred	
Amount spent by department	R88 487 000
Reasons for funds unspent	
Monitoring mechanism by the transferring department	Monthly reporting

Donor Funding

No donor funding was received by the Department

Capital Investment

Table: Capital Investment

Infrastructure Projects	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
New and Replacement Assets	450 381	450 381	-	425 951	425 951	-
Existing Infrastructure Assets						
Upgrades and Additions	1 837 767	1 850 785	(13 018)	1 726 345	1 739 158	(12 813)
Rehabilitation, Renovations and Refurbishments	798 698	798 698	-	736 105	736 105	-
Maintenance and Repairs	2 709 667	2 709 667	-	2 666 236	2 666 236	-
Infrastructure Transfer						
Capital	3 100 174	3 099 864	(13 018)	2 888 401	2 901 214	(12 813)
Current	2 709 667	2 709 667	-	2 666 236	2 666 236	-
Total	5 809 841	5 809 531	(13 018)	5 554 637	5 567 450	(12 813)

Table: List of Projects

Infrastructure details by project / programme											
Project / Programme Name	Type of Infrastructure		Source of Funding	Budget Programme Name	Project Size	Project Stage	Nature of Investment	SCOA Item	SIP Category	Project Duration	
	Description	Units								Start Date dd/mm/yyyy	End Date dd/mm/yyyy
New and Replacement Assets											
1. P577	New infrastructure	km	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	New infrastructure assets	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
2. Access Roads	New infrastructure	several	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	New infrastructure assets	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
3. Pedestrian Bridges	New infrastructure	several	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	New infrastructure assets	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
4. Intergrated Public Transport Facilities	New infrastructure	number	Equitable share	TRANSPORT OPERATIONS	Large	Various	New infrastructure assets	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
Upgrades and additions											
1. P496	Upgrades and additions	km	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	Upgrading and additions	Other fixed structures	Not related to SIPs	01/10/2005	31/03/2017
2. Dube Tradeport Roads	Upgrades and additions	several	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	Upgrading and additions	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
3. ARRUP Roads	Upgrades and additions	several	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	Upgrading and additions	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
4. Access Roads	Upgrades and additions	several	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	Upgrading and additions	Other fixed structures	Not related to SIPs	01/04/2012	31/03/2017
5. P700	Upgrades and additions	km	Equitable share	TRANSPORT INFRASTRUCTURE	Large	Various	Upgrading and additions	Other fixed structures	Not related to SIPs	01/05/2004	31/03/2017





part c

governance

Risk Management

Introduction

The Provincial Growth and Development Strategy (PGDS) of 2011 defines both the strategic vision for the Province going to 2030 as well as stipulating the strategic goals that the Department needs to meet in order to attain this vision. Goal number six (6) is Governance and Policy; this due to the fact that issues pertaining to Governance are pertinent.

The Department places substantial emphasis on good governance and is continuously developing governance structures to ensure that an efficient, effective and economical use of state resources is achieved. The formation of the Risk Management, Fraud Prevention and Anti – Corruption Committee is an indication of the function of one of the internal oversight bodies that address good governance within the Department.

Risk Management

Based on the Provincial Framework for Risk Management, the Department applies Enterprise Risk Management (ERM) to link its processes of risk information to the Department's strategy. ERM is a formal and systematic response to all key risks facing the Department. It encompasses processes of identifying, assessing and responding to all kinds of risks.

The level of maturity of the current ERM is developing very well, soon it be very mature. The Departmental Risk Management Strategy, which addresses gaps in the Department's risk management maturity level, is being implemented and monitored.

Risk assessment workshops which include Fraud, Strategic and Operational risks are held annually. These workshops are currently facilitated by Provincial Treasury. At these workshops fraud, strategic and operational risks are discussed, discussions include not only the risks themselves but also mitigation plans to address the risks. Various assurance providers such as the Auditor- General, Internal Audit Unit under Provincial Treasury,

Departmental Internal Compliance as well as appointed service providers, assist the Department in assessing the shortfalls in the processes within the various cycles of business to identify risks.

The Department reports on a quarterly basis to the Cluster and Audit Committee on Risk Management activities. Significant progress was noted for the current Financial Year taking into consideration that long term actions span across a multi-year focus.

eNaTIS High Risk Transactions

eNaTIS functionalities relating to the performance of high-risk transactions have been centralised at both the Provincial eNaTIS Critical Centre and as well as other components of the Directorate components such as Vehicle Test Stations, Record Verification and Debt Control who all receive applications from the eighty two (82) Registering Authorities in the Province, applications relating to various high-risk eNaTIS related transactions. The eNaTIS Critical Centre dealt with about eight hundred (800) such transactions on a monthly basis. The other components dealt with twenty six thousand, seven hundred and sixteen (26 716) transaction during the Financial Year under review. These transactions helped curb incidences of fraud and corruption at these offices, especially fraud pertaining to the duplication of registration certificates. Curbing the duplication of registration certifications is important because it decreases incidences of vehicle cloning, the introduction of imported or built-up vehicles and the illegal removal of outstanding motor vehicle registration and licensing fees.

Fraud and Corruption

The Department's fraud prevention plan is guided by the Departmental Fraud Prevention Policy. The plan includes structural, operational, response and maintenance strategies. The plan has specific focus areas as well as time frames for implementation. The implementation of the Department's fraud prevention plan is systemic and is thus continuous. An approved whistle blowing policy details

mechanisms and procedural guidelines for reporting suspected fraud and corruption. Officials are encouraged to report any suspected illegal activity to the National Fraud and Corruption Hotline which is managed by the Public Service Commission (PSC) and monitored through the Office of the Premier. The hotline number is 0800 701701 and is manned twenty four (24) hours a day, seven (7) days a week.

Cases are reported through the Office of the Premier and reports are required on the progress of the matters until it is finalized. Any reported cases of alleged fraud and corruption are referred to the Provincial Treasury Investigative unit for forensic investigation.

Mechanisms in place to Combat

Fraud

The Department still priorities the maximisation of revenue collection yet the Department has recognised that beyond the prioritisation of revenue collection attempts at combating fraud and corruption will have to encompass mechanisms aimed at revenue management and control. In this regard the following mechanisms were put in place:

- Thorough investigation of outstanding debt and vehicle ownership disputes to determine accountability and stricter debtor control to facilitate the recovery of outstanding revenue in respect of motor vehicle registration and licensing fees.
- The centralization of eNaTIS functionalities related to revenue collection, permitting the adding on and removal of outstanding motor vehicle and registration and licensing fees.
- The undertaking of pre-determined processes and preventative measures prior to the registration and licensing of a motor vehicle such as, for example, the correct classification of the vehicle to ensure the reflection of appropriate fees on the eNaTIS.
- Stringent monitoring and control of the level of access (user templates) of the approximately two thousand two hundred ($\pm 2,200$) eNaTIS

users in terms of National Traffic Information System (eNaTIS) transactions.

- The ongoing and dedicated auditing of all Registering Authorities dealing with motor vehicle registration and licensing functions albeit financial, procedural, legislative or eNaTIS functionality.

Fraud Investigations

During the Financial Year under review, the Department revenue collecting Directorate achieved the following:

- Conducted two hundred and twenty six (226) scheduled inspections at the Registering Authorities.
- Eighty six (86) Special Tasks were conducted, concentrating on financial irregularities/ under banking, reconciliation of revenue, cancellations, 14F and CE1 transactions, traffic register number fraud, dumping of fees and permits and specific numbers being issued, specifically whether the correct procedures for the allocation of specific numbers were followed and the correct revenue was collected.
- Dealt with the fraudulent activity known as the "dumping of fees" whereby cashiers assist members of public/companies to bypass the payment of license fees, penalties and arrears on the eNaTIS. Several methods have been identified, viz. registering the vehicle onto a fictitious entity and dumping the fees on this entity, dealer stocking the vehicle to wipe out the fees, exporting the vehicle to an unknown entity etc. This practice of dumping fees has been identified at a number of offices.

Fraud Investigations Outcomes

Twenty five (25) cases of fraud were detected at various Registering Authorities and the following was the outcome of actions taken against Agent staff:

- Dismissed : 5
- Resigned : 15
- Suspended : 4
- Redeployed : 5
- Re-instated : 2

- Final written warning : 0
- Suspended on eNaTIS : 2
- Suspension on eNaTIS recommended : 3
- Deceased : 1

Subpoenas / Court Cases

- Sixty eight (68) 212 statements were provided to the South African Police Service (SAPS), Special Investigation Unit (SIU), and National Prosecuting Authority (NPA) during the period 1 April 2013 to 31 March 2014.
- Two (2) disciplinary/arbitration hearings, regarding the dumping of fees at Verulam Licensing Office and permit fraud at the Howick Licensing Office were attended by Departmental officials within this office during the reporting period under review.
- Nine (9) court cases were attended during this reporting period.
- On three (3) occasions, original documents (NCO/Registration documents) were released to the SAPS.

Revenue Recovered

An amount of twenty thousand, six hundred and seventy nine point ninety five Rand (R20 679-95) was recovered during this reporting period.

- **KOKSTAD:** On 20 September 2013, the Kokstad Municipality deposited an amount of twelve thousand (R12 000-00) into the Administrations account and provided an explanation regarding the balance of one thousand five hundred Rand (R1 500-00), resolving the total outstanding amount of thirteen thousand five hundred Rand (R13 500-00). During the scheduled inspection conducted on 18-27 June 2013, an inspection in respect of permits issued during January 2011 to December 2012 without the revenue being declared/collected, the shortfall was discovered.
- **BERGVILLE:** The manipulation of vehicle records to avoid paying the appropriate penalties and adjustments fees at the Bergville Municipality resulted in an amount of eight

thousand, six hundred and seventy nine point ninety five Rand (R8 679-95) being due to the Administration. The CE1 transaction and one hundred and forty nine (149) transactions to alter date of liability/export of a motor vehicle were performed in order to avoid paying outstanding fees/penalties due. On 28 August 2013 the Bergville Municipality reimbursed the Administration by depositing the full amount of eight thousand, six hundred and seventy nine point ninety five Rand (R8 679-95) into the Administration's account.

Revenue Outstanding

An attempt via correspondence and meetings is being made to recover the following misappropriated amounts from the following offices:

- Umhlanga Rocks Licensing Office (R 9 816-91)
- Empangeni Licensing Office (permits) R18 000-00

TOTAL AMOUNT DUE

R27 816-91

- **Umhlanga Rocks:** Following investigations/special tasks that were conducted at the Umhlanga Rocks Licensing Office, it was established that an amount of twenty thousand, nine hundred and eighty three point sixty two Rand (R20 983-62) was due to the Administration of which eleven thousand, one hundred and sixty six point seventy one Rand (R11 166-71) has since been recovered. Therefore, the total amount due by the Umhlanga Rocks Licensing Office is nine thousand, eight hundred and sixteen point ninety one Rand (R9 816-91).
- **EMPANGENI:** A special task was conducted during November 2013 in respect of permits issued during the period 1 January – 13 November 2013. It was found that permits to the value of eighteen thousand Rand (R18 000-00) that were printed were not updated as paid on eNaTIS and could not be located in the office. A response from the Registering Authority is awaited.

Minimising conflict of interest

The Department has an electronic gift register which is coordinated centrally by the Office of the Chief Financial Officer (CFO). A gift register is maintained and all officials are encouraged to disclose any gift received by entering it onto this register.

The Department also has an approved Declaration of Interest Policy. This policy clearly outlines requirements of declarations by officials. It includes supply chain management responsibilities with regard to declarations.

Employees are obliged to formally declare in writing to management any possible conflict of interest situations perceived or real, relating to themselves, their family, friends and work colleagues, which may arise at any time and not necessarily confined to normal working hours. A manual register of all declarations is maintained by management and copies of all declarations are filed on the official personal file of the individual declaring.

Should any employee be found deviating from the conditions of the policy, in any way, the Department reserves the right to take disciplinary action against such employees.

There are also external declarations of conflict processes in place. With regard to external declarations tenderers declare their conflicts of interest with the submission of tender documents (SBD 4 Conflict of Interest form or equivalent form in CIDB documents.) A route form has been issued internally in the Department, where officials dealing with the tender files declare any conflicts of interest.

The Department had implemented a system of checking the details of tenderers against PERSAL, to identify any persons who are currently employed by the State. If such persons are identified and they have not declared their interest and submitted their approval for remunerative work outside of the employment of the Department that tender is then passed over.

If an official declares a conflict of interest that official is then excluded from any evaluation or contract award processes.

Code of Conduct

The Code of Conduct is an important pillar in the establishment of good governance and ethical conduct of public servants. The Department adheres to and is bound by the Public Service Code of Conduct. A copy of this is given to all new employees of the Department and all employees of the Department have also been issued with a copy of the conduct. Workshops on the Code of Conduct have also been held to ensure that there is an understanding of the content of the document. If any employee is found to be deviating from the provisions of the code of conduct the department reserves the right to institute disciplinary action.

Health safety and environmental issues

In respect of the Occupational Health and Safety Act, Act No. 85 of 1993, it is mandatory that the Department complies fully with the Act and its Regulations. This applies to all buildings, offices, facilities, official houses, camp accommodation, building construction and road maintenance sites. The Department continued to identify numerous issues that affect its operations through extensive investigations, inspections, meetings and consultations with relevant role players.

Health and Safety and Environmental issues being addressed include for example:

- Living conditions in terms of official accommodation, office environment, noise induced hearing loss, operator/driver wellness and general employee wellness;
- the provision of the correct equipment, facilities, training and regular meetings;
- the assurance of compliance with the Act and Regulations In terms of external service providers relating to construction and maintenance sites; and
- ensuring that compliance to various legislation is achieved and maintained, in order to preserve/sustain the environment and that the relevant rehabilitation processes are met.

2.5.7 Portfolio Committees

INPUTS (ISSUES RAISED)	QUERY	RESPONSE
	The current APP of the department does not have situational analysis which gives a brief account of updated situation as a baseline	The situational analysis is part of the APP. This is captured in Part A: Strategic Overview, 1. Updated Situational Analysis And 1.1 Performance Delivery Environment. The baseline information is contained in the Department's Strategic Plan.
	Projects within the department, their current status e.g. Ntsuze Bridge, Road leading to Gawulashiye.	Refer to attached annexure.
	List of projects that have not been implemented or finalised in the previous year (2012/13 that the department anticipates or plans to deal with in the upcoming year (2013/14),	<p>It must be noted that projects are planned over the MTEF and as such some projects will not be implemented and finalised within a particular financial year .</p> <p>Some of the projects are :</p> <ul style="list-style-type: none"> • P602 • P416 • D883 • P104 • D1840 • Gubhela Access Road • Bhekeni Access Road • Bahlebonke Access Road • Makhabela Access Road • Khayelisha/Khanyeni causeway • Thornbush/Mabhisana causeway • D2410 causeway • D2416 causeway • Mt Shebha Causeway • KwaSenti/L14 Causeway – km2-3 • Cebe/Nomgobho • Mahlomane local road • Thafeni local road • Thonjeni local road • Vukuzenzele/Mount Cheap local road • St Patrick local road
	Specific challenges that relate to the department.	<p>The challenges that are faced by the department are captured in <i>Section 3.2 - Relating expenditure trends to strategic goals</i> and <i>Section 9. - Links to the long-term infrastructure and other capital plans.</i></p> <p>Additional information relating to the challenges in respect of skills shortages has now been included in the revised draft of the Annual Performance Plan.</p>

INPUTS (ISSUES RAISED)	QUERY	RESPONSE
<u>Programme 1: Administration</u>	Develop measurable objectives, performance measures and indicator for every sub programme under this programme.	As per instructions from National Treasury and as per the Treasury Guidelines, departments must only include the core programme performance indicators in Annual Performance Plans. Hence measurable objectives, performance measures and indicators for every sub programme under Programme 1 are not required in the Department's Annual Performance Plan.
	<u>Human Resource Directorate</u> Provide a programme of action of how the department intend to address the shortage of scarce skills, skills development, and skills retention since the department is technical in nature.	The following initiatives are currently used by the Department in terms of addressing the shortage of scarce skills, skills development and skills retention that are technical in nature: <ul style="list-style-type: none"> • Implementation of Workplace Skills Plan • Bursaries to external students • Internships • Learnerships • Career management • Implementation of the Retention Policy as a means to attract and retain employees who possess scarce skills
	The department is requested to bring forward the final organogram and the Human Resource Development Strategic Framework.	As per instructions from Treasury, departments are directed not include the organogram in Annual Performance Plans. Hence this is excluded in the Department's Annual Performance Plan. The APP does however indicate that the Department is currently undergoing a restructuring process which is envisaged to be finalised by the end of 2014.
	Show the alignment of the organogram to the reduction of the budget that has been affected as a directive from National Treasury. (This is how the department intends to deal with the budget cuts while it ensures that the critical posts are filled.)	The restructuring process is proceeding and budgets cuts will certainly be considered during the course thereof. While it is appreciated that all posts cannot be filled, the Department has already started the process of prioritising critical posts and these will be prioritised for filling bearing the available budgets in mind.

2.5.8 SCOPA Resolutions

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
13/2013	Legal Opinion On Government Employees Performing Private Remunerative work	<p>(1) That the conclusions of the legal opinion be accepted as the position of the Public Accounts Standing Committee with particular reference to the following points:</p> <p>(i) Unauthorised remuneration (remuneration earned without the required permission) is recoverable from employees of the Department of Education either in terms of the Public Service Act, 1994 or the Employment of Educators Act, 1998 or both, depending on their designation.</p> <p>(ii) Remuneration is any form of "compensation, earnings, payment, reward or return" and would include "profits or dividends" but need not be in the form of cash receipt or payout. Any financial benefit would qualify as "remuneration or reward" for the purposes of the legislation under discussion in the legal opinion.</p> <p>(iii) Unauthorised remuneration is recoverable regardless of the capacity in which it was earned. It makes no difference whether the public servant conducted business in his/her personal capacity or as a corporate entity. Where business was conducted as a corporate entity the remuneration will be recoverable in the manner described in paragraph 21(d) of the legal opinion.</p> <p>(2) In addition to recoverability of unauthorised remuneration, public servants who conduct business without permission must be subject to disciplinary action.</p> <p>(3) That, as an existing measure which can provide some control over the increasing number of public servants conducting business without authorisation, proper completion and checking of the SBD4 declaration form must take place when awarding tenders and other contracts, identity numbers provided on the form must be verified against PERSAL to check if persons are in employ of the State, if they are in the employ of the State they must show that they have the required permission, as required by the National Treasury instruction.</p>	<p>All cases of government employees performing remunerative work, as identified by the Auditor General in the 2012/2013 audit, are currently under investigation.</p> <p>(1) The resolution has been incorporated into the investigations.</p> <p>(2) Disciplinary action is currently being investigated against all public servants conducting business without permission</p> <p>(3) The department utilises the SBD 4 form as part of all tender invitations, in addition the declarations from the SBD4 form are verified against PERSAL as part of the evaluation process.</p> <p>(4) The department has a schedule summarizing all cases under investigation and these cases will be monitored until finalised. The schedule of all cases identified during the 2013/2013 audit is attached.</p> <p>(5) N/A</p>	Ongoing

