



transport

Department:
Transport
PROVINCE OF KWAZULU-NATAL



ANNUAL REPORT

2018-2019



ROAD SAFETY IS OUR COLLECTIVE RESPONSIBILITY.



MEC for Transport, Community Safety and Liaison Mxolisi Kaunda presenting his budget policy statement for 2019/2020 financial year at the Provincial Legislature. PHOTO: MBUYISELO NDLOVU



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Transport
PROVINCE OF KWAZULU-NATAL

**KwaZulu-Natal Department of Transport
Annual Report 2018/19**

Mr. T. M. Kaunda, 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 of 1 April 2018 to 31 March 2019.

**MR. T.M. KAUNDA
MEC FOR TRANSPORT, COMMUNITY SAFETY AND LIAISON**

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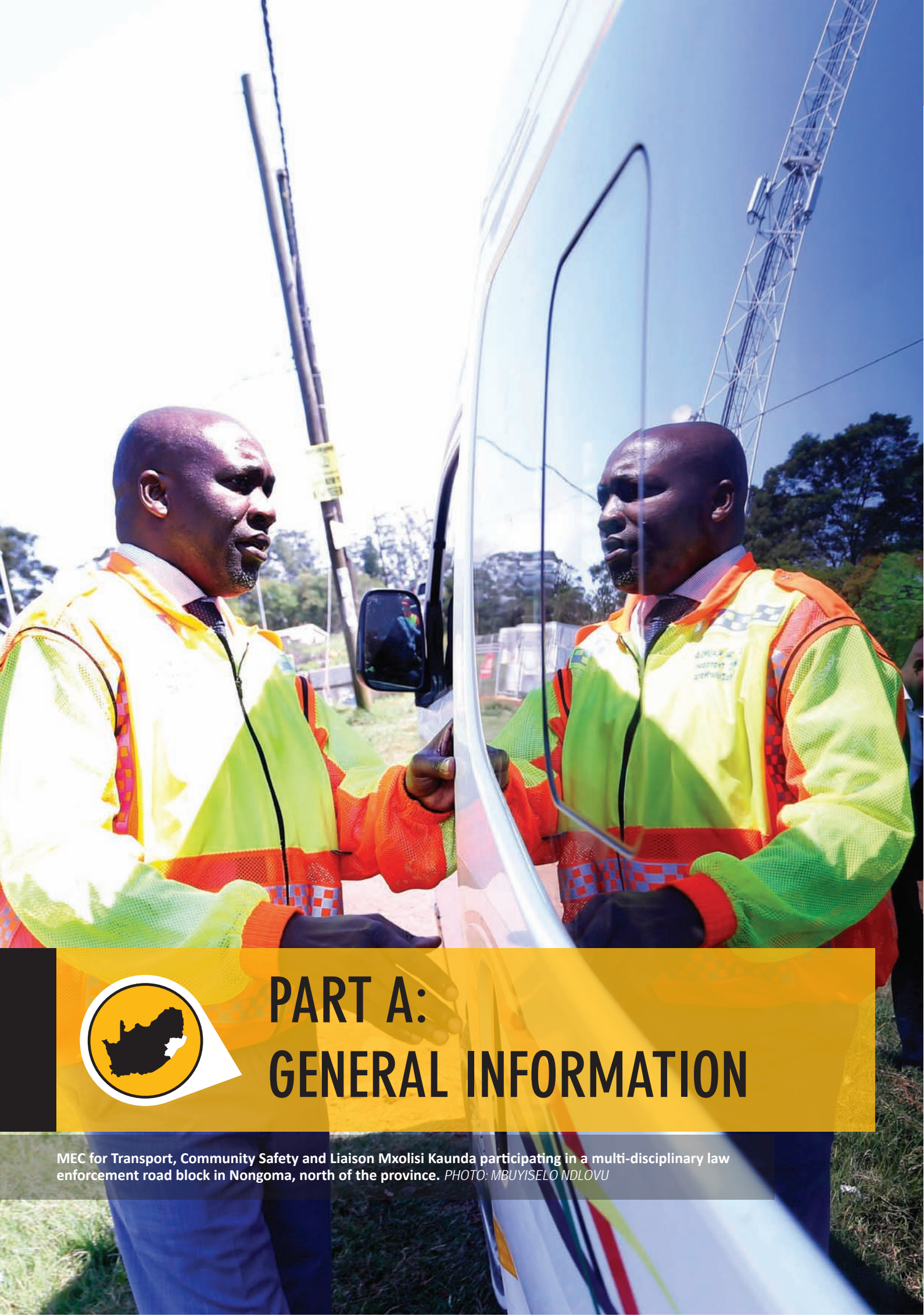
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I N K O S I