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>(4) That the Accounting Officers of all departments report by 31 January 2014 on all the instances of unauthorised private remunerative work identified by the Auditor-General in the 2012/2013 audit, whether these cases have all been properly investigated, disciplinary action taken and unauthorised remuneration recovered in each case.</p> <p>(5) That with regard to the historical cases of the 3244 employees of the Department of Education who did not provide proof of permission provided for them to conduct private remunerative work, the Accounting Officer reports by 31 January 2014 on what disciplinary action has been taken against those officials and what steps have been taken to recover the unauthorised remuneration.</p>		
25/2013	2012/2013 Findings Of The Auditor-General On Information Technology	<p>(1) That the Accounting Officers report by 31 January 2014 on what action is being taken in the departments and public entities to address the findings of the Auditor-General on Information Technology controls and to ensure the implementation of the recommendations which have been made by the Auditor-General to mitigate the audit findings.</p> <p>(2) That Provincial Treasury reports by 31 January 2014 on whether the provincial IT governance framework has been approved and implemented and whether the government wide IT governance framework has been rolled out by the DPSA.</p> <p>That the State Information Technology Agency (SITA) be invited to attend one of the committee hearings in February 2014 to discuss the ongoing matters around information technology and possible solutions to these.</p>	<p>The Department of Transport has embarked on an extensive exercise to address weaknesses identified in IT Governance and Security.</p> <p>Enterprise Architecture –</p> <p>The Department has engaged with SITA and a service provider to deliver an Enterprise Architecture, based on The Government Wide Enterprise Architecture (GWEA) including Information Security. This project is due for completion in 2015. Iteration 1 has completed and iteration 2 is currently in progress. An updated Information Plan and ICT Strategy will be delivered with this project, the most recently completed IT strategy (Master System Plan) was completed in 2009.</p> <p>Governance –</p> <p>An IT Security Policy based on the DPSA Policy has been approved.</p> <p>A Corporate Governance and ICT (CGICT) Policy, Framework and Charter have been drafted and await approval from the Departmental Policy Committee. This due in March 2014</p> <p>An IT Governance project based on COBIT covering the required 12 domains has been commissioned via SITA and is due for completion in March 2014.</p> <p>ICT Risk Management has been included in the Departmental Risk policy.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
26/2013	2012/2013 Irregular Expenditure	<p>An ITIL implementation will commence in 2014 with an implementation of an internal ITIL based Call Desk. The SITA COBIT project will also provide guidance in the implementation of certain ITIL controls. Elements of Configuration Management, Capacity Management, Availability Management, Financial Management, SLA Management and Service Continuity Management are already implemented. Incident and Problem Management are currently addressed with the utilisation of the SITA Call Desk.</p> <p>Business Continuity (BCP) and Disaster Recovery (DRP)</p> <p>The Department undertook a Business Continuity (BCP) project which is due for finalisation in March 2014. A BCP policy has been drafted and is waiting approval by the Department Policy Committee.</p> <p>IT Disaster Recovery Plan (DRP) – a Contingency Plan is currently in place and the BCP Plan addresses a recovery programme however the Department does not currently have Disaster Recovery site. A second phase of the DRP project where a Disaster Recovery site is to be implemented is currently in investigation.</p>		
		<p>That the Accounting Officers of the departments, the Provincial Legislature and the Accounting Authorities of the public entities that have incurred irregular expenditure during the 2012/2013 financial year be requested to report to Provincial Treasury on the following matters by 31 January 2014:</p> <p>(1.1) A breakdown of the amounts making up the irregular expenditure (including a breakdown per financial year showing irregular expenditure from previous financial years and the 2012/2013 financial year), the reasons for the irregular transactions taking place and whether value for money was received for the amounts spent in an irregular manner.</p> <p>(1.2) All instances of irregular expenditure where the emergency deviation was used to circumvent the SCM processes relating to competitive bidding and use of 3 quotations, including the reasons provided by the Accounting Officer for the so-called emergency.</p> <p>(1.3) Whether the procedure for the treatment of irregular expenditure has been followed as per Annexure "A" and Annexure "B" attached to the National Treasury Practice Note No. 4 of 2008/2009 i.e.</p>	The Schedule showing the status of all cases identified during the 2012/13 audit was submitted to Provincial Treasury.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
27/2013	Reports On Forensic Investigations	<p>(1.3.1) Has the irregular expenditure been reported to National or Provincial Treasury depending on the category of the irregular expenditure?</p> <p>(1.3.2) Has application been made for condonation of the irregular expenditure amounts? If so which authority will condone the individual amounts and what motivation has been provided for condonation?</p> <p>(1.3.3) What disciplinary steps have been taken by the Accounting Officer in terms of Section 38(1)(h)(iii) and the Accounting Authority in terms of Section 51(1)(e)(iii) of the Public Finance Management Act against those people responsible for the irregular expenditure? If no disciplinary steps can be taken, the Accounting Officer or Accounting Authority must provide reasons for this.</p> <p>(1.4) What action is being taken to resolve the weaknesses which exist in Supply Chain Management and the general disregard for laws and regulations governing procurement in the Provincial Government?</p> <p>(1.5) Does the department or public entity keep an irregular expenditure register as required by the National Treasury Practice Note No. 4 of 2008/2009 and has that register had to be corrected by Provincial Treasury due to substantial errors?</p> <p>(2) That Provincial Treasury reports by 31 January 2014 on the responses received to resolution (1) above.</p> <p>(3) That Provincial Treasury reports by 31 January 2014 on what criteria are used in deciding which amounts of irregular expenditure will be condoned in each category particularly in cases where services were not delivered, competitive bidding was not followed, tax clearance certificates not obtained from service providers and payment made before service level agreement is signed.</p>		
		<p>(1) That copies of the reports on the investigations completed during the 2012/2013 financial year be provided to the committee by 31 January 2014.</p> <p>(2) That the Accounting Officers of the departments and public entities where investigations were completed during the 2012/2013 financial year report by 31 January 2014 on action taken against officials and service providers to implement the recommendations contained in the reports on their completed investigations, disciplinary cases that may have been initiated, criminal cases that may have been opened, action taken as a result of findings of disciplinary cases and recovery of money by way of civil proceedings.</p>	<p>5) Four Forensic Investigations were completed during the 2012/2013 financial year, three of these reports are attached. Due to the sensitivity of the 4th investigation report FR05/2012 the Provincial Treasury Internal Audit Unit have requested that this report not be distributed. Should the Committee require copies, these can be obtained from Provincial Treasury.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>(3) Where copies of the reports are not released to provide reasons duly substantiating the grounds for refusal in law, taking into account the protection offered by in camera proceedings and providing timeframe for the release of the reports.</p> <p>(4) That the Accounting Officers provide the Internal Audit Unit with a detailed list of all other investigations being conducted internally or by other relevant authorities within their departments or public entities under the control of the departments.</p>	<p>(6) Attached, is a copy of a schedule summarising each of the 4 investigations which were completed during the 2012/2013 financial year together with recommendations made and progress on dealing with and executing these recommendations. These are all followed up until completion.</p> <p>(7) The forensic investigation report FR05/2012 has not been provided due to the sensitivity of the case, this report is available from Provincial Treasury.</p> <p>(8) All matters requiring forensic investigation for the Department of Transport are referred to Provincial Treasury for completion.</p>	
28/2013	Material Misstatements And Omissions In Submitted Annual Financial Statements	<p>(1) That in order to comply with Section 40(1)(b) of the Public Finance Management Act, Accounting Officers be requested to ensure that financial statements are prepared regularly during the financial year and that due diligence is exercised to ensure that the financial statements are correct in all respects and that the financial statements are submitted to Internal Audit and the Provincial Audit and Risk Committee timeously.</p> <p>(2) That all Accounting Officers report by 31 January 2014 on action taken in terms of resolution (1) above to resolve this audit issue and that a further hearing of the Public Accounts Standing Committee be convened to consider the responses and any further action to be taken regarding this matter.</p>	<p>Audit adjustments in respect of the misstatements in Financial Statements which were immaterial were as follows;</p> <p>(a) It was found that Contingent Liabilities were understated as a result of the Department recording the original value of the claim and not amending the Loss Control System with subsequent value of summons.</p> <p>In this regard, additional control measures have been put in place to avoid re-occurrence in the future.</p> <p>(b) Movable Assets were also found incomplete in the Asset Register due to incorrect locations of 2 vehicles on the fixed Asset Register. One vehicle was reported as stolen and had been recovered by SAPS which was in their pound, hence still reflected on the Asset Register. The second vehicle was involved in an accident and awaiting for auction in a different location. However, the Asset Register was not understated as both vehicles had to be still reflected on Asset Register. Accordingly, details of the locations were amended on the Asset Register.</p> <p>In order to avoid re-occurrence, monthly reconciliations between BAS and the Asset Register are performed and a physical stock count has been planned to be conducted during February 2014.</p> <p>(c) In respect of Immovable Assets, there were incorrect road names utilised on asset register which as a result could not be located on GIS, accordingly the Asset Register was adjusted.</p> <p>In this regard, regular reviews of the road maps against the Asset Register are performed.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
31/2013	Human Resources Matters – Filling Of Key Vacancies	That the Accounting Officers of the relevant departments report by 31 January 2014 on what action is being taken in the departments and public entities to address the findings of the Auditor-General with regard to the filling of vacancies in senior management positions.	<p>(d) During the audit of accruals it was noted that certain transactions were included in the list of accruals despite payments being effected on the system before year end.</p> <p>In order to ensure that Financial Statements are complete and accurate, an approved Financial Procedure Manual and Asset Management Policy were rolled out and training provided to all relevant departmental officials. Furthermore, an invoice register has been reinforced for all components processing payments and on a monthly basis, testing of the accuracy of the register is undertaken.</p> <p>(e) Department prepares Financial Statements in accordance with the National Treasury Reporting Guidelines and the deadline for submission of the financial statements to Auditor-General is met.</p>	
		<p>The Department of Transport advertised 12 Senior Management Service vacancies during the 2012/13. Due to the Employment Equity targets not being able to be met, certain posts had to be re-advertised.</p> <p>Filled Posts</p> <ul style="list-style-type: none"> ➤ General Manager: Communications ➤ Senior Manager: Technical Transfer Centre ➤ Senior Manager: Communications ➤ Senior Manager: Media Liaison and Public Relations ➤ Senior Manager: Public Transportation, Policy and Planning ➤ Senior Manager: Construction ➤ Senior Manager: Management Accounting <p>Vacant Posts</p> <ul style="list-style-type: none"> ➤ General Manager: Road Safety – Shortlisting stage ➤ Senior Manager: Road Traffic Inspectorate – Shortlisting stage ➤ Senior Manager: Information Technology – Shortlisting stage ➤ Senior Manager: Internal Control and Risk Management – Interview stage ➤ Senior Manager: Financial Management – Security stage <p>The following posts have not been evaluated or advertised due to the lower structure not yet being aligned to the top structure of the Department.</p> <ul style="list-style-type: none"> ➤ Senior General Manager: Transportation Service ➤ General Manager: Regulatory Services ➤ Senior Manager: Human Resource Development ➤ Senior Manager: Human Resource Practices ➤ Senior Manager: Public Transport Monitoring and Compliance ➤ Senior Manager: Management Advisory Services 		

2.5.9 Prior modifications to audit reports

The Department has developed an audit improvement strategy document, in which all adverse audit findings for each Financial Year are clearly recorded with implementable action plans containing target dates for resolution. This audit strategy is followed up regularly and reported to the MEC of the Department on a quarterly basis. The strategy contains the following headings:

Audit Improvement Strategy for the _____ Financial Year (_____ audit)					
No.	DRIVERS	COMMITMENTS	Action Plans	Completion Action Date	Status as at : Responsibility

Any issues raised by the Auditor General are therefore always recorded and followed up to ensure that there are no repeat findings.

2.5.10 Internal Control Unit

A programme of inspections to be conducted for the 2013/2014 Financial Year was drafted based on risk areas with particular emphasis on supply chain management. Check sheets for these inspections were verified prior to the commencement of inspections to ensure their continued relevance and correctness. Below is a summary of the programmes that were successfully executed for 2013/2014 Financial Year.

INSPECTIONS CONDUCTED	Assets	Supply Chain Management (SCM)	Human Resource Management	SCM Site Inspections	Vehicles
TIMEFRAMES	1 May -31 July 2013	1 Aug – 31 Oct 2013	1 Nov 2013 – 31 Jan 2014	Feb 2014	1 Mar – 30 April 2014

With assistance from Provincial Treasury, the Risk Register of the Department continued to be maintained and updated when required, including the monitoring of any action plans requiring implementation. The function involving the co-ordination and administration of audit queries was also performed effectively by Internal Compliance during this Financial Year. The efforts of Internal Control during 2013/2014 will assist with ensuring Auditor-General queries are limited.

2.5.11 Internal Audit and Audit Committees

This function is centralized at Provincial Treasury

Portfolio Committees

Transport Portfolio Committee

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
51/2013	Curtailling Wasteful Expenditure	<p>That all Departments and public entities provide the Committee with a report by 30 July 2013 on each cost-cutting item, demonstrating to the Legislature that real savings will be effected in the 2013/2014 financial year, with particular detail provided with reference to:</p> <ol style="list-style-type: none"> 1. The review of all organograms must be undertaken with a view to eliminating duplication of functions and non-essential posts permanently. 2. A head count exercise must be undertaken with a view to possible elimination of 'ghost' employees. 3. Catering for meetings must be stopped and external meetings, workshops and events must be held in government facilities. 	<p>In keeping with Resolution 51/2013 (1), the Department is currently conducting an in depth and extensive review of its current Organisation Structure in order to circumvent duplication of functions as well as the abolition of non-essential posts permanently. This is done with the view of curtailung unnecessary costs resulting in the payroll being reduced as well as ensuring the provision of funds for vacant and filled posts</p> <ol style="list-style-type: none"> 2. The Headcount exercise has to be completed and a report forwarded to KZN Treasury by 30/07/2013 (as per the HR Provincial Plan of Action). The Headcount exercise is almost finalised and we are capturing the final stats for the report for Treasury which will be concluded shortly. Currently, the Headcount exercise is +-85% complete. 3. Catering for meetings has been stopped and external meetings, workshops and events are being held in government facilities, except where approved by Treasury. 	
52/2013	Planning for Events	<p>That the Departments and Public Entities submit reports to the Committee by 30 June 2013 detailing the budget for all events planned by the Departments and Public Entities, listing each event and the cost thereof.</p>		

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
39/2013	Learner Transport	<p>That the number of schools receiving learner transport is not increasing over the MTEF and the increase to budget is inflationary.</p> <p>The Committee hereby resolves –</p> <p>That the Department, together with the Department of Education and Provincial Treasury, provides a report to the Committee by 30 June 2013 providing reasons for the delay in the roll out of learner transport, what concrete measures will be put into place to improve this service, what monitoring mechanisms are in place to oversee the current programme and where the additional budget would be sourced from to increase this service.</p>	<p>It is agreed that the observation of the committee is accurate and a true reflection of the current status of the learner transport programme. Below, it is envisaged to give full clarity and background of the reasons for the numbers not increasing in the 2013/2014 Medium Term Expenditure Framework (MTEF).</p> <p>During the 2012/2013 MTEF Department of Education (DOE) had specified that the number of schools were going to increase by 116 and learners by 6167 on the 2013/2014 MTEF financial year. The DOE submitted the list of the schools for designs. A service provider for designs was appointed and designs were done and completed at the end of 2012.</p> <p>A budget for the new designs was forwarded to DOE with an estimated amount of R97 million</p> <p>When the Department of Transport received the confirmation of budget and funding from the Department of Education it only reflected funding for the current services and not for the additional 116 schools.</p> <p>A meeting between KZN Treasury, Department of Transport and Department of Education was held on the 29 May 2013 where it was reported that DoE only had R49 Million rand available for the additional services. A resolution was taken that Department of Education would reprioritize the schools and send a report to DoT for the procurement of services to the value of R49 million. DOT is still waiting for a report from DOE.</p>	
40/2013	Access Roads to Schools	<p>That the Department provides a report to the Committee by 30 June 2013 on the list of new access roads to schools proposed for the 2013/2014 financial year.</p>	<p>Please find attached a list of new access roads to schools proposed for the 2013/2014 financial year</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
54/2013	Employment of Drivers for Heads of Departments and Public Entities	That the Departments report to the Committee by 30 June 2013 on whether their Head of Department and Public Entities and other senior managers have a personal driver, whether the driver is employed by the department or public entity or by the Head of Department or Public Entity and if the driver is employed by the Department or Public Entity, what is the cost to the department or Public Entity.	The Department of Transport does not employ a driver/s for the Head of Department or any Senior Manager.	
55/2013	Newly Acquired Assets	<p>1. That all Departments provide a report to the Committee by 30 June 2013 giving an assurance to the Committee that the list of all newly acquired or built fixed assets by the Department have been given to the Department of Public Works and that the Department of Public Works was involved in the approval of the planning phase.</p> <p>2. That the Department of Public Works provides a report to the Committee by 31 August 2013 that its list of assets by Departments is up to date.</p>	The department provided the Department of Public Works with a list of all newly acquired and constructed immovable assets (excluding roads) for the 2012/2013 financial year. The Department of Public Works is involved in and is assisting in the planning of all new immovable assets (excluding the road network).	
56/2013	Vacant Land	<p>1. That all Departments provide a report to the Committee by 30 June 2013 detailing its infrastructure plan for vacant properties under its management, and which properties can be released back to the Department of Public Works.</p> <p>2. That the Department of Public Works provides a quarterly progress report, with the first report due on 31 December 2013, on the future use of any vacant properties of no further use to certain Departments.</p>	Please find attached a list of properties that have been disposed of or are in the process of being disposed. (Annexure A)	

Finance Portfolio Committee

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Implementation of Community structures	<p>The General Manager: Strategic Planning (Ms Xaba) presented an update report on the implementation of community structures. She advised members that there were instabilities in areas like uKhahlamba, Mbabazane and as such there had been no elections. She also brought to Members' attention that even though the department had anticipated to have finished the implementation process by end of April 2013, the framework had been presented to 42 municipalities. There were eight municipalities that were still outstanding. Out of the 42 municipalities who had received the presentation only 6 had successfully conducted the elections of the transportation committees and submitted details to department.</p>	That the update report on the implementation of community structures be noted.	
TR17/02/2013	Recruitment Process	<p>The General Manager: Human Resource Management (Ms Zwane) presented an update report on the filling of critical posts. She reported on the progress with regard to the filling 671 posts which were advertised in the phase one as well as 49 posts that were advertised in second phase between February and April 2012.</p> <p>She advised that some of the senior positions had been finalized and were awaiting selected candidates to assume duties. She said that Committee will in future be updated on how many had been occupied.</p>	The report on the filling of critical posts be noted by the Committee.	
TR18/02/2013	Potholes Patching using Cooperatives	<p>The General Manager: Strategic Operations (Ms Xaba) outlined the contents of the report. She reiterated that the department had a strategy in respect of potholes patching and it had an annual contract that goes for two years.</p>		

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>In terms of the mandate by the Portfolio Committee to incorporate the cooperatives into the strategy; the department will train the cooperatives and grade 1 contractors in potholes patching. She said the department will also check if they would be able to graduate to the next level. She advised further that this would be piloted in Durban and will target the youth. It would be done for two years and then the report would be made available for further implementation in other areas.</p> <p>Ms Xaba emphasized that the model was still a draft and had not been tabled before the MEC. In response to a question raised regarding the budget; she advised that the budget for the proposed model would come from the infrastructure black patching and once it had been piloted it would then be extended. She also advised that the Department was engaged in discussion with the department of Economic Development in respect of the formation of cooperatives.</p>	That the report on potholes patching using cooperatives be noted.	
TR26/05/2013	Monitoring of the Road Network System	The Senior General Manager: Operations (Mr Nkosi) presented the potholes monitoring system. He advised the meeting that the department had engaged with uMhlathuze Municipality in this regard. He however advised that the department would need sufficient time in order to present details on the potholes monitoring system. He said it was a combination of a number of systems which might need improvement.	<p>(i) That the department shall present a detailed report on potholes monitoring system.</p> <p>(ii) That in view of (i) above the committee will arrange a workshop.</p>	



part d

human resource management

Introduction

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

Overview of HR matters

The Human Resource Management Branch is responsible for the provision of efficient Human Resource Management practices, administration services and the development of human resource strategies. The Human Resource management is also responsible for the management of the departmental human resources development, provision of management advisory service, provision of harmonious employer-employee relations and ensuring the effective utilisation of resources.

Set HR Priorities for the Year under Review and the Impact of these Priorities

- Reduction of the vacancy rate to at least 10% was critical. Hence filling of vacant posts to improve service delivery was a priority.
- Ongoing implementation of the PERSAL Clean-up Strategy was also one of the priorities in order to establish credible and valid information for planning including efficient and effective management of Human Resource Information Management System.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

Implementation of OSD for engineers and related professionals to assist in managing the career paths of existing employees in these occupations as one of the objectives of the OSD, amongst others, had been ongoing.

Employee Performance Management Framework

Employee performance management is aimed at planning, managing and improving employee performance. The aim of performance management is to optimise every employee's output in terms of quality and quantity, thereby improving the Department's overall performance and service delivery. The primary orientation of performance management was implemented for recognising outstanding performance.

Chapter four (4) of the Senior Management Service (SMS) Handbook provides a framework for the management of performance for employees on remuneration band A to D (salary levels 13 to 16). The Provincial EPMDS Policy provides a standardised framework for employee performance management on salary levels 1 to 12, which is inclusive of employees covered by an occupational specific dispensation (OSD) and employees in elementary occupations in a department and whilst it shares similarities and must be linked with the SMS PMDS, it is a distinct policy framework and system.

Employee performance management is not applicable to departmental, component or team performance management or assessment but linked to individual performance, thus promoting individual growth and development, as well as impacting on career-pathing.

Compulsory Induction Programme (CIP) for Public Service

Compulsory Induction Programme is a twenty five (25) day training programme initiated by the Minister of Public Service and Administration through the National School of Governance. This is an induction programme targeting all officials employed from July 2012 going forward from levels 1-12 in the Public Service.

The Training and Development section rolled out the Compulsory Induction programme in all five regions including Head office. The said induction will be rolled out over a period of 24 months. The programme has five sessions spread over 24 months. The programme separates the employees according to levels when training them. The Department of Transport has rolled out the first session of five sessions in all regions.



Sector: Roads and Transport				
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14	Comments
QUARTERLY OUTPUTS				
Programme 1: Administration				
Percentage of women in management positions	43	54	42,5	Kindly note that there is a moratorium on the filling of posts due to the review of the organisational structure and it was envisaged that the entire process would have been finalised by the end of the financial period in question and posts filled. However, some of SMS posts have not been filled until such time that the review of the lower level structure is finalised. Furthermore, few management positions were advertised and those few that were advertised have not been filled as yet. However, the Department achieved and has maintained the achieved target of 50% women at SMS levels.
Percentage of designated employees in management positions	84	76	82,9	Target achieved
Percentage of persons with disabilities employed by the Department	0,67	0,68	0,7	Target achieved
Programme 2: Transport Infrastructure				
Construction				
Number of lane-km of new surfaced roads constructed		20	4	Due to major change to the scope of work on P577 brought about by Ethekwini Municipality, the construction programme was amended and therefore the work targeted was not achieved
Number of kilometres of new gravel roads constructed	382	270	228	Regions encountered problems with appeals as well as acquiring borrow pits
Number of lane-km of surfaced road upgraded		-	-	
Kilometres of gravel roads upgraded to surfaced roads	112	82	104	Additional outputs achieved from sections of certain projects that were due for completion from the previous financial year
Number of square metres of non-motorised transport facility constructed		25 000	43 834	Proper validation of information from regions ensured target was met and exceeded
Number of bridges constructed	7	7	10	Assessment of certain bridge projects revealed that it was more feasible to construct vehicular bridges instead of pedestrian bridges therefore the over achievement in vehicular bridges
Number of pedestrian bridges constructed		13	17	3 bridges from the previous financial year were completed in 2013/14
Design of Integrated Public Transport Networks		2	-	The service provider did not have sufficient data available to complete the IPTNs. At this stage they are approximately 90% complete
Number of Public Transport Infrastructure projects implemented		2	1	Several delays were encountered with the implementation of the Estcourt facility with respect to designs as well as land ownership and owing to the proposed mall development

Sector: Roads and Transport – continued				
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14	Comments
QUARTERLY OUTPUTS				
Programme 2: Transport Infrastructure – continued				
Maintenance				
Number of kilometres of surfaced roads assessed (VCI's completed as per TMH 12)		3 590	3 785	The Department was able to assess more roads than was targeted
Number of kilometres of gravel roads assessed (VCI's completed as per TMH 9)		7 920	9 531	The Department was able to assess more roads than was targeted
Number of weighbridges calibrated to SABS standard	15	15	15	Target achieved
Percentage of provincial road network in poor to very poor condition		46	46	Target achieved
Number of lane-km of surfaced roads rehabilitated		490	488	Target achieved
Number of square metres of surfaced roads resealed	2 547 700	2 040 000	2 581 439	Due to the ageing network greater emphasis has been placed on this activity in order to prolong the life of the roads
Number of kilometres of gravel road re-gravelled	2 214	2 340	2 090	Regions encountered problems in finding suitable quarries, numerous projects in appeal stage and delays due to orders
Number of square meters of blacktop patching (including pothole repairs)	461 557	220 000	349 201	Ageing network therefore increased emphasis on this activity
Number of kilometres of gravel roads bladed	94 400	115 000	91 752	Certain regions experienced plant breakdowns, prolonged repair turnaround
Number of kilometres of road infrastructure assessed through road safety audits		1 730	-	No audits undertaken in the 2013/14 financial year. Indicator to be revised
Kilometres maintained using Zibambele Contractors	25 802	26 650	24 305	Contractor turnover negatively affects output
Programme 3: Transport Operations				
Public Transport Services				
Number of vehicles subsidised	1 341	1 300	1 300	The target is only an estimate
Number of routes subsidised	1 700	1 700	1 700	Target achieved
Number of vehicle kilometres subsidised	42 751 838	42 749 300	41 765 361	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Kilometres operated per vehicle	31 884	32 415	31 685	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Passengers per vehicle	4 287	4 300	4 216	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Passengers per trip operated	56	52	56	Target was only an estimate
Staff per vehicle	2	2,2	2,2	
Number of subsidised passengers	3 159 173	1 612 300	1 044 284	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Number of unsubsidised passengers	177 783	211 600	101 190	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating

Sector: Roads and Transport – continued				
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14	Comments
QUARTERLY OUTPUTS				
Programme 3: Transport Operations – continued				
Transport Safety and Compliance				
Number of trips subsidised	1 239 225	1 327 900	1 181 862	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Number of trips monitored		796 700	934 101	Monitoring target is 60%, however, more than 60% was actually monitored
Subsidy per passenger	13	15	15	
Number of subsidised passenger trips		69 300 000	66 259 416	Numerous kilometres not operated due to national driver strikes as well as other isolated issues prevented operators from operating
Number of scholars transported	19 562	19 560	20 045	Target achieved
Number of schools receiving transport services	206	206	229	Target achieved
Number of road safety awareness interventions conducted		5	5	Target achieved
Number of schools involved in road safety education programmes	944	950	956	Target achieved
Underfunded goal directed enforcement of public transport (Operation Shanela)	798	500	934	Mandatory special operations to conduct daily public transport operations in problematic areas increased output
Number of school children trained	345 400	235 000	238 300	Target achieved
Number of adults trained	59 633	43 000	43 783	Target achieved
Number of crossing patrols provided	123	105	105	Target achieved

Sector: Roads and Transport – continued			
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14
QUARTERLY OUTPUTS			
Programme 4: Transport Regulation			
Transport Administration and Licensing			
Number of license compliance inspections executed	300 656	288 000	304 928
Operator Licence and Permits			
Number of operator permits still to be converted to licences	363	400	156
National DoT has clamped down on the issuing of illegal roadworthy certificates therefore KZN vehicle owners returning to province to have roadworthy tests performed on their vehicles			
The number of applications that have been considered by the adjudication in total do not meet the estimated target. The challenge is that not all are approved due to the fact that they are deferred due to different reasons, for example, conflict in the route in question. The adjudication has discovered that the operators submit the same permit that has been converted thus the number approved will automatically decline applications for conversion to operating licenses			
Number of abnormal load permits issued	20 173	18 700	24 127
Attainment of target is not within Departmental control			
Traffic law enforcement			
Number of speed operations conducted		18 250	15 071
Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually and with the number of road accidents in the province			
Number of K78 roadblocks held		1 100	2 398
With the introduction of compulsory Thursday roadblocks and Remcom operations this indicator has been exceeded			
Number of hours weighbridges are operated	16 588	15 000	14 241
During this period only 12 out of 15 weighbridges were operational due to road construction on the R103 Ladysmith, N11 One Tree Hill and Greytown			
Number of road side vehicle check point operations	71 408	36 000	42 700
Overachievement is due to the focus on roadworthiness aspects			
Number of kilometres patrolled	6 882 596	6 090 000	6 201 025
Target exceeded due to the vast area that needs to be patrolled as well as the increase in requests for abnormal load escorts			
Number of law enforcement officers trained: Diploma courses	11	-	-
Number of law enforcement officers employed	824	824	787

Sector: Roads and Transport – continued				
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14	Comments
QUARTERLY OUTPUTS				
Programme 4: Transport Regulation – continued				
Hours of manual speed timing activities	75 679	40 000	48 132	Focus on this measurement has been achieved due to the high volumes of traffic over the Easter and summer holidays and the number of accidents in the province
Number of vehicles exceeding the speed limit	396 775	267 000	400 432	No control over this measure
Number of vehicles checked in road side vehicle check point operations	1 682 933	2 040 000	1 581 611	Shortfall is due to delays in the issuing of peace officers certificates by SAPS which is done annually
Number of heavy vehicles screened	3 385 603	3 100 000	4 442 215	With the absence of rail as an alternate mode of transport there has been an increase in the transportation of goods by heavy vehicles
Number of heavy vehicles weighed	181 538	155 000	160 573	Target achieved
Number of vehicles which are overloaded	30 950	24 600	28 120	No control. Responsibility to ensure that vehicles are compliant rests with the consignee and consignor
Number of vehicles detained	6 686	7 050	5 936	No control over this measure

Sector: Roads and Transport – continued				
Programme / Subprogramme / Performance Measures	Actual output for 2012/13 as per Annual Report	Target for 2013/14 as per Annual Performance Plan (APP)	Final outputs for 2013/14	Comments
QUARTERLY OUTPUTS				
Programme 5: Community-Based Programme				
EPWP Coordination and Monitoring				
Number of jobs created	58 329	59 160	55 132	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of employment days created	5 068 549	5 267 000	4 311 896	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of Full-Time Equivalents (FTE's)	22 036	22 900	18 747	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of youth (18-35) employed	10 747	11 600	15 517	Increased emphasis on the employment of women, youth and PLWDs
Number of women employed	41 171	43 600	43 213	Target substantially achieved
Number of persons living with disabilities (PLWD) employed	17	15	27	Increased emphasis on the employment of women, youth and PLWDs
Number of people trained	10 197	10 470	14 706	
Community Development				
Number of Zibambele contractors employed	41 617	41 000	37 393	Contractor turnover negatively affects output
Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Programme		250	202	No further contractor training conducted in 4th quarter. Some areas encountered problems in securing service providers

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	257 304	97 907	-	-	39,1	26	3835
Community based programme	42 747	12 302	-	-	29	3	3835
Transport infrastructure	5 897 086	690 481	-	-	11,7	182	3835
Transport operations	1 137 899	28 939	-	-	2,5	8	3835
Transport regulation	621 318	437 146	-	-	70,9	114	3835
Z=Total as on Financial Systems (BAS)	7 956 354	1 266 775	-	-	15,9	333	3835

TABLE 2.2 - Personnel costs by Salary band						
Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees	
Lower skilled (Levels 1-2)	20 630	13	137 533	158 163	150	
Skilled (Levels 3-5)	235 643	59,2	162 289	397 932	1452	
Highly skilled production (Levels 6-8)	460 319	59,7	310 607	770 926	1482	
Highly skilled supervision (Levels 9-12)	142 129	19,9	573 101	715 230	248	
Senior management (Levels 13-16)	36 525	3,7	961 184	997 709	38	
Contract (Levels 1-2)	2 714	3	87 548	90 262	31	
Contract (Levels 3-5)	40 731	20,6	156 658	197 389	260	
Contract (Levels 6-8)	42 775	14,5	253 107	295 882	169	
Contract (Levels 9-12)	2 540	0,3	846 667	849 207	3	
Contract (Levels 13-16)	2 168	0,2	1 084 000	1 086 168	2	
Periodical Remuneration	17 399	54,8	14 356	31 755	1212	
Abnormal Appointment	263 202	97,8	5 989	269 191	43946	
TOTAL	1 266 775	98	25 856	1 292 631	48993	

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	90 411	92,3	571	0,6	2 412	2,5	4 513	4,6	97 907
Community based programme	11 597	94,3	-	-	239	1,9	466	3,8	12 302
Road infrastructure	646 715	93,7	4 512	0,7	17 951	2,6	21 303	3,1	690 481
Traffic management	319 051	73	78 822	18	13 187	3	26 086	6	437 146
Transportation	27 196	94	8	-	552	1,9	1 183	4,1	28 939
TOTAL	1 094 970	86,4	83 913	6,6	34 341	2,7	53 551	4,2	1 266 775

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)	16 619	80,6	357	1,7	1 696	8,2	1 958	9,5	20 630	
Skilled (Levels 3-5)	196 598	83,4	4 716	2	15 638	6,6	18 691	7,9	235 643	
Highly skilled production (Levels 6-8)	349 946	76	68 006	14,8	14 821	3,2	27 546	6	460 319	
Highly skilled supervision (Levels 9-12)	126 082	88,7	9 715	6,8	1 844	1,3	4 488	3,2	142 129	
Senior management (Levels 13-16)	35 600	97,5	-	-	229	0,6	696	1,9	36 525	
Contract (Levels 1-2)	2 623	96,6	91	3,4	-	-	-	-	2 714	
Contract (Levels 3-5)	39 606	97,2	943	2,3	63	0,2	119	0,3	40 731	
Contract (Levels 6-8)	42 688	99,8	85	0,2	2	-	-	-	42 775	
Contract (Levels 9-12)	2 473	97,4	-	-	48	1,9	19	0,7	2 540	
Contract (Levels 13-16)	2 134	98,4	-	-	-	-	34	1,6	2 168	
Periodical Remuneration	17 399	100	-	-	-	-	-	-	17 399	
Abnormal Appointment	263 202	100	-	-	-	-	-	-	263 202	
TOTAL	1 094 970	86,4	83 913	6,6	34 341	2,7	53 551	4,2	1 266 775	

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	397	305	23,2	42
Community based programme, Permanent	42	31	26,2	3
Road infrastructure, Permanent	2674	1981	25,9	248
Traffic management, Permanent	1785	1446	19	134
Transportation, Permanent	97	72	25,8	15
TOTAL	4995	3835	23,2	442

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), Permanent	530	153	71,1	2
Skilled (Levels 3-5), Permanent	1705	1449	15,01	-
Highly skilled production (Levels 6-8), Permanent	1903	1482	22,1	-
Highly skilled supervision (Levels 9-12), Permanent	336	248	26,2	-
Senior management (Levels 13-16), Permanent	56	38	32,1	-
Contract (Levels 1-2), Permanent	31	31	-	31
Contract (Levels 3-5), Permanent	260	260	-	238
Contract (Levels 6-8), Permanent	169	169	-	168
Contract (Levels 9-12), Permanent	3	3	-	3
Contract (Levels 13-16), Permanent	2	2	-	-
TOTAL	4995	3835	23,2	442

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
Administrative related, Permanent	198	144	27,3	3
All artisans in the building metal machinery etc., Permanent	87	51	41,4	2
Artisan project and related superintendents, Permanent	19	15	21,1	-
Auxiliary and related workers, Permanent	33	26	21,2	-
Building and other property caretakers, Permanent	26	19	26,9	-
Bus and heavy vehicle drivers, Permanent	13	9	30,8	-
Cartographic surveying and related technicians, Permanent	9	7	22,2	6
Civil engineering technicians, Permanent	296	257	13,2	169
Cleaners in offices workshops hospitals etc., Permanent	159	120	24,5	19
Client inform clerks(switchbo receipt inform clerks), Permanent	37	31	16,2	1
Communication and information related, Permanent	4	2	50	-
Engineering sciences related, Permanent	36	22	38,9	-
Engineers and related professionals, Permanent	58	46	20,7	-
Finance and economics related, Permanent	5	5	-	-
Financial and related professionals, Permanent	12	10	16,7	-
Financial clerks and credit controllers, Permanent	11	8	27,3	4
Food services aids and waiters, Permanent	21	20	4,8	3
Head of department/chief executive officer, Permanent	1	1	-	-
Human resources & organisat developm & relate prof, Permanent	33	23	30,3	-
Human resources clerks, Permanent	91	75	17,6	14
Human resources related, Permanent	15	13	13,3	-
Language practitioners interpreters & other commun, Permanent	9	9	-	1

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period – continued

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Legal related, Permanent	1	-	100	-
Librarians and related professionals, Permanent	1	1	-	-
Library mail and related clerks, Permanent	2	2	-	-
Light vehicle drivers, Permanent	16	11	31,3	-
Logistical support personnel, Permanent	1	1	-	-
Messengers porters and deliverers, Permanent	73	64	12,3	2
Motor vehicle drivers, Permanent	440	282	35,9	-
Other administrat & related clerks and organisers, Permanent	937	860	8,2	206
Other administrative policy and related officers, Permanent	216	173	19,9	3
Other information technology personnel., Permanent	2	2	-	-
Other occupations, Permanent	1	1	-	-
Regulatory inspectors, Permanent	822	739	10,1	-
Road superintendents, Permanent	20	18	10	-
Road trade workers., Permanent	205	125	39	3
Road workers, Permanent	775	417	46,2	-
Safety health and quality inspectors, Permanent	3	2	33,3	-
Secretaries & other keyboard operating clerks, Permanent	38	25	34,2	4
Security guards, Permanent	71	49	31	-
Security officers, Permanent	7	5	28,6	-
Senior managers, Permanent	52	33	36,5	-
Trade labourers, Permanent	138	111	19,6	2
Trade trainers, Permanent	1	1	-	-
TOTAL	4995	3835	23,2	442

Table 4.1- SMS Post information as on 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	-	-
Salary Level 15	4	3	75	1	25
Salary Level 14	11	9	81	2	19
Salary Level 13	32	23	71	9	29
Total	48	36	75	12	25

Table 4.2 SMS post information as on 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	-	-
Salary Level 15	4	3	75	1	25
Salary Level 14	11	9	81	2	19
Salary Level 13	32	19	59	13	41
Total	48	32	68	16	33

Table 4.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

SMS Level	Advertising Number of vacancies per level advertised in 6 months of becoming vacant	Filling of Posts Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director General/Head of Department	NIL	NIL	NIL
Salary Level 16	NIL	NIL	NIL
Salary Level 15	NIL	NIL	NIL
Salary Level 14	NIL	NIL	NIL
Salary Level 13	NIL	NIL	NIL
Total	NIL	NIL	NIL

Table 4.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 and 31 March 2014.

Reason for vacancies not advertised within six months

NA

Reason for vacancies not advertised within six months

11 Senior Management Service Posts were advertised in November 2012, a closing date of 12 December 2012. One post was advertised separately in July 2013. 8 of this posts were filled from June 2013 to March 2014. These posts were not advertised within 12 months of becoming vacant due to Moratorium that was put in place by the MEC on the filling of all vacant posts within the Department.