MHLABUNZIMA MAPHUMULO HOUSE





PART A: GENERAL INFORMATION

MEC for Transport, Community Safety and Liaison Mxolisi Kaunda participating in a multi-disciplinary law enforcement road block in Nongoma, north of the province. PHOTO: MBUYISELO NDLOVU

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
MTEF	Medium Term Expenditure Framework
MEC	Member of Executive Committee
NEHAWU	National Education, Health 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
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 Project 2
TB	Tuberculosis
VECA	Vukuzakhe Emerging Contractor's Association

Strategic Overview

Vision

The Department's vision is: Prosperity through mobility.

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

Mission statement

The Department's mission is: We will strive to provide the public with mobility through an affordable transportation system that is safe, integrated, regulated and accessible, to meet the developmental needs of our province.

Values

The values of the department emanate from the Batho Pele principles. The department's values are:

- Teamwork
- Integrity
- Commitment to serve
- Leadership
- Value for Money

Strategic goals

The department's strategic goals are summarised as follows:

- **Provide mobility and accessibility within the province to achieve 32,890 kilometres of maintained road infrastructure by 2020**

The department seeks, through co-operative governance, to plan, design and construct access roads and bridges (including pedestrian bridges) to communities, with the aim of improving the quality of people's lives thereby striving to achieve an equitable, balanced and well-maintained road network in a manner that stimulates economic growth and development.

- **Promote an integrated transportation system through developing 3 IPTN Operational Plans.**

The department seeks to provide, promote and develop a well-managed, integrated land transportation system and infrastructure, optimising all modes of transport and to ensure accessibility for people and goods in 3 municipalities i.e. Hibiscus Coast Municipality, KwaDukuza Municipality and UMkhanyakude District Municipality.

- **Provide and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) by 2020.**

The Department seeks to provide a safe, regulated road environment for all road users (motorised and non-motorised) through Education, Enforcement, Engineering and Evaluation.

- **Promote sustainable economic transformation through developing 2 empowerment programmes.**

The department will promote and support sustainable economic transformation through empowerment programmes and policies.