Table 4.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts with 12 months for the period 1 April 2013 and 31 March 2014

Disciplinary steps taken

NA

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Number of Posts on approved establishment	Number of Jobs Evaluated	% of Posts Evaluated by salary bands	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	530	3	0,6	-	-	-	-
Skilled (Levels 3-5)	2124	47	2,2	-	-	-	-
Highly skilled production (Levels 6-8)	1903	1	0,1	1	100	-	-
Highly skilled supervision (Levels 9-12)	336	-	-	1	-	-	-
Senior Management Service Band A	32	-	-	-	-	-	-
Senior Management Service Band B	11	-	-	-	-	-	-
Senior Management Service Band C	4	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
TOTAL	4941	51	1	2	3,9	-	-

TABLE 5.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	417	49	18	3	487
Male	76	16	5	2	99
Total	493	65	23	5	586
Employees with a disability	2	-	-	-	2

TABLE 5.3 -Employees with salary Levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Occupation	Number of employees	Job evaluation level	Remuneration Level	Reason for deviation
None				
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

TABLE 5.4-Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Beneficiaries	African	Asian	Coloured	White	Total
None					
Employees with a disability					

TABLE 6.1 - Annual Turnover Rates by Salary Band					
Salary Band	Employment at Beginning of Period (April 2013)	Appointments	Terminations	Turnover Rate	
Lower skilled (Levels 1-2), Permanent	175	-	9	5,1	
Skilled (Levels 3-5), Permanent	1437	1	113	7,9	
Highly skilled production (Levels 6-8), Permanent	1530	1	53	3,5	
Highly skilled supervision (Levels 9-12), Permanent	253	-	12	4,7	
Senior Management Service Band A, Permanent	26	-	-	-	
Senior Management Service Band B, Permanent	10	1	-	-	
Senior Management Service Band C, Permanent	3	-	-	-	
Senior Management Service Band D, Permanent	1	-	-	-	
Contract (Levels 1-2), Permanent	24	11	4	16,7	
Contract (Levels 3-5), Permanent	232	54	30	12,9	
Contract (Levels 6-8), Permanent	155	2	17	11	
Contract (Levels 9-12), Permanent	5	-	2	40	
Contract (Band B), Permanent	-	1	-	-	
TOTAL	3851	71	240	6,2	

TABLE 6.2 - Annual Turnover Rates by Occupation

Occupation	Employment at Beginning of Period (April 2013)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	146	-	6	4,1
All artisans in the building metal machinery etc., Permanent	53	-	2	3,8
Artisan project and related superintendents, Permanent	15	-	-	-
Auxiliary and related workers, Permanent	26	-	-	-
Building and other property caretakers, Permanent	21	-	2	9,5
Bus and heavy vehicle drivers, Permanent	10	-	1	10
Cartographic surveying and related technicians, Permanent	8	1	-	-
Civil engineering technicians, Permanent	227	45	27	11,9
Cleaners in offices workshops hospitals etc., Permanent	132	1	11	8,3
Client inform clerks (switchboard inform clerks), Permanent	32	-	-	-
Communication and information related, Permanent	4	-	-	-
Engineering sciences related, Permanent	24	-	1	4,2
Engineers and related professionals, Permanent	50	-	3	6
Finance and economics related, Permanent	5	-	-	-
Financial and related professionals, Permanent	9	-	-	-
Financial clerks and credit controllers, Permanent	9	1	1	11,1
Food services aids and waiters, Permanent	19	-	1	5,3
General legal administration & rel. professionals, Permanent	1	-	1	100
Human resources & organisational development & related prof, Permanent	27	-	1	3,7
Human resources clerks, Permanent	80	-	3	3,8
Human resources related, Permanent	12	-	-	-
Language practitioners interpreters & other commun, Permanent	8	1	-	-
Legal related, Permanent	1	-	1	100

TABLE 6.2 - Annual Turnover Rates by Occupation – continued					
Occupation	Employment at Beginning of Period (April 2013)	Appointments	Terminations	Turnover Rate	
Librarians and related professionals, Permanent	1	-	-	-	-
Library mail and related clerks, Permanent	2	-	-	-	-
Light vehicle drivers, Permanent	13	-	2	15,4	
Logistical support personnel, Permanent	1	-	-	-	-
Messengers porters and deliverers, Permanent	68	-	2	2,9	
Motor vehicle drivers, Permanent	299	-	19	6,4	
Other administrat & related clerks and organisers, Permanent	737	19	44	6	
Other administrative policy and related officers, Permanent	183	-	7	3,8	
Other information technology personnel., Permanent	2	-	-	-	-
Other occupations, Permanent	1	-	-	-	-
Regulatory inspectors, Permanent	767	1	27	3,5	
Road superintendents, Permanent	18	-	-	-	-
Road trade workers., Permanent	127	-	3	2,4	
Road workers, Permanent	469	-	54	11,5	
Safety health and quality inspectors, Permanent	2	-	1	50	
Secretaries & other keyboard operating clerks, Permanent	27	-	1	3,7	
Security guards, Permanent	57	-	7	12,3	
Security officers, Permanent	7	-	-	-	-
Senior managers, Permanent	28	2	-	-	-
Trade labourers, Permanent	122	-	12	9,8	
Trade trainers, Permanent	1	-	-	-	-
TOTAL	3851	71	240	6,2	

TABLE 6.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	47	19,6	1,2	240	3851
Resignation, Permanent	71	29,6	1,8	240	3851
Expiry of contract, Permanent	28	11,7	0,7	240	3851
Discharged due to ill health, Permanent	1	0,4	-	240	3851
Dismissal-misconduct, Permanent	6	2,5	0,2	240	3851
Retirement, Permanent	87	36,3	2,3	240	3851
TOTAL	240	100	6,2	240	3851

TABLE 6.4 - Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
Lower Skilled (Salary Level 1-2)	-	-	-	-
Skilled (Salary Level 3-5)	-	-	-	-
Highly Skilled Production (Salary Level 6-8)	-	-	-	-
Highly Skilled Production (Salary Level 9-12)	-	-	-	-
Senior Management (Salary Level 13 and higher)	-	-	-	-
TOTAL	-	-	-	-

TABLE 6.5 - Promotions by Occupation						
Occupation	Employment at Beginning of Period (April 2013)	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	
Administrative related	146	2	1,4	120	82,2	
All artisans in the building metal machinery etc.	53	-	-	47	88,7	
Artisan project and related superintendents	15	-	-	14	93,3	
Auxiliary and related workers	26	-	-	19	73,1	
Building and other property caretakers	21	-	-	17	81	
Bus and heavy vehicle drivers	10	-	-	7	70	
Cartographic surveying and related technicians	8	-	-	2	25	
Civil engineering technicians	227	-	-	107	47,1	
Cleaners in offices workshops hospitals etc.	132	-	-	97	73,5	
Client inform clerks(switchb receipt inform clerks)	32	-	-	23	71,9	
Communication and information related	4	-	-	2	50	
Engineering sciences related	24	-	-	19	79,2	
Engineers and related professionals	50	-	-	41	82	
Finance and economics related	5	-	-	5	100	
Financial and related professionals	9	1	11,1	9	100	
Financial clerks and credit controllers	9	-	-	3	33,3	
Food services aids and waiters	19	-	-	16	84,2	
General legal administration & rel. professionals	1	-	-	-	-	
Head of department/chief executive officer	-	1	-	-	-	
Human resources & organisat developm & relate prof	27	1	3,7	24	88,9	
Human resources clerks	80	-	-	63	78,8	

TABLE 6.5 - Promotions by Occupation - continued						
Occupation	Employment at Beginning of Period (April 2013)	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	
Human resources related	12	1	8,3	11	91,7	
Language practitioners interpreters & other commun	8	-	-	8	100	
Legal related	1	-	-	-	-	
Librarians and related professionals	1	-	-	1	100	
Library mail and related clerks	2	-	-	2	100	
Light vehicle drivers	13	-	-	6	46,2	
Logistical support personnel	1	-	-	1	100	
Messengers porters and deliverers	68	-	-	61	89,7	
Motor vehicle drivers	299	-	-	284	95	
Other administrat & related clerks and organisers	737	-	-	154	20,9	
Other administrative policy and related officers	183	3	1,6	152	83,1	
Other information technology personnel.	2	-	-	2	100	
Other occupations	1	-	-	-	-	
Regulatory inspectors	767	6	0,8	733	95,6	
Road superintendents	18	-	-	12	66,7	
Road trade workers.	127	-	-	115	90,6	
Road workers	469	-	-	393	83,8	
Safety health and quality inspectors	2	-	-	2	100	
Secretaries & other keyboard operating clerks	27	-	-	22	81,5	
Security guards	57	-	-	35	61,4	
Security officers	7	-	-	4	57,1	
Senior managers	28	3	10,7	26	92,9	
Trade labourers	122	-	-	108	88,5	
Trade trainers	1	-	-	1	100	
TOTAL	3851	18	0,5	2768	71,9	

TABLE 6.6 - Promotions by Salary Band						
Salary Band	Employment at Beginning of Period (April 2013)	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), Permanent	175	-	-	85	48,6	
Skilled (Levels 3-5), Permanent	1437	-	-	1069	74,4	
Highly skilled production (Levels 6-8), Permanent	1530	11	0,7	1289	84,2	
Highly skilled supervision (Levels 9-12), Permanent	253	2	0,8	220	87	
Senior management (Levels 13-16), Permanent	40	4	10	29	72,5	
Contract (Levels 1-2), Permanent	24	-	-	10	41,7	
Contract (Levels 3-5), Permanent	232	-	-	14	6	
Contract (Levels 6-8), Permanent	155	-	-	52	33,5	
Contract (Levels 9-12), Permanent	5	-	-	-	-	
Contract (Levels 13-16), Permanent	-	1	-	-	-	
TOTAL	3851	18	0,5	2768	71,9	

TABLE 7.1 - 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, Permanent	13	-	-	13	5	14	-	1	15	2	35
Professionals, Permanent	27	-	12	39	23	50	4	8	62	9	133
Technicians and associate professionals, Permanent	229	13	34	276	28	235	4	30	269	34	607
Clerks, Permanent	116	10	42	168	12	604	30	98	732	89	1001
Service and sales workers, Permanent	355	23	92	470	45	225	10	29	264	14	793
Craft and related trades workers, Permanent	128	2	20	150	30	30	-	-	30	-	210
Plant and machine operators and assemblers, Permanent	292	-	-	292	1	9	-	-	9	-	302
Elementary occupations, Permanent	576	2	6	584	1	162	1	3	166	-	751
Other, Permanent	3	-	-	3	-	-	-	-	-	-	3
TOTAL	1739	50	206	1995	145	1329	49	169	1547	148	3835
Employees with disabilities	7	-	2	9	4	6	-	3	9	2	24

TABLE 7.2 - 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, Permanent	2	-	-	2	1	-	-	-	-	1	4
Senior Management, Permanent	9	-	0	9	7	15	-	1	16	2	34
Professionally qualified and experienced specialists and mid-management, Permanent	68	9	27	104	41	78	2	15	95	8	248
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	523	30	135	688	88	468	27	87	582	124	1482
Semi-skilled and discretionary decision making, Permanent	897	9	27	933	6	434	15	50	499	11	1449
Unskilled and defined decision making, Permanent	67	1	1	69	1	79	1	3	83	-	153
Contract (Top Management), Permanent	1	-	-	1	-	-	-	-	-	-	1
Contract (Senior Management), Permanent	1	-	-	1	-	-	-	-	-	-	1
Contract (Professionally qualified), Permanent	2	-	-	2	-	1	-	-	1	-	3
Contract (Skilled technical), Permanent	104	-	4	108	1	60	-	-	60	-	169
Contract (Semi-skilled), Permanent	54	1	12	67	-	174	4	13	191	2	260
Contract (Unskilled), Permanent	11	-	-	11	-	20	-	-	20	-	31
TOTAL	1739	50	206	1995	145	1329	49	169	1547	148	3835

TABLE 7.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	-	-	1	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	-	-	-	-	-	1	-	-	1	-	1
Semi-skilled and discretionary decision making, Permanent	1	-	-	1	-	-	-	-	-	-	1
Contract (Senior Management), Permanent	1	-	-	1	-	-	-	-	-	-	1
Contract (Skilled technical), Permanent	1	-	-	1	-	1	-	-	1	-	2
Contract (Semi-skilled), Permanent	29	-	3	32	-	22	-	-	22	-	54
Contract (Unskilled), Permanent	4	-	-	4	-	7	-	-	7	-	11
TOTAL	37	-	3	40	-	31	-	-	31	-	71

TABLE 7.4 - 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, Permanent	1	-	-	1	1	-	-	-	-	-	2
Senior Management, Permanent	8	-	-	8	7	14	0	1	15	1	31
Professionally qualified and experienced specialists and mid-management, Permanent	63	8	22	93	37	66	2	15	83	9	222
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	502	28	117	647	77	440	17	59	516	60	1300
Semi-skilled and discretionary decision making, Permanent	862	5	13	880	3	170	2	12	184	2	1069
Unskilled and defined decision making, Permanent	16	-	1	17	-	64	1	3	68	-	85
Contract (Top Management), Permanent	1	-	-	1	-	-	-	-	-	-	1
Contract (Skilled technical), Permanent	37	-	1	38	1	13	-	-	13	-	52
Contract (Semi-skilled), Permanent	4	-	1	5	-	8	-	-	8	1	14
Contract (Unskilled), Permanent	-	-	-	-	-	10	-	-	10	-	10
TOTAL	1494	41	155	1690	126	785	22	90	897	73	2786
Employees with disabilities	7	-	2	9	3	3	-	3	6	2	20

TABLE 7.5 - 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
Professionally qualified and experienced specialists and mid-management, Permanent	3	1	1	5	3	3	-	-	3	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	19	0	3	22	5	15	1	5	21	5	53
Semi-skilled and discretionary decision making, Permanent	96	-	-	96	-	16	-	-	16	1	113
Unskilled and defined decision making, Permanent	6	-	-	6	-	3	-	-	3	-	9
Contract (Professionally qualified), Permanent	0	-	-	-	-	2	-	-	2	-	2
Contract (Skilled technical), Permanent	11	-	-	11	1	5	-	-	5	-	17
Contract (Semi-skilled), Permanent	7	-	1	8	1	20	1	-	21	-	30
Contract (Unskilled), Permanent	1	-	-	1	-	3	-	-	3	-	4
TOTAL	143	1	5	149	10	67	2	5	74	7	240
Employees with disabilities	1	-	-	1	-	-	-	-	-	-	1

TABLE 7.6 - Disciplinary Action

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
Dismissal	1	2	-	3	-	-	1	-	1	-	4
Demotion	1	1	-	2	1	-	-	-	1	-	3
Final Written Warning	2	-	-	2	-	-	-	-	-	-	2
TOTAL	4	3	-	7	1	-	1	-	1	-	9

TABLE 7.7 - Skills Development

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
Legislators, Senior Officials and Managers	5	-	1	6	4	22	1	3	26	3	39
Professionals	9	1	3	13	2	10	-	3	13	3	31
Technicians and Associate Professionals	79	1	9	89	4	83	-	6	89	8	190
Clerks	34	3	16	53	3	207	8	34	249	21	326
Service and Sales Workers	208	13	57	278	18	164	7	22	193	-	489
Skilled Agriculture and Fishery Workers	8	-	2	10	6	1	-	-	1	-	17
Plant and Machine Operators and Assemblers	52	-	-	52	-	5	-	-	5	-	57
Elementary Occupations	47	-	-	47	1	12	-	-	12	-	60
TOTAL	442	18	88	548	38	504	16	68	588	35	1209
Employees with disabilities	1	-	-	1	1	2	-	1	3	1	6

TABLE 7.8- Signing of performance Agreeemnts by SMS Members as on 31 May 2013

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department	1	1	1	100
Salary Level 15	4	3	3	100
Salary Level 14	11	8	8	100
Salary Level 13	32	16	16	100
Total	48	28	28	100

Table 7.9-Reasons for not having concluded Performance agreements for all SMS memebers as on 31 March 2014

Reasons
None

Table 7.10-Disciplinary steps taken against SMS meemembers for not having concluded Performance agreements as on 31 March 2014

Reasons
None

Table 8.1 - Signing of Performance Agreements by SMS members as on 31 May 2013

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department	1	1	1	100
Salary Level 15	4	3	3	100
Salary Level 14	11	8	8	100
Salary Level 13	32	16	16	100
Total	48	28	28	100

Table 8.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

Reasons
None

Table 8.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

Reasons
None

TABLE 9.1 - 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	359	1323	27,1	4 178	11 638
African, Male	318	1732	18,4	3 708	11 660
Asian, Female	78	166	47	1 087	13 942
Asian, Male	87	204	42,6	1 401	16 100
Coloured, Female	22	49	44,9	250	11 355
Coloured, Male	20	50	40	379	18 956
Total Blacks, Female	459	1538	29,8	5 515	12 016
Total Blacks, Male	425	1986	21,4	5 488	12 912
White, Female	66	146	45,2	1 018	15 419
White, Male	60	141	42,6	1 337	22 285
Employees with a disability	12	24	50	274	22 845
TOTAL	1022	3835	26,6	13 632	13 338

TABLE 9.2 - 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)	48	150	32	254	5 292	
Skilled (Levels 3-5)	350	1452	24,1	2 376	6 789	
Highly skilled production (Levels 6-8)	462	1482	31,2	6 211	13 444	
Highly skilled supervision (Levels 9-12)	134	248	54	3 694	27 567	
Contract (Levels 1-2)	1	31	3,2	3	3 000	
Contract (Levels 3-5)	9	260	3,5	63	7 000	
Contract (Levels 6-8)	1	169	0,6	8	8 000	
Contract (Levels 9-12)	-	3	-	-	-	
TOTAL	1005	3795	26,5	12 609	12 546	

TABLE 9.3 - Performance Rewards by Occupation					
Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	81	144	56,3	2 338	28 864
All artisans in the building metal machinery etc.	23	51	45,1	231	10 043
Artisan project and related superintendents	5	15	33,3	76	15 200
Auxiliary and related workers	12	26	46,2	105	8 750
Building and other property caretakers	3	19	15,8	16	5 333
Bus and heavy vehicle drivers	5	9	55,6	46	9 200
Cartographic surveying and related technicians	1	7	14,3	35	35 000
Civil engineering technicians	19	254	7,5	293	15 421
Cleaners in offices workshops hospitals etc.	26	120	21,7	132	5 077
Client inform clerks (switchboard reception clerks)	21	31	67,7	259	12 333
Communication and information related	2	2	100	51	25 500
Engineering sciences related	12	22	54,5	358	29 833
Engineers and related professionals	18	46	39,1	360	20 000
Finance and economics related	4	5	80	103	25 750
Financial and related professionals	4	10	40	97	24 250
Financial clerks and credit controllers	4	8	50	55	13 750
Food services aids and waiters	15	20	75	94	6 267
Head of department/chief executive officer	0	1	-	-	-
Human resources & organisat developm & relate prof	7	23	30,4	170	24 286
Human resources clerks	28	75	37,3	195	6 964
Human resources related	7	13	53,8	221	31 571
Language practitioners interpreters & other commun	5	9	55,6	53	10 600

TABLE 9.3 - Performance Rewards by Occupation - continued						
Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	
Librarians and related professionals	1	1	100	21	21 000	
Library mail and related clerks	2	2	100	27	13 500	
Light vehicle drivers	2	11	18,2	14	7 000	
Logistical support personnel	1	1	100	14	14 000	
Messengers porters and deliverers	32	64	50	195	6 094	
Motor vehicle drivers	39	282	13,8	258	6 615	
Other administrat & related clerks and organisers	271	860	31,5	2 327	8 587	
Other administrative policy and related officers	82	173	47,4	1 132	13 805	
Other information technology personnel.	2	2	100	21	10 500	
Other occupations	0	1	-	-	-	
Rank: Unknown	0	3	-	-	-	
Regulatory inspectors	149	739	20,2	2 472	16 591	
Road superintendents	3	18	16,7	38	12 667	
Road trade workers.	22	125	17,6	180	8 182	
Road workers	42	417	10,1	229	5 452	
Safety health and quality inspectors	1	2	50	21	21 000	
Secretaries & other keyboard operating clerks	17	25	68	258	15 176	
Security guards	1	49	2	7	7 000	
Security officers	2	5	40	20	10 000	
Senior managers	15	33	45,5	933	62 200	
Trade labourers	35	111	31,5	171	4 886	
Trade trainers	1	1	100	7	7 000	
TOTAL	1022	3835	26,6	13 633	13 340	

9.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service									
SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)		
Band A	12	25	48	691	57 583	3	23 168		
Band B	4	10	40	273	68 250	2,3	11 773		
Band C	1	3	33,3	59	59 000	1,4	4 175		
Band D	-	2	-	-	-	-	-		
TOTAL	17	40	42,5	1 023	601 765	2,6	39 116		

TABLE 10.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning of 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
Skilled (Levels 3-5)	2	40	1	25	-1	100	5	4	-1
Highly skilled supervision (Levels 9-12)	1	20	1	25	-	-	5	4	-1
Abnormal Appointment	2	40	2	50	-	-	5	4	-1
TOTAL	5	100	4	100	-1	100	5	4	-1

TABLE 10.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning of 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	2	40	1	25	-1	100	5	4	-1
Other occupations	2	40	2	50	-	-	5	4	-1
Professionals and managers	1	20	1	25	-	-	5	4	-1
TOTAL	5	100	4	100	-1	100	5	4	-1

TABLE 11.1 - Sick Leave for Jan 2013 to Dec 2013

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 Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	1279	89,5	111	3,9	12	367	2867	1145
Skilled (Levels 3-5)	9671	86,9	928	32,4	10	3 796	2867	8405
Highly skilled production (Levels 6-8)	12943	80,3	1297	45,2	10	8 254	2867	10396
Highly skilled supervision (Levels 9-12)	1464	82,9	175	6,1	8	2 215	2867	1214
Senior management (Levels 13-16)	163	89,6	20	0,7	8	532	2867	146
Contract (Levels 1-2)	105	64,8	22	0,8	5	27	2867	68
Contract (Levels 3-5)	1503,5	73	224	7,8	7	611	2867	1097
Contract (Levels 6-8)	401	64,1	87	3	5	263	2867	257
Contract (Levels 9-12)	13,5	81,5	3	0,1	5	21	2867	11
TOTAL	27543	82,6	2867	100	10	16 086	2867	22739

TABLE 11.2 - Disability Leave (Temporary and Permanent) for Jan 2013 to Dec 2013

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	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	62	100	2	5	31	19	62	40
Skilled (Levels 3-5)	893	100	16	40	56	327	893	40
Highly skilled production (Levels 6-8)	561	100	14	35	40	292	561	40
Senior management (Levels 13-16)	320	100	1	2,5	320	975	320	40
Contract (Levels 3-5)	89	100	7	17,5	13	36	89	40
TOTAL	1925	100	40	100	48	1 649	1925	40

TABLE 11.3 - Annual Leave for Jan 2013 to Dec 2013

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	3667	24	152
Skilled (Levels 3-5)	37917	25	1520
Highly skilled production (Levels 6-8)	35394,67	23	1508
Highly skilled supervision (Levels 9-12)	6325,68	25	253
Senior management (Levels 13-16)	771	22	35
Contract (Levels 1-2)	398	14	28
Contract (Levels 3-5)	4146,6	16	263
Contract (Levels 6-8)	2669	15	176
Contract (Levels 9-12)	56,92	11	5
TOTAL	91345,87	23	3940

TABLE 11.4 - Capped Leave for Jan 2013 to Dec 2013

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2013	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2013	Number of Employees as at 31 December 2013
Lower skilled (Levels 1-2)	6	3	42	2	3113	75
Skilled (Levels 3-5)	109	5	69	22	67420	976
Highly skilled production (Levels 6-8)	103	4	64	26	43153	678
Highly skilled supervision (Levels 9-12)	40	7	77	6	12512	162
TOTAL	258	5	67	56	126198	1891

TABLE 11.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2013/14	68	11	6 182
Current leave payout on termination of service for 2013/14	-	33	-
TOTAL	68	44	1 545

TABLE 12.1 - 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 such as HCT Campaign on importance of testing and knowing their status as well as on the risks of contracting HIV/AIDS. HIV and TB training has been conducted to employees and it is an ongoing.
	Condom container 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.
	The Employee Health and Wellness Committee members were trained on HIV/AIDS and TB management training within the department by the Employee Health and Wellness Component

TABLE 12.2 - Details of Health Promotion and HIV/AIDS Programmes		
Question	Yes	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 General Manager : Human Resource Management : Ms C Zwane
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available fo	Yes	"The EHWP Component was initiated in 2005 and is headed by an Assistant Manager, Senior Employee Assistant Practitioner and Senior Personnel Officer assisting the Component. The budget is R 5, 500, 000 for this financial year.
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	Professional Counselling, Assessment, Debriefing, Crisis intervention, Referral and Consultation to key staff.
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 has formed the EHWP committee members in all Regions and it comprises of two or three members within each Region. The function of the Committee members is to assist with the coordination of various projects and programs and referrals of employees to EAP Component for assistance.

<p>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.</p>	<p>Yes</p>	<p>Provincial Policies namely, HIV/AIDS and TB Management and Wellness Management Policy has been approved by Head of the Department and the has adopted these policies.</p>
<p>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.</p>	<p>Yes</p>	<p>All services offered are treated as strictly confidential and any discrimination whatsoever will be dealt with via the disciplinary process. Employees within the EHWP Component sign a confidentiality form informing them of what is expected of them and wha</p>
<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.</p>	<p>Yes</p>	<p>After the Department has initiated the Wellness clinic whereby the Voluntary Testing is encouraged, there is an increased number of officials wanting to know their status. With the help of our in house Doctor a number of employees are being treated for Chronic Diseases.</p> <p>All type of counseling (Pre- counseling and Post counseling) are done to our employees when they are coming for HIV test. All the staff counseled before agreeing to any tests. Should the employee test positive then they are given Immune Boosters, as well monitoring of their CD 4 count by the Departments in house Doctor.</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>Evaluating clinic attendance by employees, there is a decreased on absenteeism cases reported by the supervisors within the department.</p>

TABLE 13.1 - Collective Agreements	
Subject Matter	Date
None	

TABLE 13.2 - Misconduct and Discipline Hearings Finalised			
Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Counselling	-	-	-
Written Warning	-	-	-
Final Written Warning	2	22,2	2
Dismissal	4	44,4	4
Demotion	3	33,3	3
TOTAL	9	100	9

TABLE 13.3 - Types of Misconduct Addressed and Disciplinary Hearings			
Type of misconduct	Number	Percentage of Total	Total
Fraud/Theft	31	60	31
Social Grant Misconduct	5	10	5
Low Income Housing	5	10	5
Insubordination	3	6	3
Under the influence of alcohol	1	2	1
Assault	3	6	3
TOTAL	52	100	52

TABLE 13.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Number of grievances received	271	100	271
Number of grievances resolved	10	3,69	10
Number of grievances unresolved	261	96,31	261

TABLE 13.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Disputes received	15	100
Dismissed	-	-
Total	15	100

TABLE 13.6 - Strike Actions

Strike Actions	-
None	

TABLE 13.7 - Precautionary Suspensions

Number of people suspended	7
Number of people whose suspension exceeded 30 days	7
Average number of days suspended	30
Cost (R'000) of suspensions	R 1 713 991

TABLE 14.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	2	45	-	47
	Male	18	2	34	-	36
Professionals	Female	71	10	13	-	23
	Male	62	5	37	-	42
Technicians and associate professionals	Female	303	-	161	-	161
	Male	304	-	253	-	253
Clerks	Female	821	2	429	-	431
	Male	180	-	284	-	284
Service and sales workers	Female	278	-	211	-	211
	Male	515	-	368	-	368
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	5	-	5
Craft and related trades workers	Female	30	-	0	-	-
	Male	180	-	14	-	14
Plant and machine operators and assemblers	Female	9	-	5	-	5
	Male	293	-	63	-	63
Elementary occupations	Female	169	-	129	-	129
	Male	585	-	563	-	563
Gender sub totals	Female	1698	14	993	-	1007
	Male	2137	7	1621	-	1628
Total		3835	21	2614	-	2635

TABLE 14.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	2	7	24	33
	Male	18	2	1	10	13
Professionals	Female	71	10	6	11	27
	Male	62	5	2	14	21
Technicians and associate professionals	Female	303	-	29	80	109
	Male	304	-	38	66	104
Clerks	Female	821	2	67	218	287
	Male	180	-	11	50	61
Service and sales workers	Female	278	-	196	6	202
	Male	515	-	291	7	298
Skilled agriculture and fishery workers	Female	-	-	-	1	1
	Male	-	-	2	14	16
Craft and related trades workers	Female	30	-	-	-	-
	Male	180	-	-	-	-
Plant and machine operators and assemblers	Female	9	-	1	4	5
	Male	293	-	5	51	56
Elementary occupations	Female	169	-	4	10	14
	Male	585	-	11	40	51
Gender sub totals	Female	1698	14	310	354	678
	Male	2137	7	361	252	620
Total		3835	21	671	606	1298

TABLE 15.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	29	69
Temporary Total Disablement	11	26,2
Permanent Disablement	-	-
Fatal	2	4,8
Total	42	100

TABLE 16.1 - 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	363	various project durations	R 825 514 231,92
Management Advisory Services	34	various project durations	R 24 176 627,98
Legal services	15	various project durations	R 18 920 880,49
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
206	412	various project durations	R 868 961 170,49

TABLE 16.2 - 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	79,7%	81%	277
Management Advisory Services	67%	64%	16
Legal Services	49%	49%	15

TABLE 16.3-Report on consultant appointments using Donor funds for the period 1 April 2013 and 31 March 2014

Project Title	Total Numebr of consultants that worked on project	Duration(Work days)	Donor and contract value in Rand
None			

TABLE 16.4-Analysis of consultant appointments using Donor funds ,in terms of HDI's for the period 1 April 2013 and 31 March 2014

Project Title	Percentage ownership by HDI groups	Percentage Management by HDI groups	Number of consultants from HDI groups that work on the project
None			

Table 17.1Granting of employee initiated severance packages for the period 1 April 2013 and 31 March 2014

Salary Band	Number of applicaions received	Number of applications referred to the MPSA	Number of applications supported by the MPSA	Number of packages approved by department
None	None	None	None	None



part e

financial information

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 12: DEPARTMENT OF TRANSPORT REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Transport set out on pages 198 to 247, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 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 department'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 department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Commitments – capital expenditure

6. The department did not have adequate systems in place to properly account for amounts disclosed as capital expenditure commitments in note 20 to the financial statements and I could not confirm the disclosure by alternative means. Consequently, I was unable to determine the extent of the understatement of capital expenditure commitments stated at R2,68 billion in the financial statements.

Accruals

7. The department did not maintain adequate records of outstanding payments for goods and services received but not yet paid at year-end and therefore did not recognise all outstanding amounts meeting the definition of an accrual, in accordance with the Modified Cash Standard. I was not able to determine the extent of the understatement of accruals stated at R847,30 million in note 21 to the financial statements.

Qualified opinion

8. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Transport as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

10. With reference to note 19 to the financial statements, the department is the defendant in various claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material impairments

11. As disclosed in note 24.3 to the financial statements, material impairments to the amount of R497,74 million were incurred as a result of the annual review of receivables.

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

13. The supplementary information set out on pages 248 to 258 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for a selected programme presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2014:
- Programme 2: Transport Infrastructure on pages 59 to 66
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
18. I did not raise any material findings on the usefulness of the reported performance information for the selected programme.

19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. The material finding in respect of the selected programme are as follows:

Programme 2: Transport Infrastructure

Reliability of reported performance information

Validity / accuracy / completeness

21. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions that supported the accurate recording of actual achievements and frequent review of the validity of reported achievements against source documentation.

Additional matter

22. I draw attention to the following matter.

Achievement of planned targets

23. Refer to the annual performance report on pages x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programme reported in paragraph 21 of this report.

Compliance with legislation

24. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1) (a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

26. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) and CIDB regulation 18.

Human resource management and compensation

27. Funded vacant posts were not filled within 12 months, as required by Public Service Regulation 1/ VII/C.1A.2.

Expenditure management

28. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation (TR) 8.2.3.

Revenue management

29. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

Internal control

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation.

Leadership

31. Management did not implement sufficient monitoring controls to ensure that material misstatements of disclosure items in the annual financial statements, non-compliance with laws and regulations and findings on the annual performance report were prevented.

Financial and performance management

32. A system of record management that supports disclosure in the financial statements and reported performance information was not properly designed.

OTHER REPORTS**Investigations**

33. Nine investigations are currently in progress regarding supply chain management irregularities and fraudulent payments made to suppliers and employees. The investigations are expected to be completed by the end of the 2014/15 financial year.

Auditor General

Pietermaritzburg
31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL
STATEMENTS
FOR KWAZULU-NATAL
DEPARTMENT OF TRANSPORT
VOTE 12
FOR THE YEAR ENDED
31 March 2014

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

Forward

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the Department

- The Department continued to implement cost-cutting measures in line with the Provincial Treasury Circular PT (1) of 2013/14.
- The issue of women, youth and disability advocacy is paramount in all Departmental programmes and policies. The Department continues with its mandate to support and give preference to women, youth and the disabled in our procurement processes. Targets have been set to encourage the participation of women, youth and the disabled in the employment of labour in infrastructure construction and maintenance projects. The Department also consciously gives preference to both women and the disabled group when filling vacant posts.
- Although the Department's budget has grown over the years, the level of funding is inadequate considering the backlog with regard to road infrastructure. The situation has been exacerbated by the budget reductions. This has created a condition whereby the Department consciously chooses to fund a road programme that minimises the further deterioration of the primary road network, while at the same time maximising the allocations needed to provide isolated rural communities with appropriate access.
- The National Treasury's reduction of the Department's budget by 1%, 2% and 3% respectively over the MTEF period has also impacted on our targeted delivery for construction. For our Department this equates to a reduction in our budget of -
 - 2013/2014 - R53 million
 - 2014/2015 – R122 million
 - 2015/2016 – R192 million
- Nearly 75% of the Department's budget is allocated towards the upgrading and maintenance of road infrastructure in line with goals of providing a balanced road network that meets the mobility needs of KwaZulu-Natal citizens, and providing a logistics platform for South Africa's global trade, in accordance with the National and Provincial Growth and Development Strategies and the Provincial Growth and Development Plan that was approved by Cabinet in November 2012.
- This shift in budget allocation is also in line with the new S'hamba Sonke - Moving Together Programme that is a roads upgrade and maintenance initiative to fix and upgrade the entire secondary roads network of South Africa. The programme creates new jobs for emerging contractors and jobs across the Province. This ring-fenced conditional grant is implemented in the following five key areas :
- The rehabilitation of key arterial routes in support of the rural economy through labour intensive projects;
- Prioritising the use of labour absorptive construction methods;
- Elimination of potholes on our roads;
- Creating access roads to schools and clinics and public social infrastructure; and
- Establishing the Road Asset Management Systems [RAMS] and introducing the "Know your Network

Programme”, this is about regional engineers in the province monitoring daily road conditions including any possible overnight damage.

- The Departmental programmes like Operation kuShunquthuli continues to focus on road infrastructure development in the rural areas. The Department has identified key projects that will be the stimulus in linking the rural communities to the provincial hub of the activity, which achieves the strategic goal of providing access and mobility within the province, where the priority is in the rural areas in this term of governance. The Department continues to allocate a substantial amount of funding that goes towards the construction of Pedestrian Bridges. There is currently a backlog of over 406 pedestrian bridges and this initiative contributes towards providing access to educational and social facilities within the province.
- The objectives of the Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) that seek to institute food security; fight disease, in particular HIV, AIDS and TB, and poverty; to empower women and youth; and to instil behavioural change amongst the citizens of the province, have been embraced by this Department. In this regard our programmes, policies and activities will continue to be in support of the objectives hereof.
- The Department is currently implementing the Public Transport Transformation Strategy which will provide for the incorporation of all modes of transport into the public transport subsidized contracts. The implementation of the Strategy remains one of the priorities of the Department. The programme had been successfully implemented in Port Shepstone. Taxi operators and small bus owners have ownership in the operating company and actively participate on day to day running of business. The strategy is currently being rolled out to other services in other areas in the province.
- The re-engineering of the public transport system in the country has resulted in the need to develop and implement integrated rapid public transport networks. This is supposed to be a function of municipalities however the lack of capacity in municipalities to undertake this function has resulted in the Department providing assistance to District Municipalities to develop their Integrated Public Transport Networks (IPTNs). A total of ten have to be developed. The Department has already completed five (Ugu, uMkhanyakude uMgungundlovu, iLembe and Uthunghulu) IPTNs, four (uThukela, Zululand, uMzinyathi and Amajuba) are in progress and the remaining one (Sisonke) is scheduled for commencement in the 2014/2015 financial year. The IRPTN for eThekweni Metropolitan Municipality has been completed and the municipality is currently in the process of implementing Phase 1 of the plan.
- The safety of people using public transport, especially in minibus taxis, continues to be a serious concern for the Department, and strategies to improve road safety management will continue to be intensified. The Department continues to place more emphasis on road safety education, including pedestrian safety, with the aim of shifting road safety to go beyond traffic regulation and enforcement, and towards a people-centred approach that deals with accident prevention and post-accident support in a holistic manner through Operation Valingozi. This involves assistance with referrals in respect of counselling for family members of persons killed in road accidents, assistance with referrals in accessing social grants and assistance with Road Accident Fund claims.
- The issue of job creation and poverty alleviation has always been in the forefront of the Department’s activities and efforts in this regard will be intensified across all Programmes in keeping with government’s mandate of ongoing job creation.
- The department continues its commitment to the economic transformation of the entire transport value chain, through the implementation of its programmes and policies.
- The results of Census 2011 indicate a slight decrease in the Province’s population. This resulted in a decrease in the Province’s equitable share and a budget cut for the Department. During the current financial year this was exacerbated by a reduction in the Provincial Roads Maintenance Grant allocation by R157 million during the financial year. However, we will continue with our services and commitments to our communities with the same zest and commitment as before.

1.2 Spending Trends

PROGRAMME 1: ADMINISTRATION **R NIL**

There was neither savings nor over-expenditure on this programme

PROGRAMME 2: ROAD INFRASTRUCTURE **OVER EXPENDITURE R3,872,000**

The over expenditure on this programme is a result of demand from the public for road infrastructure which in turn resulted in construction projects commencing earlier than anticipated to meet this demand.

PROGRAMME 3: TRANSPORTATION **OVER EXPENDITURE R5,234,000**

The over expenditure in this programme is a result of underfunding on the Public Transport Operators Grant and the provision of scholar transport.

PROGRAMME 4: TRAFFIC MANAGEMENT **R NIL**

There was neither savings nor over-expenditure on this programme

PROGRAMME 5: COMMUNITY BASED PROGRAMME **R NIL**

There was neither savings nor over-expenditure on this programme

1.3 Virements

Virements that have taken place during the 2013/14 financial year were as a result of savings identified between programmes and used to defray expenditure pressures against other programmes.

The purpose of these virements was to ensure service delivery and alignment to the Department's mandated objectives.

The virements that were applied in the 2013/14 Annual Financial Statements are as per the below:

Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	243 870	-	13 434	257 304	257 304	-
TRANSPORT INFRASTRUCTURE	5 975 906	-	11 280	5 987 086	5 990 958	(3,872)
TRANSPORT OPERATIONS	1 133 735	-	4 1 64	1 137 899	1 143 133	(5 234)
TRANSPORT REGULATIONS	655 660	-	(34 342)	621 318	621 318	-
COMMUNITY BASED PROGRAMME	37 010	-	5 464	42 474	42 474	-
Total	8 046 081	-	-	8 046 081	8 055 187	(9 106)

All of these virements are permissible in terms of the PFMA and the Treasury Regulations.

2. Services rendered by the Department

2.1 List of Services

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

Programme 1: Administration

The purpose of Programme 1 is to provide the department with the overall management and administrative, strategic, financial and corporate support services (including human resource management, labour relations and legal services) in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Office of the MEC, Management, Corporate Support, and Departmental Strategy.

Programme/ sub-programme	Performance Measure	Annual Target	Preliminary Output for 2013/14
Administration	Percentage of women in management positions	54	42,5
	Percentage of designated employees in management positions	76	82,9
	Percentage of persons with disabilities employed by the Department	0,68	0,7

Programme 2: Transport Infrastructure

The purpose of Programme 2 is to promote accessibility and safe and affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. Programme 2 is aimed at determining the needs for the development of road, freight and public transport infrastructure, implementing maintenance programmes, providing access roads for communities to unlock economic potential, and promoting community development and eco-tourism.

The programme consists of five sub-programmes in line with the sector specific budget format, namely: Programme Support Infrastructure, Infrastructure Planning, Infrastructure Design, Construction and Maintenance.

Programme/ sub-programme	Performance Measure	Annual Target	Preliminary Output for 2013/14
Construction	Number of lane-km of new surfaced roads constructed	20	4
	Number of kilometres of new gravel roads constructed	270	228
	Number of lane-km of surfaced road upgraded	0	0
	Kilometres of gravel roads upgraded to surfaced roads	82	104
	Number of square metres of non-motorised transport facility constructed	25 000	43 834
	Number of bridges constructed	7	10
	Number of pedestrian bridges constructed	13	17
	Design of Integrated Public Transport Networks	2	0
	Number of Public Transport Infrastructure projects implemented	2	1
Maintenance	Number of kilometres of surfaced roads assessed (VCI's completed as per TMH 12)	3 590	3 785
	Number of kilometres of gravel roads assessed (VCI's completed as per TMH 9)	7 920	9 531
	Number of weighbridges calibrated to SABS standard	15	15
	Percentage of provincial road network in poor to very poor condition	46	46
	Number of lane-km of surfaced roads rehabilitated	490	488

	Number of square metres of surfaced roads resealed	2 040 000	2 581 439
	Number of kilometres of gravel road re-gravelled	2 340	2 090
	Number of square meters of blacktop patching (including pothole repairs)	220 000	349 201
	Number of kilometres of gravel roads bladed	115 000	91 752
	Number of kilometres of road infrastructure assessed through road safety audits	1 730	0
	Kilometres maintained using Zibambele Contractors	26 650	24 305

Programme 3: Transport Operations

The purpose of Programme 3 is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, non-governmental organisations (NGOs) and the private sector to enhance the mobility of all communities, especially those without or with limited access, and to implement road safety education and awareness programmes.

The programme consists of three sub-programmes largely in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance.

The main functions include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Programme/sub-programme	Performance Measure	Annual Target	Preliminary Output for 2013/14
Public Transport Services	Number of vehicles subsidised	1 300	1 300
	Number of routes subsidised	1 700	1 700
	Number of vehicle kilometres subsidised	42 749 300	41 765 361
	Kilometres operated per vehicle	32 415	31 685
	Passengers per vehicle	4 300	4 216
	Passengers per trip	52	56
	Staff per vehicle	2.2	2.2
	Number of subsidised passengers	1 612 300	1 044 284
	Number of unsubsidised passengers	211 600	101 190
	Number of trips subsidised	1 327 900	1 181 862
	Number of trips monitored	796 700	934 101
	Subsidy per passenger	14.84	14.63
	Number of subsidised passenger trips	69 300 000	66 259 416
	Number of scholars transported	19 560	20 045
Number of schools receiving transport services	206	229	
Transport Safety and Compliance	Number of road safety awareness interventions conducted	5	5
	Number of schools involved in road safety education programmes	950	956
	Undertake goal directed enforcement of public transport (Operation Shanella)	500	934
	Number of school children trained	235 000	238 300
	Number of adults trained	43 000	43 783
	Number of crossing patrols provided	105	105

PART E – REPORT BY THE ACCOUNTING OFFICER

FOR THE YEAR ENDED 31 MARCH 2014

Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe road environment through the regulation of traffic on public infrastructure, law enforcement and the registration and licensing of vehicles and drivers. The programme consists of four sub-programmes in the 2013/14 MTEF, in line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licence and Permits and Law Enforcement.