Legislative and other Mandates

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

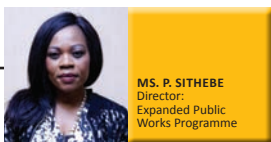
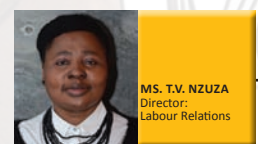
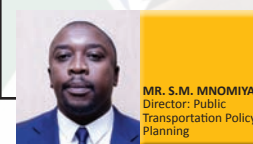
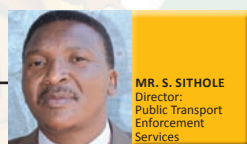
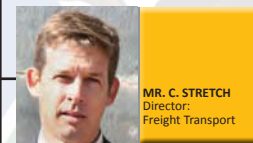
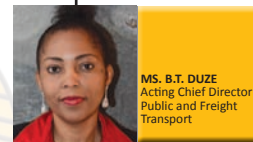
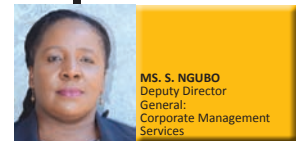
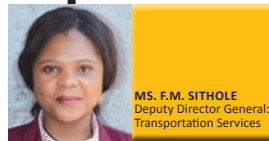
- Administrative Adjudication Of Road Traffic Offences, 1998 (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Criminal Procedure Act, 1977 (Act No. 51 of 1977)
- Cross-Border Road Transport Act, 1998 (Act No. 4 of 1998)
- Employment Equity Act, (Act No. 55 Of 1998)
- Intergovernmental Relations Framework Act, 2005 (Act No.13 of 2005)
- KZN Provincial Roads Act, 2001 (Act No.4 of 2001)
- KZN Road Traffic Act, 1997 (Act No.7 of 1997)
- National Land Transport Act, 2009 (Act No. 5 of 2009)
- National Road Traffic Act, 1996 (Act No. 93 of 1996)
- Occupational Health and Safety Amendment Act, 1993 (Act No. 181 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Public Finance Management Act, 1999 (Act No.1 of 1999)
- Public Service Act, 1994 (Act No. 103 of 1994) and Regulations
- Road Traffic Act, 1989 (Act No. 29 of 1989)
- Road Traffic Management Corporation Act, 1999 (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- The Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- The Construction Regulations; 2014, Gazette 37305 to the Occupational Health and Safety Act; 1993 (Act No 85 of 1993)

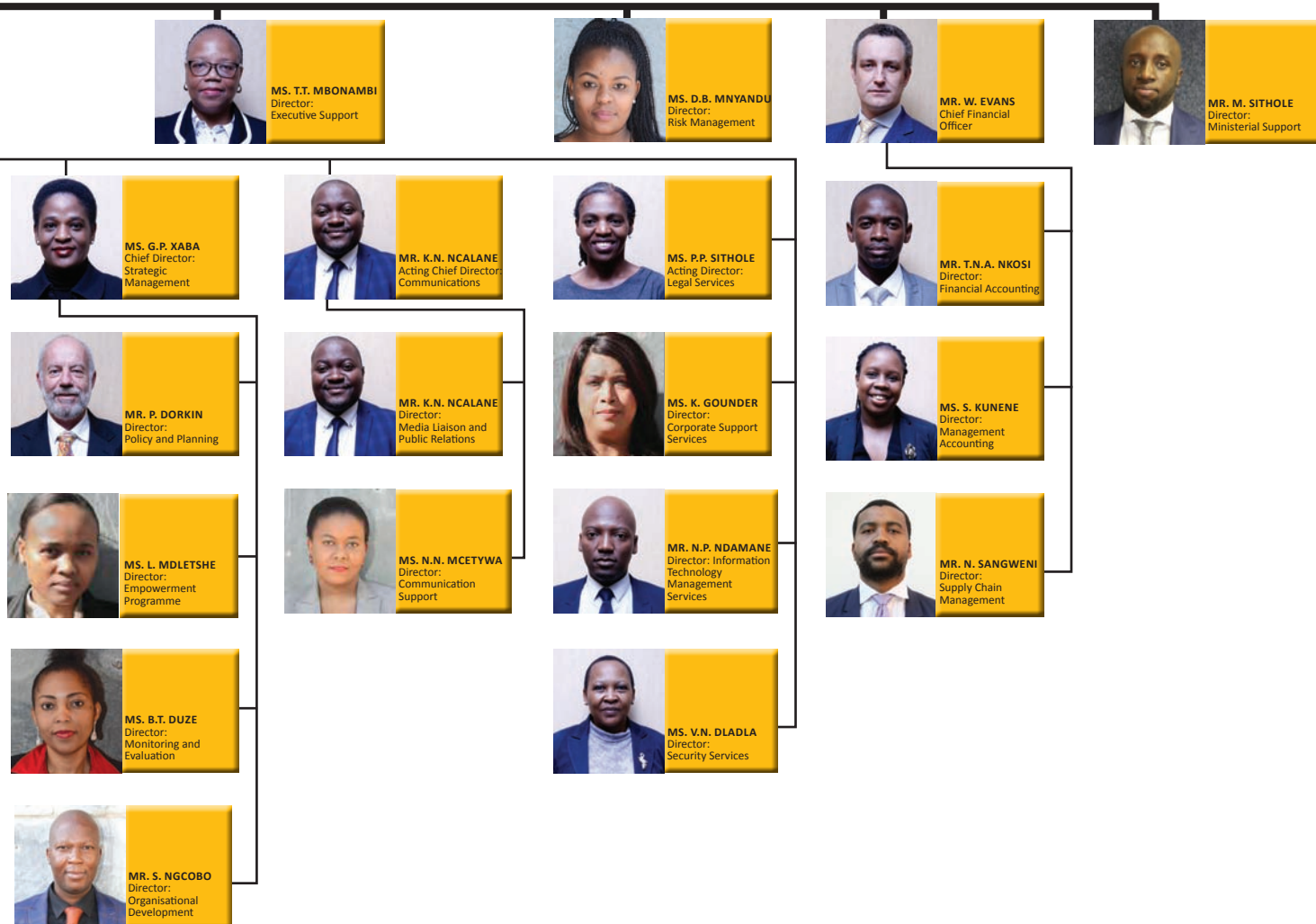
- The National Water Amendment Act; 2014 (Act No. 27 of 2014) and the accompanying Draft Regulations Regarding the Procedural Requirements for Licence Applications in terms of Section 26(1) (k) of the National Water Act; 1998 (Act No. 36 of 1998)
- The Spatial Planning and Land Use Management Act; 2013 (Act No. 16 of 2013) (SPLUMA)
- Preferential Procurement Regulations; 1 April 2017
- National Treasury Standard for Infrastructure Procurement and Delivery Management SIPDM – First Edition (October 2015)
- The National Land Transport Act; 2009 (Act No. 5 of 2009)