Programme/sub-programme	Performance Measure	Annual Target	Preliminary Output for 2013/14
Transport Administration and Licencing	Number of licence compliance inspections executed	288 000	304 928
Operator Licence and Permits	Number of operator permits still to converted	400	156
	Number of abnormal load permits issued	18 700	24 127
Traffic law enforcement	Number of speed operations conducted	18 250	15 071
	Number of K78 roadblocks held	1 100	2 398
	Number of hours weighbridges are operated	15 000	14 241
	Number of road side vehicle check point operations	36 000	42 700
	Number of kilometres patrolled	6 090 000	6 201 025
	Number of law enforcement officers trained: Diploma courses	0	0
	Number of law enforcement officers employed	824	787
	Hours of manual speed timing activities	40 000	48 132
	Number of vehicles exceeding the speed limit	267 000	400 432
	Number of vehicles checked in road side vehicle check point operations	2 040 000	1 581 611
	Number of heavy vehicles screened	3 100 000	4 442 215
	Number of heavy vehicles weighed	155 000	160 573
	Number of vehicles which are overloaded	24 600	28 120
	Number of vehicles detained	7 050	5 936

Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities. These include the following:

- The strategic planning and monitoring of programmes to further BBBEE.
- Programmes to bring about the development and empowerment of impoverished communities.
- The co-ordination of EPWP in the province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring.

Programme/sub-programme	Performance Measure	Annual Target	Preliminary Output for 2013/14
EPWP Coordination and Monitoring	Number of jobs created	59 160	55 132
	Number of employment days created	5 267 000	4 311 896
	Number of Full-TIME Equivalents (FTE's)	22 900	18 747
	Number of youth (18-35) employed	11 600	15 517
	Number of women employed	43 600	43 213
	Number of persons living with disabilities (PLWD) employed	15	27
	Number of people trained	10 470	14 706
Community Development	Number of Zibambele contractor employed	41 000	37 393
	Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Programme	250	202

2.2 Tariff policy

The Department determines the tariff adjustment taking into account the current inflation rate, and fee increases in other provinces. These increases are approved by the department in consultation with the Provincial Treasury.

2.3 Free Services

The Department does not render any free services that would have yielded significant revenue had a tariff been charged.

2.4 Inventories

The inventory on hand at 31 March 2014 is R 22,117,000. Details of the inventory movements are included in Annexure 6 to the Annual Financial Statements.

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. The Department, together with Provincial Treasury have initiated a Maintenance Task Team working on finding alternate sources of funding to address the budget shortfall.

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 unduly. The annual need for this ongoing maintenance exceeds the budget allocated. The backlog cannot therefore be adequately addressed.

The capacity of the Department to deliver efficiently and effectively on its mandate is dependent 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. This situation is exacerbated by the more competitive salaries offered by the private sector and municipalities for technicians and engineers.

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 HIV / AIDS awareness and education programmes in order to reduce the impact of this pandemic on Departmental staff both personally and professionally. The Department 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 aid assistance**

The detail of aid assistance received is tabled in Annexure 1J of the annual financial statements.

5. **Trading entities and public entities**

The Department has no trading entities and public entities reporting to it.

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

Transfer payments were made to Hibiscus Coast Municipality and Vukuzakhe Emerging Contractor Association during the 2013/14 financial year.

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. The Department's Senior Management Team is committed to the principles of sound Corporate Governance and is aware of their responsibilities and accountability in this respect.

A risk assessment was conducted by the department, in conjunction with the Provincial Internal Audit Unit and the department has been able to compile a risk register that has enabled management to identify and effect control measures that will reduce or mitigate risks that may occur as the department moves towards the achievement of its strategic objectives.

9. **Discontinued activities/activities to be discontinued**

No activities have been discontinued during the financial year under review.

10. **New/proposed activities**

There are no new/proposed activities 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 2014. The minimum requirements for the completion of the asset register and all asset management reforms and milestones have been complied with.

12. **Events after the reporting date**

No significant events have occurred after the reporting date which will influence the interpretation of the results under review.

13. **Performance information**

The Department has clearly defined service delivery outputs which are managed by the appointed respective components and reports in the prescribed format as defined by the treasury guideline document.

14. **SCOPA resolutions**

There are no outstanding SCOPA resolutions.

15. **Prior modifications to audit reports**

2011/12 Financially unqualified audit, with one other matter being the monitoring of Zibambele Contractors.
2012/13 Clean audit

16. Exemptions and deviations received from the National Treasury

The National Treasury has exempted the department from complying with certain sections of the Government Immovable asset management Act, No 19 of 2007. In particular the department is exempted from the following:

- The disclosure of building & other fixed structures in the disclosure notes for the tangible assets for the current and prior year.
- The use of fair value to value assets, which is referred to in the asset management policy set by the National Treasury.

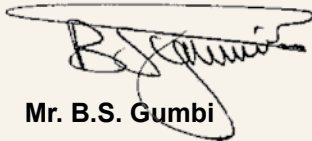
No conditions apply to these exemptions for the year ended 31 March 2014.

17. Other

There is no other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs that is not addressed elsewhere in this report.

18. Approval

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



Mr. B.S. Gumbi

HEAD: TRANSPORT

31 May 2014

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per Programme										
	2013/14					2012/13				
	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. Administration										
Current payment	230,537	-	(251)	230,286	230,286	-	100%	219,747	219,747	
Transfers and subsidies	8,166	-	(5,896)	2,270	2,270	-	100%	1,454	1,454	
Payment for capital assets	5,163	-	19,091	24,254	24,254	-	100%	29,396	29,396	
Payment for financial assets	4	-	490	494	494	-	100%	60	60	
2. Transport Infrastructure										
Current payment	2,885,985	-	(39,898)	2,846,087	2,846,087	-	100%	2,756,581	2,756,581	
Transfers and subsidies	2,658	-	8,379	11,037	11,037	-	100%	7,251	7,251	
Payment for capital assets	3,087,163	-	42,728	3,129,891	3,133,763	(3,872)	100.1%	2,990,197	3,003,010	
Payment for financial assets	-	-	71	71	71	-	100%	58	58	
3. Transport Operations										
Current payment	281,134	-	(55,760)	225,374	228,517	(3,143)	101.4%	204,707	204,707	
Transfers and subsidies	852,325	-	60,089	912,414	914,505	(2,091)	100.2%	808,279	808,279	
Payment for capital assets	276	-	(165)	111	111	-	100%	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
4. Transport Regulations										
Current payment	627,289	-	(25,967)	601,322	601,322	-	100%	568,345	563,339	
Transfers and subsidies	-	-	2,003	2,003	2,003	-	100%	1,592	1,592	
Payment for capital assets	28,371	-	(10,392)	17,979	17,979	-	100%	1,401	1,401	
Payment for financial assets	-	-	14	14	14	-	100%	-	-	
5. Community Based Programme										
Current payment	35,125	-	5,843	40,968	40,968	-	100%	54,726	53,433	
Transfers and subsidies	1,500	-	(42)	1,458	1,458	-	100%	-	-	
Payment for capital assets	385	-	(340)	45	45	-	100%	-	-	
Payment for financial assets	-	-	3	3	3	-	100%	-	-	
Total	8,046,081	-	-	8,046,081	8,055,187	(9,106)	100.1%	7,643,794	7,650,308	
Reconciliation with Statement of Financial Performance										
Add: Departmental receipts				1,576,360				1,502,265		
Add: Aid assistance										
Actual amounts per Statement of Financial Performance (Total Revenue)				9,622,441				9,146,059		
Add: Aid assistance				10,000					4,887	
Actual amounts per Statement of Financial Performance (Expenditure)				8,065,187					7,655,195	

Appropriation per Economic classification									
2013/14									
	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	1,387,624	-	(120,849)	1,266,775	1,266,775	-	100%	1,182,473	1,176,174
Goods and services	2,671,145	-	6 044	2,677,189	2,680,332	(3,143)	100.1%	2,626,096	2,626,096
Interest and rent on land	-	-	73	73	73	-	100%	1	1
Transfers & subsidies									
Provinces & municipalities	1,600	-	2,681	4,281	4,281	-	100%	2,379	2,379
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	853,825	-	59,951	913,776	915,867	(2,091)	100.2%	808,877	808,877
Households	10,165	-	960	11,125	11,125	-	100%	7,958	7,958
Gifts, donations and sponsorships made	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	3,020,265	-	72,534	3,092,799	3,096,671	(3,872)	100.1%	2,888,401	2,901,214
Machinery & equipment	101,445	-	(26,294)	75,151	75,151	-	100%	123,986	123,986
Software & other intangible assets	8	-	4,322	4,330	4,330	-	100%	3,505	3,505
Payment for financial assets									
	4	-	578	582	582	-	100%	118	118
Total	8,046,081	-	-	8,046,081	8,055,187	(9,106)	100.1%	7,643,794	7,650,308

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 1 – ADMINISTRATION									
Details per Sub-Programme	2013/14					2012/13			
	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	13,410	-	(3,347)	10,063	10,063	-	100%	11,320	11,320
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	-	-	-	-	-	-	-	9	9
1.2 Management									
Current payment	9,703	-	(2,449)	7,254	7,254	-	100%	7,381	7,381
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Payment for capital assets	-	-	-	-	-	-	-	180	180
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 Corporate Support									
Current payment	190,464	-	10,332	200,796	200,796	-	100%	185,016	185,016
Transfers and subsidies	8,166	-	(5,896)	2,270	2,270	-	100%	1,446	1,446
Payment for capital assets	5,163	-	19,091	24,254	24,254	-	100%	29,199	29,199
Payment for financial assets	4	-	490	494	494	-	100%	60	60
1.4 Departmental Strategy									
Current payment	16,960	-	(4,787)	12,173	12,173	-	100%	16,030	16,030
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	8	8
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	243,870	-	13,434	257,304	257,304	-	100%	250,657	250,657

Programme 1 per Economic Classification	2013/14							2012/13	
	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 payments									
Compensation of employees	116,957	-	(19,050)	97,907	97,907	-	100%	94,403	94,403
Goods and services	113,580	-	18,726	132,306	132,306	-	100%	125,466	125,466
Interest and rent on land	-	-	73	73	73	-	100%	1	1
Transfers & subsidies									
Provinces & Municipalities	30	-	(16)	14	14	-	100%	30	30
Households	8,136	-	(5,880)	2,256	2,256	-	100%	1,424	1,424
Payments for capital assets									
Buildings & other fixed structures									
Machinery & equipment	5,155	-	15,324	20,479	20,479	-	100%	25,768	25,768
Software & other intangible assets	8	-	3,767	3,775	3,775	-	100%	3,505	3,505
Payment for financial assets									
	4	-	490	494	494	-	100%	60	60
Total	243,870	-	13,434	257,304	257,304	-	100%	250,657	250,657

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 2 - TRANSPORT INFRASTRUCTURE										
Details per Sub-Programme	2013/14					2012/13				
	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	
2.1 Programme Support Office										
Current payment	134,850	-	(3,915)	130,935	130,935	-	100%	140,749	140,749	
Transfers and subsidies	-	-	-	-	-	-	-	848	848	
Payment for capital assets	-	-	7,214	7,214	7,214	-	100%	-	-	
Payment for financial assets	-	-	4	4	4	-	100%	27	27	
2.2 Planning										
Current payment	21,210	-	6,285	27,495	27,495	-	100%	40,244	40,244	
Transfers and subsidies	-	-	-	-	-	-	-	42	42	
Payment for financial assets	-	-	1	1	1	-	100%	-	-	
2.3 Design										
Current payment	14,310	-	5,068	19,378	19,378	-	100%	17,520	17,520	
Transfers and subsidies	-	-	-	-	-	-	-	17	17	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Payment for financial assets	-	-	1	1	1	-	100%	3	3	
2.4 Construction										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	3,020,265	-	72,534	3,092,799	3,096,671	(3,872)	100.1%	2,888,401	2,901,214	
2.5 Maintenance										
Current payment	2,715,615	-	(47,336)	2,668,279	2,668,279	-	100%	2,558,068	2,558,068	
Transfers and subsidies	2,658	-	8,379	11,037	11,037	-	100%	6,344	6,344	
Payment for capital assets	66,898	-	(37,020)	29,878	29,878	-	100%	101,796	101,796	
Payment for financial assets	-	-	65	65	65	-	100%	28	28	
Total	5,975,806	-	11,280	5,987,086	5,990,958	(3,872)	100.1%	5,754,087	5,766,900	

DETAIL PER PROGRAMME 2 - TRANSPORT INFRASTRUCTURE (continued)										
Programme 2 per Economic Classification	20013/14						2012/13			
	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 payments										
Compensation of employees	744,236	-	(53,755)	690,481	690,481	-	100%	647,501	647,501	
Goods and services	2,141,749	-	13,857	2,155,606	2,155,606	-	100%	2,114,162	2,114,162	
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-	
Transfers & subsidies										
Provinces & municipalities	1,300	-	2,581	3,881	3,881	-	100%	1,911	1,911	
Households	1,358	-	5,798	7,156	7,156	-	100%	5,340	5,340	
Payment for capital assets										
Buildings & other fixed structures	3,020,265	-	72,534	3,092,799	3,096,671	(3,872)	100.1%	2,888,401	2,901,214	
Machinery & equipment	66,898	-	(30,361)	36,537	36,537	-	100%	96,714	96,714	
Software & other intangible assets	-	-	555	555	555	-	100%	-	-	
Payment for financial assets										
	-	-	71	71	71	-	100%	58	58	
Total	5,975,806	-	11,280	5,987,086	5,990,958	(3,872)	100.1%	5,754,087	5,766,900	

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 3 – TRANSPORT OPERATIONS									
Details per Sub-Programme	2013/14					2012/13			
	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
3.1 Programme Support Operations									
Current payment	12,594	-	13,628	26,222	26,222	-	100%	38,430	38,430
Transfers and subsidies	-	-	89	89	89	-	100%	-	-
Payment for capital assets	276	-	(276)	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
3.2 Public Transport Services									
Current payment	193,180	-	(65,190)	127,990	131,133	(3,143)	102.5%	93,487	93,487
Transfers and subsidies	852,325	-	60,000	912,325	914,416	(2,091)	100.2%	808,279	808,279
3.3 Transport Safety and Compliance									
Current payment	75,360	-	(4,198)	71,162	71,162	-	100%	72,790	72,790
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	111	111	111	-	100%	-	-
Total	1,133,735	-	4,164	1,137,899	1,143,133	(5,234)	100.5%	1,012,986	1,012,986

APPROPRIATION STATEMENT **PART E**
FOR THE YEAR ENDED 31 MARCH 2014

Programme 3 per Economic Classification	2013/14							2012/13	
	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	32,732	-	(3,793)	28,939	28,939	-	100%	26,704	26,704
Goods and services	248,387	-	(51,952)	196,435	199,578	(3,143)	101.6%	177,271	177,271
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	15	-	(14)	1	1	-	100%	12	12
Public corporations & private enterprises	852,325	-	60,000	912,325	914,416	(2,091)	100.2%	808,877	808,877
Households	-	-	88	88	88	-	100%	27	27
Payments for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	276	-	(165)	111	111	-	100%	95	95
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets									
Total	1,133,735	-	4,164	1,137,899	1,143,133	(5,234)	100.5%	1,012,986	1,012,986

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 4 - TRANSPORT REGULATIONS										
Details per Sub-Programme	2013/14					2012/13				
	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	
4.1 Programme Support Regulation										
Current payment	5,000	-	(4,753)	247	247	-	100%	346	346	
Transfers & Subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
4.2 Operator Licence and Permits										
Current payment	23,750	-	19,943	43,693	43,693	-	100%	39,456	39,456	
Transfers and subsidies	-	-	-	-	-	-	-	32	32	
Payment for capital assets	-	-	-	-	-	-	-	96	96	
4.3 Transport Administration and Licencing										
Current payment	110,270	-	(10,394)	99,876	99,876	-	100%	102,776	102,776	
Transfers and subsidies	-	-	155	155	155	-	100%	226	226	
Payment for capital assets	-	-	-	-	-	-	-	270	270	
Payment for financial assets	-	-	13	13	13	-	100%	-	-	
4.4 Overload Control										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
4.5 Law Enforcement										
Current payment	488,269	-	(30,763)	457,506	457,506	-	100%	425,767	420,761	
Transfers and subsidies	-	-	1,848	1,848	1,848	-	100%	1,334	1,334	
Payment for capital assets	28,371	-	(10,392)	17,979	17,979	-	100%	1,035	1,035	
Payment for financial assets	-	-	1	1	1	-	100%	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Total	655,660	-	(34,342)	621,318	621,318	-	100%	571,338	566,332	

DETAIL PER PROGRAMME 4 – TRANSPORT REGULATION (Continued)											
Programme 4 per Economic Classification	2013/14						2012/13				
	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	
Current payment											
Compensation of employees	479,000	-	(41,854)	437,146	437,146	-	100%	400,038	395,032		
Goods and services	147,008	-	17,168	164,176	164,176	-	100%	168,307	168,307		
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-		
Transfers & subsidies											
Provinces & municipalities	250	-	135	385	385	-	100%	426	426		
Households	671	-	947	1,618	1,618	-	100%	1,166	1,166		
Payment for capital assets											
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery & equipment	28,731	-	(10,752)	17,979	17,979	-	100%	1,401	1,401		
Payment for financial assets	-	-	14	14	14	-	100%	-	-		
Total	655,660	-	(34,342)	621,318	621,318	-	100%	571,338	566,332		

PART E APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

DETAIL PER PROGRAMME 5 - COMMUNITY BASED PROGRAMME											
Details per Sub-Programme	2013/14						2012/13				
	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	
5.1 Programme Support Community Based											
Current payment	6,235	-	(1,161)	5,074	5,074	-	100%	5,041	5,041	5,041	
Transfers and subsidies	-	-	7	7	7	-	100%	-	-	-	
Payment for capital assets	385	-	(369)	16	16	-	100%	-	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	-	
5.2 Community Development											
Current payment	9,200	-	13,091	22,291	22,291	-	100%	13,227	13,227	11,934	
Payment for capital assets	-	-	13	13	13	-	100%	-	-	-	
5.3 Innovation and Empowerment											
Current payment	4,050	-	2,718	6,768	6,768	-	100%	20,733	20,733	20,733	
Transfers and subsidies	1,500	-	(49)	1,451	1,451	-	100%	-	-	-	
Payment for capital assets	-	-	16	16	16	-	100%	-	-	-	
5.4 EPWP Co-ordination and Monitoring											
Current payment	15,640	-	(8,805)	6,835	6,835	-	100%	15,725	15,725	15,725	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	-	
Payment for financial assets	-	-	3	3	3	-	100%	-	-	-	
Total	37,010	-	5,464	42,474	42,474	-	100%	54,726	54,726	53,433	

DETAIL PER PROGRAMME 5 - COMMUNITY BASED PROGRAMME continued										
Programme 5 per Economic Classification	2013/14						2012/13			
	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
Current payment										
Compensation of employees	14,699	-	(2,397)	12,302	12,302	-	100%	13,827	12,534	
Goods and services	20,421	-	8,245	28,666	28,666	-	100%	40,890	40,890	
Transfers & subsidies										
Households	-	-	7	7	7	-	100%	1	1	
Province & municipalities	5	-	(5)	-	-	-	-	-	-	
Public corporations & private enterprises	1,500	-	(49)	1,451	1,451	-	100%	-	-	
Payments for capital assets										
Machinery & equipment	385	-	(340)	45	45	-	100%	8	8	
Payments for financial assets										
	-	-	3	3	3	-	100%	-	-	
Total	37,010	-	5,464	42,474	42,474	-	100%	54,726	53,433	

PART E NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (B) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 2.5 (Financial transactions in assets and liabilities) 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 Appropriation %
Administration	257,304	257,304	-	-
Transport Infrastructure	5,987,086	5,990,958	(3,872)	0.06
Transport Operations	1,137,899	1,143,133	(5,234)	0.46
Transport Regulations	621,318	621,318	-	100
Community based	42,474	42,474	-	100
Total	8,046,081	8,055,187	(9,106)	0.06

The over expenditure under Transport Infrastructure is a result of upgrade projects completed in the current financial year that were reprioritized in the previous financial year as a result of flood damage repairs done. The department did not get a full re-imburement relief for the flood damages.

The over expenditure under Transport Operations is a result of over expenditure under Scholar Transport and Public Transport Operations Grant. This was a result of escalation costs not catered for on the grant received from National.

4.2 Per Economic Classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure:				
Compensation of employees	1,266,775	1,266,775	-	-
Goods and services	2,677,189	2,680,332	(3,143)	0.12
Interest and rent on land	73	73	-	-
Transfers and subsidies:				
Provinces and municipalities	4,281	4,281	-	-
Public corporations and private enterprises	913,776	915,867	(2,091)	0.23
Households	11,125	11,125	-	-
Gifts, donations and sponsorships made	-	-	-	-
Payments for capital assets:				
Buildings and other fixed structures	3,092,799	3,096,671	(3,872)	0.13
Machinery and equipment	75,151	75,151	-	-
Software and other intangible assets	4,330	4,330	-	-
Payments for financial assets:	582	582	-	-

4.3 Per Conditional Grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Public Works				
EPWP Inter GRNT PROV	88,487	88,487	-	-
Transport				
Prov Roads Maint Grant	1,523,528	1,523,528	-	-
Public Transport Operations Grant	852,325	914,416	62,091	7,28

PART E STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	8,046,081	7,643,794
Departmental revenue	2	1,577,298	1,502,265
Aid assistance		-	-
TOTAL REVENUE		9,623,379	9,146,059
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1,266,775	1,176,174
Goods and services	5	2,680,332	2,626,096
Interest and rent on land	5	73	1
Aid assistance	3	-	-
Total current expenditure		3,947,180	3,802,271
Transfers and subsidies		931,273	819,214
Transfers and subsidies	7	931,273	819,214
Expenditure for capital assets			
Tangible capital assets	8	3,181,822	3,030,087
Software and other intangible assets	8	4,330	3,505
Total expenditure for capital assets		3,186,152	3,033,592
Financial transactions in assets and liabilities	6	582	118
TOTAL EXPENDITURE		8,065,187	7,655,195
SURPLUS FOR THE YEAR		1,558,192	1,490,864
Reconciliation of Surplus for the year			
Voted Funds		(9,106)	(6,514)
Annual appropriation		(7,015)	(5,916)
Conditional grants		(2,091)	(598)
Departmental Revenue	14	1,577,298	1,502,265
Aid assistance	3	(10,000)	(4,887)
SURPLUS FOR THE YEAR		1,558,192	1,490,864

STATEMENT OF FINANCIAL POSITION PART E

AT 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		190,257	166,569
Unauthorised expenditure	9	21,915	78,078
Cash and cash equivalents	10	83,908	196
Prepayments and advances	11	806	683
Receivables	12	83,628	87,612
TOTAL ASSETS		190,257	166,569
LIABILITIES			
Current liabilities		187,276	164,562
Voted funds to be surrendered to the Revenue Fund	13	-	6,299
Departmental revenue to be surrendered to the Revenue Fund	14	153,661	38,168
Bank overdraft	15	-	83,813
Payables	16	15,079	7,746
Aid assistance unutilised	3	18,536	28,536
TOTAL LIABILITIES		187,276	164,562
NET ASSETS		2,981	2,007
Represented by:			
Recoverable revenue		2,981	2,007
TOTAL		2,981	2,007

PART E STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		2,007	1,608
Transfers:		974	399
Irrecoverable amounts written off		(582)	(118)
Debt recovered (included in departmental receipts)		(1,180)	202
Debt raised		2,736	315
Closing balance		2,981	2,007
TOTAL		2,981	2,007

CASH FLOW STATEMENT PART E

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9,619,174	9,144,093
Annual appropriated funds received	1.1	8,046,081	7,643,794
Departmental revenue received	2	1,573,050	1,500,249
Interest received		43	50
Net (increase)/decrease in working capital		67,357	16,537
Surrendered to Revenue Fund		(1,468,104)	(1,593,254)
Current payments		(3,938,001)	(3,789,457)
Interest paid		(73)	(1)
Payment for financial assets		(582)	(118)
Transfers and subsidies paid		(931,273)	(819,214)
Net cash flow available from operating activities	17	3,348,498	2,958,586
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(3,186,152)	(3,033,592)
Proceeds from sale of capital assets	2.4	4,181	1,951
Net cash flows from investing activities		(3,181,971)	(3,031,641)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		24	15
(Decrease)/ Increase in net assets		974	399
Net cash flows from financing activities		998	414
Net decrease in cash and cash equivalents		167,525	(72,641)
Cash and cash equivalents at the beginning of the year		(83,617)	(10,976)
Cash and cash equivalents at end of year	18	83,908	(83,617)

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 2013.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PMFA and the annual Division of Revenue Act.

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 funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation)

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective.

Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

The total appropriated funds received during the year are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the 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 recognised in the Statement of Financial Performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as a payable in the Statement of Financial Position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts/payments

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received and subsequently paid into the Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

2.4 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the Statement of Financial Position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the Statement of Financial Performance when authorization for payment is effected on the system (by no later than 31 March each year)

Short-tem employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the Statement of Financial Performance or Position.

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the Statement of Financial Performance.

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March 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 Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the Statement of Financial Performance.

3.1.3 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 final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

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 final authorisation for 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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for 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.

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 underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When confirmed 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 derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 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.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the Statement of Financial Position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected at the latest purchase price.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

4.8.2 Immovable assets

Initial recognition

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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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.

5.5 Accruals

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.

5.6 Employee benefits

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 or the Statement of Financial Position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are apportioned between the capital and interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. Net Assets**7.1 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 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. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation	Actual Funds Received	Funds not requested/not received	Appropriation received 2012/13
	R'000	R'000	R'000	R'000
Administration	257,304	257,304	-	250,657
Transport Infrastructure	5,987,086	5,987,086	-	5,754,087
Transport Operations	1,137,899	1,137,899	-	1,012,986
Transport Regulations	621,318	621,318	-	571,338
Community Based Programme	42,474	42,474	-	54,726
Total	8,046,081	8,046,081	-	7,643,794

	Note	2013/14 R'000	2012/13 R'000
1.2 Conditional grants			
Total grants received	.1A	2,464,340	2,393,661
Provincial grants included in Total Grants received		-	-
2. Departmental revenue			
Tax revenue		1,396,323	1,318,621
Sales of goods and services other than capital assets	2.1	130,592	126,819
Fines, penalties and forfeits	2.2	38,186	50,318
Interest, dividends and rent on land	2.3	202	274
Sales of capital assets	2.4	4,181	1,951
Financial transactions in assets and liabilities	2.5	7,814	4,282
Departmental revenue collected		1,577,298	1,502,265

	Note	2013/14 R'000	2012/13 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		130,554	126,784
Sales by market establishment		6,138	6,440
Administrative fees		118,502	114,411
Other sales		5,914	5,933
Sales of scrap, waste and other used current goods		38	35
Total		130,592	126,819
2.2 Fines, penalties and forfeits	2		
Fines		38,186	50,318
Total		38,186	50,318
2.3 Interest, dividends and rent on land	2		
Dividends		24	15
Interest		43	50
Rent on land		135	209
Total		202	274
2.4 Sale of capital assets	2		
Tangible assets			
Machinery and equipment	2	4,181	1,951
Total		4,181	1,951
2.5 Financial transactions in assets and liabilities	2		
Receivables			
Stale cheques written back		2	-
Other Receipts including Recoverable Revenue		7,812	4,282
Total		7,814	4,282

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
3. Aid Assistance			
3.1 Aid assistance received in cash from other sources			
Local			
Opening Balance		28,536	33,423
Revenue		-	-
Expenditure		(10,000)	(4,887)
Current		-	-
Capital		(10,000)	(4,887)
Closing Balance		18,536	28,536
Analysis of balance			
Aid assistance unutilised		18,536	28,536
Other sources		18,536	28,536
Closing balance		18,536	28,536
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		610,441	564,002
Performance award		13,865	13,836
Service Based		4,483	2,653
Compensative/circumstantial		99,557	85,352
Periodic payments		14,540	13,797
Other non-pensionable allowances		398,639	376,184
Total		1,141,525	1,055,824
4.2 Social contributions			
Employer contributions			
Pension		71,048	66,675
Medical		53,580	53,061
UIF		-	-
Bargaining council		236	222
Insurance		386	392
Total		125,250	120,350
Total compensation of employees		1,266,775	1,176,174
Average number of employees		3,835	4,023

	<i>Note</i>	2013/14 R'000	2012/13 R'000
5. Goods and services			
Administrative fees		9	21
Advertising		16,368	16,071
Assets less than R5,000	5.1	5,422	9,435
Bursaries (employees)		1,554	1,170
Catering		9,342	10,218
Communication		33,055	32,736
Computer services	5.2	22,508	32,268
Consumables	5.6	16,824	18,605
Consultants, contractors and agency/outsourced services	5.3	2,078,784	2,027,218
Entertainment		10	11
Audit cost – external	5.4	6,436	5,427
Fleet services		71,790	47,675
Inventory	5.5	110,083	141,666
Operating leases		15,169	28,741
Owned and leasehold property expenditure	5.7	77,986	67,916
Rental and hiring		4,272	-
Transport provided as part of the departmental activities		127,539	104,740
Travel and subsistence	5.8	56,730	54,580
Venues and facilities		12,172	13,643
Training and staff development		8,291	8,150
Other operating expenditure	5.9	5,988	5,805
Total		2,680,332	2,626,096
5.1 Assets less than R5,000	5		
Tangible assets			
Machinery and equipment		5,422	9,435
Intangible assets		-	-
Total		5,422	9,435
5.2 Computer services	5		
SITA computer services		20,779	24,311
External computer service providers		1,729	7,957
Total		22,508	32,268

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
5.3 Consultants, contractors and agency/ outsourced	5		
Business and advisory services		95,519	96,619
Infrastructure and planning		654	94,421
Laboratory services		305	194
Legal costs		24,972	18,195
Contractors		1,953,654	1,813,022
Agency and support/outsourced services		3,680	4,767
Total		2,078,784	2,027,218
5.4 Audit cost – external	5		
Regularity audits		5,920	4,984
Performance audits		516	443
Other audits		-	-
Total		6,436	5,427
5.5 Inventory	5		
Learning and teaching support material		575	629
Food and food supplies		610	656
Fuel, oil and gas		34,315	45,643
Clothing material and accessories		5,982	8,167
Material and supplies		64,312	82,961
Stationery and printing		-	-
Medicine		4,289	3,610
Total		110,083	141,666
5.6 Consumables	5		
Uniform and clothing		647	-
Household supplies		2,580	1,835
IT consumables		1,718	2,047
Stationery, printing and office supplies		11,831	13,785
Other consumables		48	938
Total		16,824	18,605
5.7 Owned and leasehold property expenditure	5		
Municipal services		27,917	24,028
Property maintenance and repairs		9,489	9,921
Other		40,580	33,967
Total		77,986	67,916

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
5.8 Travel and subsistence	5		
Local		55,622	54,263
Foreign		1,108	317
Total		56,730	54,580
5.9 Other operating expenditure	5		
Learnerships		-	-
Resettlement costs		120	-
Other		5,868	5,805
Total		5,988	5,805
5.10 Interest and rent on land	5		
Interest paid		73	1
Rent on land		-	-
Total		73	1
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	-	-
Debt written off	6.1	582	118
Total		582	118
6.1 Other material losses written off	6		
Claims Recoverable – Provincial Departments		-	-
Claims by State - removal of vehicles		-	-
Other Write-offs		-	-
Total		-	-
6.2 Debts written off	6		
Salary overpayment		578	56
Other staff related write-offs		4	-
Breach of contract		-	45
Interest on debt		-	2
Tax		-	15
Total		582	118
7. Transfers and subsidies			
Provinces and municipalities	1C	4,281	2,379
Public corporations and private enterprise	1B	915,867	808,877
Households		11,125	7,868
Gifts, donations and sponsorships made	<i>Annex 1E</i>	-	90
Total		931,273	819,214

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
8. Expenditure for capital assets			
Tangible assets		3,181,822	3,030,087
Building and other fixed structures	8.1	3,106,671	2,906,101
Machinery and equipment	8.1	75,151	123,986
Software and other intangible assets			3,505
Computer software	8.1	4,330	3,505
Total		3,186,152	3,033,592

The following amounts have been included as project costs in expenditure for capital assets

Goods and services	3,045,333	2,591,966
Total	3,045,333	2,591,966

8.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets			
Building and other fixed structures	3,096,671	10,000	3,106,671
Machinery and equipment	75,151	-	75,151
Software and other intangible assets			
Computer Software	-	-	-
Patents, licences, copyright, brand names, trademarks	4,330	-	4,330
Total	3,176,152	10,000	3,186,152

8.2 Analysis of funds utilised to acquire capital assets – 2012/13

Buildings and other fixed structures	2,901,214	4,887	2,906,101
Machinery and equipment	123,986	-	123,986
Capital development costs	-	-	-
Patents, licences, copyright, brand names	3,505	-	3,505
Total	3,028,705	4,887	3,033,592

	Note	2013/14 R'000	2012/13 R'000
8.3. Finance lease expenditure included in Expenditure for capital assets - Tangible			
Machinery and equipment		7,895	-
Total		7,895	-
9. Unauthorised expenditure			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		78,078	126,406
Unauthorised expenditure – discovered in the current year		9,106	12,813
Less: Amounts approved by Parliament/ Legislature with funding		(65,269)	(61,141)
Less: Amounts transferred to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation		21,915	78,078
9.2 Analysis awaiting authorisation per economic classification			
Current		-	711
Capital		21,915	77,367
Total		21,915	78,078
9.3 Details of unauthorised expenditure - current			
Unauthorised Expenditure relating to overspending of the vote or a main division within the vote.		3,872	78,078
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division.		5,234	-
Total		9,106	78,078
10. Cash and cash equivalents			
Consolidated Paymaster General Account		81,450	-
Cash receipts		2,341	-
Disbursement		49	-
Cash on hand		68	196
Total		83,908	196
11. Prepayments and advances			
Travel and subsistence		806	683
Total		806	683

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

12. Receivables

	Note	2013/14				2012/13
		Less than one year	One to three years	Older than three years	Total	
		R'000	R'000	R'000	R'000	
Claims recoverable	12.1, Annex3	35,582	33,023	6,835	75,440	77,511
Staff debt	12.2	1,976	484	1,998	4,458	3,651
Other debtors	12.3	3,730	-	-	3,730	6,450
Total		41,288	33,507	8,833	83,628	87,612

	Note	2013/14	2012/13
		R'000	R'000
12.1 Claims recoverable	12		
National departments		11,715	10,835
Provincial departments		58,480	62,087
Public entities		5,245	4,589
Total		75,440	77,511
12.2 Staff debt	12		
Breach of Contract		864	472
In Service Debts		1,908	1,111
Out of Service Debts		1,174	1,708
Tax Debt		143	139
Other		369	221
Total		4,458	3,651
12.3 Other debtors	12		
Dishonoured Cheques		579	128
Disallowance Fraudulent Payments		1,968	1,968
Salary ACB Recalls		-	-
Salary Reversal		1,023	1,390
Other		160	2,964
Total		3,730	6,450

	<i>Note</i>	2013/14 R'000	2012/13 R'000
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		6,299	91,120
Transfer from Statement of Financial Performance		(9,106)	(6,514)
Add: Unauthorised expenditure for current year		9,106	12,813
Voted funds not requested/not received		-	-
Paid during the year		(6,299)	(91,120)
Closing balance		-	6,299
The closing balance consists of R Nil to be surrendered to National Departments for unspent conditional grants and R to be surrendered to Provincial Revenue Fund.			
14. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		38,168	38,037
Transfer from Statement of Financial Performance		1,577,298	1,502,265
Paid during the year		(1,461,805)	(1,502,134)
Closing balance		153,661	38,168
15. Bank overdraft			
Consolidated Paymaster General Account		-	83,813
Total		-	83,813
16. Payables – current			
Amounts owing to other entities		-	-
Advances received	16.1	7,745	7,275
Clearing accounts	16.2	1,631	-
Other payables	16.3	5,703	471
Total		15,079	7,746
16.1 Advances received			
	16		
RTMC Levies		-	-
Public Enterprises		3,286	3,152
Provincial Department - WC		-	-
National Departments		4,459	4,123
Total		7,745	7,275

PART E NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
16.2 Clearing accounts	16		
Traffic Fines received from court awaiting verification		1,631	-
Total		1,631	1,631
16.3 Other payables	16		
Sal: ACB Recalls		45	375
Sal: Deduction Disallowance		7	27
Sal: Income tax		991	61
Traffic Fines received from court incorrectly paid to RTI		4,654	-
Other		6	8
Total		5,703	471
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		1,558,192	1,490,864
Add back non cash/cash movements not deemed operating activities		1,790,306	1,467,722
(Increase)/decrease in receivables – current		3,984	(30,495)
(Increase)/decrease in prepayments and advances		(123)	(15)
(Increase)/decrease in other current assets		65,269	61,141
Increase/(decrease) in payables – current		7,333	(1,281)
Proceeds from sale of capital assets		(4,181)	(1,951)
Distribution/dividends received		(24)	(15)
Expenditure on capital assets		3,186,152	3,033,592
Surrenders to Revenue Fund		(1,468,104)	(1,593,254)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		3,348,498	2,958,586
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		81,450	(83,813)
Disbursement		2,341	-
Cash receipts		49	-
Cash with commercial banks (Local)		68	196
Total		83,908	(83,617)

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
19. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	<i>Annex 2A</i> 267	267
Claims against the department		<i>Annex 2B</i> 225,985	153,752
Other departments (interdepartmental unconfirmed balances)		<i>Annex 4</i> 83	2,465
Total		226,335	156,484

Under claims against the department there is possible liability of R20 million that might arise from the incident that occurred on the 27th and 28th of December 2012, during the recruitment of Traffic Officers.

20. Commitments

Current expenditure

Approved and contracted	1,512,942	33,783
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Capital expenditure

Approved and contracted	2,662,304	315,390
Approved but not yet contracted	22,664	18,511
	2,684,968	333,901

Total Commitments	4,197,910	367,684
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21. Accruals

Listed by economic classification

	2013/14			2012/13
	30 Days	30+ Days	Total	Total
Goods and services	126,702	27,614	154,316	4,018
Transfers and subsidies	90,064	-	90,064	-
Buildings and other fixed structures	443,763	159,161	602,924	129,166
Total	660,529	186,775	847,304	133,184

		2013/14 R'000	2012/13 R'000
21. Accruals – (continued)			
Listed by programme level			
Administration		32,945	3,291
Transport Infrastructure		704,400	129,561
Transport Operations		97,233	-
Transport Regulation		9,488	330
Community-Based Programme		3,238	2
		847,304	133,184
Confirmed balances with departments	<i>Annex 4</i>	237	2,577
Confirmed balances with other departments	<i>Annex 4</i>	-	-
		237	2,577

22. Employee benefits

Leave entitlement		46,634	42,324
Thirteenth cheque		23,495	22,486
Capped leave commitments		79,225	78,429
Total		149,354	143,239

An amount of R189.00, excluded from the capped leave balance above relates to leave taken in excess of the employees capped leave allocations.