Other Mandates

- Draft National Scholar Transport Policy, 2014
- Draft Non-Motorised Transport Policy, December 2008
- Growth, Employment and Redistribution: A Macro-economic Strategy (GEAR), (June 1996)
- Integrated Sustainable Rural Development Strategy, November 2005
- KZN White Paper on Freight Transport Policy (October 2004)
- Local Roads For Rural Development In Kwazulu-Natal, March 1997
- National Development Plan, 2030
- National Freight Logistics Strategy (October 2005)
- National Infrastructure Plan, 2014
- National Road Safety Strategy, 2006 Onwards
- New Growth Path Framework, 2011
- Provincial Growth and Development Plan, 2019
- Provincial Spatial Economic Development Strategy, October 2006
- Public Transport Strategy and Action Plan, 2007
- Road Infrastructure Strategic Framework for South Africa (October 2006)
- Rural Transport Strategy for South Africa 2007
- The National Spatial Development Perspective (2006)
- White Paper on National Transport Policy, 1996
- African Union (AU) Agenda, 2063
- Transforming our World : The 2030 Agenda for Sustainable Development; 2015
- National Youth Policy 2015 – 2020 and National Youth Plan; 2020
- KZN Poverty Eradication Master Plan, 2014 (PEMP)
- The National Land Transport Strategic Framework; (2017-2022)
- National Road Safety Strategy (2016-2030); 1 April 2017







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ORGANOGRAM

ORGANISATIONAL STRUCTURE



MEC for Transport, Community Safety and Liaison Mxolisi Kaunda during an Easter multi-disciplinary law enforcement operation at Park Rynie. *PHOTO: MBUYISELO NDLOVU*





D1357 Main Road and Dlavudavu Vehicle Bridge which connects the Thunzi community, Siminza High School, Stoffelton Primary School as well as Stoffelton Clinic in Implendle. *PHOTO: MBUYISELO NDLOVU*

FOREWORD BY THE MEC

Mr. T.M. Kaunda

MEC for Transport, Community Safety and Liaison



As the Department of Transport, we have come to the end of the exciting and challenging fifth administration. Over the past five years, we have executed our mandate, firmly directed by the desire to improve people's lives for the better. Our efforts have been guided by the priorities of the ruling African National Congress (ANC) and other policy imperatives.