23. Lease Commitments**23.1 Operating leases expenditure**

2013/14	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	54	2,089	7,467	9,610
Later than 1 year and not later than 5 years	147	353	-	500
Total commitments	201	2,442	7,467	10,110

2012/13	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	95	2,102	21,419	23,616
Later than 1 year and not later than 5 years	165	2,442	18,288	20,895
Total commitments	260	4,544	39,707	44,511

23.2 Finance leases

2013/14	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	7,625	7,625
Later than 1 year and not later than 5 years	7,917	7,917
Total present value of lease liabilities	15,542	15,542

2012/13	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	581	581
Later than 1 year and not later than 5 years	86	86
Total present value of lease liabilities	667	667

24. Accrued departmental revenue

	2013/14	2012/13
	R'000	R'000
Tax revenue	-	30,177
Fines, penalties and forfeits	74,375	-
Total	74,375	30,177

24.1 Analysis of accrued departmental revenue

	2013/14	2012/13
	R'000	R'000
Opening balance	30,177	36,659
Less: Amounts received	-	(21,922)
Add: Amount recognised	572,114	43,458
Less: Amounts written-off/reversed as irrecoverable	(527,916)	(28,018)
Closing balance	74,375	30,177

	2013/14 R'000	2012/13 R'000
24.2 Receivables for department revenue written off		
Motor Licence Fees Written-Off	-	253
Prior year motor licence fees not recovered	30,177	14,484
Current year motor licence fees deemed not recovered	-	13,281
Total	30,177	28,018
24.3 Impairment of accrued departmental revenue		
Impairment of accrued departmental revenue	497,739	-
Total	497,739	-
25. Irregular expenditure		
Reconciliation of Irregular Expenditure		
25.1 Reconciliation of irregular expenditure		
Opening balance	29,049	21,419
Add: Irregular expenditure relating to current year	9,192	7,630
Less: Amounts condoned	-	-
Irregular expenditure awaiting condonation	38,241	29,049
Analysis of awaiting condonation per age classification		
Current year	9,192	7,630
Prior years	29,049	21,419
Total	38,241	29,049

	2013/14	2012/13
	R'000	R'000
25.2 Details of irregular expenditure condoned		
Irregular procurement procedure – Various Service Providers)	6,157	-
Approval of Sod Turning for P258 not granted by Provincial Treasury	350	-
Finance lease for office photocopier equipment exceeding 3 years	1,586	-
Hotel accommodation exceeding amount as stipulated in cost cutting measures	30	-
Fraudulent payment to entity	-	358
AJ Broom Road Products	119	-
Ngwedle Trading	471	-
Planciv Construction	479	-
VAT paid to non VAT vendor	-	76
Awards made to person state	-	238
Departmental employees with family who have interest in supplies of the department	-	4,772
Incorrect payment made to supplier	-	189
Overtime exceeding the limit	-	1,997
Total	9,192	7,630
26. Fruitless and wasteful expenditure		
26.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	1	-
Add: Fruitless and wasteful expenditure relating to current year	73	1
Less: Amounts resolved	(1)	-
Fruitless and wasteful expenditure awaiting resolution	73	1
26.2 Analysis of current year's fruitless and wasteful expenditure		
Interest paid for payment over 30 days	-	1
Interest on outstanding SARS account	73	-
Total	73	1

		2013/14 R'000	2012/13 R'000
28. Key management personnel			
	No. of Individuals		
Political office bearers (provide detail below)	1	1,734	1,674
Officials			
Level 15 to 16	4	5,810	4,555
Level 14 (incl. CFO if at a lower level)	9	10,096	9,102
Family members of key management personnel	4	911	985
Total		18,551	16,316

29. Movable Tangible Capital Assets

	Opening balance	Current year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	701,640	(1,092)	84,370	(15,950)	768,968
Transport assets	353,827	(1,092)	70,827	(15,935)	407,627
Computer equipment	12,614	-	3,266	-	15,880
Furniture and office equipment	30,947	-	9,036	(15)	39,968
Other machinery and equipment	304,252	-	1,241	-	305,493
Total Movable Tangible Capital Assets	701,640	(1,092)	84,370	(15,950)	768,968

29.1 Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash	Non Cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	67,257	-	7,895	9,218	84,370
Transport assets	62,602	-	-	8,225	70,827
Computer equipment	2,851	-	-	415	3,266
Furniture and office equipment	1,141	-	7,895	-	9,036
Other machinery and equipment	663	-	-	578	1,241
Total Additions to Movable Tangible Capital Assets	67,257	-	7,895	9,218	84,370

29.2 Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual Cost
	Cost/value price as per AR	Cost/value price as per AR		
	R'000	R'000	R'000	R'000
Machinery and Equipment	15,935	15	15,950	4,181
Transport assets	15,935	-	15,935	4,181
Computer equipment	-	-	-	-
Furniture and office equipment	-	15	15	-
Other machinery and equipment	-	-	-	-
Total Disposal of Movable Tangible Capital Assets	15,935	15	15,950	4,181

29.3 Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and Equipment	577,887	123,986	(233)	701,640
Transport assets	234,439	119,570	(182)	353,827
Computer equipment	10,367	2,274	(27)	12,614
Furniture and office equipment	29,786	1,185	(24)	30,947
Other machinery and equipment	303,295	957	-	304,252
Total Movable Tangible Assets	577,887	123,986	(233)	701,640

29.4 Minor Assets of the Department for the year ended 31 March 2014

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	-	31,253	31,253
Additions	-	5,412	5,412
Disposal	-	(166)	(166)
Total	-	36,499	36,499
Number of R1 minor assets	-	-	-
Number of minor assets at cost	-	-	-
Total	-	-	-

Minor Assets of the Department for the year ended 31 March 2013

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening Balance	-	29,363	29,363
Additions	-	1,890	1,890
Disposal	-	-	-
Total	-	31,253	31,253
Number of R1 minor assets	-	-	-
Number of minor assets at cost	-	-	-
Total	-	-	-

30. Intangible Capital Assets**30.1 Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2014**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Capitalised Development Costs	-	-	-	-	-
Computer Software	21,914	-	4,330	-	26,244
Total Intangible Assets	21,914	-	4,330	-	26,244

30.2 Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash Cost	Total Cost
	R'000	R'000
Capitalised Development Costs	-	-
Computer Software	4,330	4,330
Total	4,330	4,330

30.3 Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Capitalised Development costs	-	-	-	-	-
Computer Software	18,409	-	3,505	-	21,914
Total Intangible Assets	18,409	-	3,505	-	21,914

31. Immovable Tangible Capital Assets**Movement in Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2014**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	8,484,605	44,246	215,448	-	8,744,299
Other Fixed Structures	8,484,605	44,246	215,448	-	8,744,299

31.1 Additions**Additions to Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2014**

	Cash	Non - cash	(Capital work- in-progress current costs and finance lease payments)	Closing Balance
	R'000	R' 000	R'000	R'000
Buildings and Other Fixed Structures	3,096,671	59,814	(2,941,037)	215,448
Other fixed structures	3,096,671	59,814	(2,941,037)	215,448
Total Immovable Tangible Capital Assets	3,096,671	59,814	(2,941,037)	215,448

Various roads were upgraded by Municipalities, however only two roads (D1127 and L1863) were updated with values on the Asset Register as the hand over process for the others is being finalised.

On the register 3104 road segments are recorded with R1 value.

31.2 Disposal

	Cash	(Capital Work in Progress current costs and finance lease payments)	Total
	R'000	R'000	R'000
Building and Other Fixed Structures			
Other fixed structures	-	-	-
Total Disposal of Immovable Tangible Capital Assets	-	-	-

31.3 Movement in Immovable Tangible Capital Assets Per Asset Register for the year ended 31 March 2013

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	7,501,774	(7,697)	992,479	(1,951)	8,484,605
Other Fixed Structures	7,501,774	(7,697)	992,479	(1,951)	8,484,605

FOR THE YEAR ENDED 31 MARCH 2014

NOTE 32

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION							SPENT			2012/13
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	Under/ (overspending)	% of available funds spent by department %	Division of Revenue Act R'000	
Provincial Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Provincial Roads Maintenance	1,678,920	-	-	(155,392)	1,523,528	1,523,528	1,523,528	-	100%	1,501,717	1,501,171
Public Transport Operations	852,325	-	-	-	852,325	852,325	914,416	(62,091)	107%	808,279	808,877
EPWP Incentive	88,487	-	-	-	88,487	88,487	88,487	-	100%	84,211	84,211
Disaster Management	-	-	-	-	-	-	-	-	-	-	-
	2,619,732	-	-	(155,392)	2,464,340	2,464,340	2,526,431	(62,091)		2,394,207	2,394,259

NOTE 33

PROVINCES AND MUNICIPALITIES

NAME OF PROVINCE/GRANT	TRANSFER ALLOCATION						EXPENDITURE		2012/13 Grant Allocation R'000
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount received by department	Amount spent by department	% of Available funds Transferred	
Departmental Vehicle Licences	1,600	-	-	1,600	4,281	4,281	4,281		2,379
	1,600	-	-	1,600	4,281	4,281	4,281		2,379

**ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE				2012/2013	
	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	Appropriation Act R'000
Private Enterprises									
VUKUZAKHE Emerging Contractor Association	1,500		(49)	1,451	1,451	100	-	1,451	-
Public Transport Operations Grant	852,325	-	60,000	912,325	914,416	100	-	914,416	808,877
TOTAL	853,825	-	59,951	913,776	915,867		-	915,867	808,877

**ANNEXURE 1D
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
South African National Roads Agency Limited	Shova Kalula Bicycle Project	-	-	-	-
Ethekweni Municipality	Provincial Transport Infrastructure	28,536	-	10,000	18,536
TOTAL		28,536	-	10,000	18,536

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
Made in kind		
Donations of redundant furniture to schools	-	-
Shova Kalula Bicycles	-	-
PROTEC (Sponsorship for addition maths and science classes to students)	90	90
Subtotal	90	90
Remissions, refunds and payments made as an act of grace		
Ex-gratia payment resulting from the plane crash involving employees of the department	-	-
Subtotal	-	-
TOTAL	90	90

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2013/14 R'000	2012/13 R'000
Received in kind		
South African Breweries (Equipment for Departmental Sport Day)	14	-
Subtotal	14	-
TOTAL	14	-

ANNEXURE 1G

TRANSFERS TO HOUSEHOLDS

NAME OF PROVINCE/GRANT	TRANSFER ALLOCATION					EXPENDITURE		2012/13 Grant Allocation 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								
Employee Benefits : Injury on duty	1,500	-	(62)	1,438	1,438	100	1,151	
Employee Benefits : Leave Gratuity	5,665	-	524	6,189	6,189	100	5,371	
Claims Against State – cash	1,500	-	66	1,566	1,566	100	1,322	
Refund & Rem-Act/Grace	1,500	-	351	1,851	1,851	100	24	
Donations & Gifts	-	-	81	81	81			
Total	10,165	-	960	11,125	11,125		7,868	

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 March 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2013 R'000	Guarantees draw-downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Closing balance 31 March 2014 R'000
ABSA Bank Limited	Housing	3,094	188	-	-	188
People's Bank FBC Fidelity Limited	Housing	65	-	-	-	-
FNB (A Division of First Rand Bank Limited)	Housing	1,898	-	-	-	-
Ithala Bank Limited	Housing	327	27	-	-	27
Nedbank Limited	Housing	730	-	-	-	-
Nedbank (NBS)	Housing	117	-	-	-	-
Old Mutual (Nedbank/ Permanent Bank)	Housing	989	24	-	-	24
FNB (Former Saambou Bank Limited)	Housing	213	16	-	-	16
Standard Bank of South Africa Limited	Housing	1,101	13	-	-	13
TOTAL		8,534	268	-	-	268

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2014

Nature of Liability	Opening Balance 01/04/2013 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 31/03/2014 R'000
Claims against the department					
Potholes	40,875	17,189	2,177	203	55,684
Accidents	39,286	476	123	381	39,258
Civil	73,591	58,346	719	672	130,546
TOTAL	153,752	76,011	3,019	1,256	225,488

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
National Departments						
Correctional Services	-	-	1,893	1,279	1,893	1,279
Government Communications	-	-	-	-	-	-
Home Affairs	-	-	-	-	-	-
Independent Complaints Commission	-	-	-	-	-	-
Judicial Inspectorate of Prisons	-	-	-	-	-	-
Justice	-	-	11,379	11,332	11,379	11,332
Labour	-	-	-	-	-	-
Land Affairs	-	-	-	-	-	-
SA Human Rights	-	-	-	-	-	-
SASSA	-	-	249	249	249	249
Sport and Recreation	-	-	-	-	-	-
Transport	-	-	-	-	-	-
Other	-	-	-	596	-	596
Unallocated Credits	-	-	(1,817)	(2,621)	(1,817)	(2,621)
Subtotal	-	-	11,704	10,835	11,704	10,835

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Departments						
Agriculture	-	-	4,817	20,768	4,817	20,768
Art and Culture	-	4	899	1,021	899	1,025
Education	5,959	5,307	6,635	5,384	12,594	10,691
Health	-	7,694	17,064	11,700	17,064	19,394
Human Settlement	58	-	-	1,570	58	1,570
Local Government and Traditional Affairs	-	-	4,327	2,198	4,327	2,198
Office of the Premier	-	-	202	-	202	-
Provincial Legislature	415	-	-	768	415	768
Provincial Treasury	-	-	-	-	-	-
Royal Household	-	-	1,803	2,464	1,803	2,464
Safety and Security	-	-	237	230	237	230
Social Welfare	857	-	2,189	1,757	3,046	1,757
Works	-	-	56	1,278	56	1,278
Economic Affairs	-	-	16	5	16	5
Sport	-	-	1	1,502	1	1,502
Unallocated Credits	-	-	(4)	(1,563)	(4)	(1,563)
Other	-	-	2,158	-	2,158	-
KZN Municipalities						
Ethekwini Municipality	-	-	6,890	-	6,890	-
Sub total Public Entities	7,289	13,005	47,290	49,082	54,579	62,087
National Public Entities	-	-	5,245	4,589	5,245	4,589
Other	-	-	-	-	-	-
Subtotal	-	-	5,245	4,589	5,245	4,589

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Other Government Entities						
Claims Recoverable: Departments from Other Provinces	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
TOTAL	7,289	13,005	64,239	64,506	71,528	77,511

Includes all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities

PART E ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 4 – INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
DEPARTMENTS						
Current						
KwaZulu-Natal						
Provincial Departments						
Education	-	-	-	30	-	30
Social Welfare	8	-	-	-	8	-
Office of the Premier	221	-	-	1,069	221	1,069
Works	-	2,572	-	530	-	3,102
Community Safety and						
Liaison	-	-	-	-	-	-
Health	8	5	-	462	8	467
Government Printing						
Works	-	-	-	374	-	374
National Departments						
DOJ & CD	-	-	10	-	10	-
The Presidency	-	-	9	-	9	-
Education	-	-	64	-	64	-
National Prosecuting						
Authority	-	-	-	-	-	-
National Transport						
South African Police						
Service	-	-	-	-	-	-
Other Government						
Entity						
Road and Transport –						
Free State	-	-	-	-	-	-
Total	237	2,577	83	2,465	320	5,042

FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 5

INTER-ENTITY ADVANCES RECEIVED

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
DEPARTMENTS						
National Departments						
RMTC	4,459	4,123	-	-	4,459	4,350
Correctional Services	-	-	-	-	-	5
Office of the Premier Works	-	-	-	-	-	-
Community Safety and Liaison Health	-	-	-	-	-	-
Government Printing Works	-	-	-	-	-	-
Provincial Departments						
Western Cape Provincial Department	-	-	-	-	-	6
Land Affairs	-	-	-	-	-	-
Labour	-	-	-	-	-	-
National Prosecuting Authority	-	-	-	-	-	-
National Transport	-	-	-	-	-	-
South African Police Service	-	-	-	-	-	-
Public Entities						
Various	3,286	3,152	-	-	3,286	3,947
Total	7,745	7,275	-	-	7,745	8,308

ANNEXURE 6

INVENTORY

Inventory	2010/14 R'000	2011/13 R'000
Opening balance	20,715,117	18,529,789
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases - Cash	77,082,000	73,584,208
Add: Additions – Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	(67,114,000)	(63,743,481)
Add/(Less): Adjustments	(8,567,000)	(7,654,307)
Closing balance	22,117,000	20,715,117

No quantities have been disclosed as the inventory consists of different types of inventory and each type of inventory has a different unit of measure.

SCHEDULE - IMMOVABLE ASSETS, LAND AND SUB SOIL ASSETS

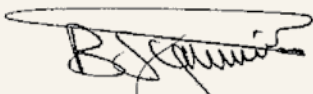
Refer to the illustrative Guidance for Immovable Assets Additional Disclosure for 2013/14 document for further assistance on what to insert into this Annexure.

The suggested wording and tables in the above-mentioned document are for illustrative purposes only and departments can therefore adapt or improve wording to suit their specific circumstances in order to comply with the Immovable Asset Guide.

ANNEXURE A

Accounting Officers' Statement of Responsibility for Annual Financial Statements

I, Mr B. S. Gumbi: Head: Transport have the honour of presenting the Department of Transport performance information per Programme for the period 1 April 2013 to 31 March 2014.



Mr B. S. Gumbi; Head: Transport

31 May 2014

Date

ANNEXURE B

2.5.12 Audit Committee Report

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 12 – TRANSPORT

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities for the integrity of financial reporting processes, system of internal control over financial reporting, audit process for monitoring compliance with laws and regulations and KZN Provincial Government Code of conduct, fraud prevention, the risk management process and any other good governance processes.

The Provincial Audit and Risk Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts. The Provincial Audit and Risk Committee also reports that it adopted appropriate formal terms of reference as its Provincial Audit and Risk Committee Charter, regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2014.

2. Audit Committee Members and Attendance

The KwaZulu Natal Provincial Government has established the PARC as the shared audit committee for its provincial departments. The PARC is further sub-divided into three Cluster Audit and Risk Committees (CARCs) to provide oversight to provincial departments – i.e. with the Department of Transport being served by the Economic CARC. The PARC and the Economic CARC consists of the members listed below. As per its approved terms of reference, the Economic CARC and PARC should meet at least 4 times per annum respectively. During the financial year under review, four (4) PARC and four (4) Economic CARC meetings were held as outlined below.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Ms T Tsautse (Chairperson)	4	4
2.	Ms M Mothipe	4	4
3.	Mr V Naicker	2	N/A
4.	Ms N Jaxa	4	N/A
5.	Mr L Mangquku	4	4
6.	Mr F Docrat	4	N/A
7.	Mr T Boltman	4	N/A

N/A = Not a member of the Economic CARC

PARC meetings, include 2 special meetings.

3. The Effectiveness of Internal Control

We have reviewed the reports of the Internal Auditors, the Audit report on the Annual Financial Statements and Management Report of the Auditor- General of South Africa (AGSA). We have noted with concern the weaknesses in controls around the following areas:

- Fleet Management
- Road Infrastructure
- Mechanical Plant
- Learner Transport
- Performance Information
- Supply Chain Management (i.e Procurement and Contract Management)
- Accruals
- Commitments
- Expenditure Management (i.e Irregular Expenditure)
- Revenue Management

Risk Management

With regard to risk management, the Committee has noted that the department has not taken full responsibility and ownership for compliance with section 38(1)(a)(i) of the PFMA, which requires the Accounting Officer to ensure the maintenance of an effective system of internal control and risk management – with the department still being assisted by the Provincial Internal Audit Service to fulfill its risk management responsibilities. We have noted that the department has been struggling to fill the vacancy of a Risk Manager at level 13, and hope that the department would be successful in filling this position during the 2014/15 financial year.

During the period under review, we have also noted that the department revised its risk register, and tabled the same during the Economic CARC meeting held in the 4th Quarter of the 2013/14 financial year. We also received quarterly progress reports on the implementation of risk mitigation during the period under review.

In order to improve the general control environment in relation to risk management, the department had been advised to:

- Ensure that completed risk mitigation plans are validated, measured and the risk register updated accordingly;
- Include emerging risks, if any, on the department's quarterly risk reporting; and
- The Provincial Internal Audit Service capacitates the department and its Risk Manager to enable to run risk management on their own.
- Establish additional capacity in the department to ensure that each Programme has the risk champion that will be responsible for undertaking the daily risk management responsibilities and report to the Risk Management Officer.

Forensics Investigations

During the period under review, the Committee noted that there were seventeen (17) forensic investigations that the department has referred to the Provincial Internal Audit Services for investigation. Ten (10) of these investigations was completed, and the other seven (7) were still in progress. The department and the Provincial Internal Audit Service are urged to promptly finalise the outstanding investigations, and work together to implement recommendations on the finalised investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the department failed to respond to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of all in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the department's fraud risk profile.

Quality of in year management and monthly/quarterly reports

Based on the audit reviews conducted by Internal Audit, the Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

Based on the performance information reports of Internal Audit and the Auditor General, the Committee has noted with concern, the material findings raised in regards to the reliability of performance information as well the absence of the records to support achieved performance.

4. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor – General and the Accounting Officer;
- Reviewed the Auditor – General's Management Report and Management's response thereto;
- Reviewed the Department's processes for compliance with legal and regulatory provisions and a concern is noted around the non filling of vacant posts within 12 months, failure by management to provide oversight in filling management positions, failure to pay suppliers within 30 days, failure to prevent irregular expenditure as a result of non-compliance to supply chain management prescripts, failure to implement appropriate steps to collect all money due and the poor management of accruals as well as commitments. All the aforementioned weaknesses require immediate attention and we urge the Department to devise improvement strategies to address the shortcomings and the corrective actions plans will be monitored for implementation.
- Reviewed material adjustments resulting from the audit of the Department and material misstatements on the financial statements were not adequately corrected. This area requires immediate attention and we urge the Department to devise improvement strategies to address the shortcomings relating to the preparation of financial statements.

The Committee concurs and accepts the Auditor – General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor- General.

5. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy and effectiveness of controls designed to mitigate the risks through the CARC monitoring processes over the implementation of corrective actions.

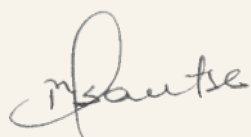
The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.

6. Auditor-General's Report

The Committee throughout the financial year, constantly monitored the implementation of corrective action plans to address the audit issues raised in the prior year. The Committee has met with the Auditor – General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Committee on a quarterly basis through the CARC.

7. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor – General of South Africa, and the Provincial Internal Audit Services for the co-operation and information they have provided to enable us to compile this report.



Ms T Tsautse
Chairperson

11 August 2014





transport

Department:

Transport

PROVINCE OF KWAZULU-NATAL

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