Our resolve has been to make meaningful change and drive radical socio-economic transformation through all transportation programmes. Being one of the leading service delivery Departments, our people can over the past five years, attest to the fact that tangible delivery was witnessed. During this term, we were unapologetic in rolling out transformation through our programme of IGULA. Through this programme we have embarked on a number of reforms aimed at expanding participation of blacks in general and Africans in particular within the transport value chain. This was implemented and guided by the ten pillars of IGULA strategy. Transformation is not just a slogan but is institutionalized in the Department with its imperatives reflecting on the Performance Agreement of all senior managers.

We have relentlessly embarked on a programme to roll out service delivery, constructing roads from gravel to tar, building new gravel roads where communities were using pathways, fixing and maintaining the existing road network. More than 399 new blacktop roads were built, and 36 new lanes added on to the existing provincial road network. In addition, we managed to build 86 bridges throughout the province, connecting communities that otherwise could not access important economic and service centres during rainy seasons. Through this, we have created jobs, instilled decent livelihoods and saved the lives of people, who everyday were faced with crocodile-infested rivers and flooding.

We pride ourselves because we managed to provide transport to more than 47 000 learners from impoverished communities. This has assisted in improving the pass rate and addressed the challenge of absenteeism in schools. In addition to this, we have distributed more than 15 000 bicycles to needy learners in rural schools.

During the past five years, we managed to improve regulations and improve stability in the public transport industry with more than 17 187 new operating licences issued. This has ensured all of the 246 taxi associations in the province are stable, except in a few areas.

Working with the South African National Taxi Council (SANTACO), we have decentralized the issuing of operating licences. New offices were opened in Ladysmith, Port Shepstone, eMpangeni and Mbazwane to make the service accessible to taxi operators and reduce the travel time since the service has historically been located in Pietermaritzburg. We have also introduced and piloted the Rank Management System in areas that are giving us problems.

We are moving with speed in transforming the subsidized bus sector. During the period under review, we achieved 12 contracts which are now in the hands of black operators.

Road safety remains a serious challenge that we are faced with. Whilst a number of initiatives were implemented the current state points to the fact that more still needs to be done. We have directed all our enforcement to prioritize the "Closing The Ranks Programme" wherein, every weekend we improve visibility and stop every vehicle on the road. As part of eliminating errant drivers on the road, we have become very aggressive in fighting fraud and corruption in the Driving Licence Testing Centres (DLTC's).

In line with the United Nation's declaration of halving carnage by 50 percent, South Africa as a member country made an undertaking to participate in this life saving campaign. As the province we committed a 30 percent reduction, however more needs to change with regards to the attitude and mindset of road users.

We would like to thank all our stakeholders who put their shoulder to the wheel in the successful implementation of our programmes.

A handwritten signature in black ink, appearing to be 'T.M. Kaunda'.

MR. T.M. KAUNDA

MEC FOR TRANSPORT, COMMUNITY SAFETY AND LIAISON

REMARKS BY THE ACCOUNTING OFFICER

Head of Department, Mr B.S Gumbi



This Annual Report marks the end of the 2014-2019 fifth administrative term of South Africa's democratic government. For us at the KwaZulu-Natal Department of Transport, it offers an important feedback mechanism, to report on the progress we made in delivering critical roads and transportation infrastructure to citizens. During this term, we enjoyed tutelage and leadership from two Members of the Executive Council, namely Honourable Willies Mchunu (2014-2016), who subsequently became Premier, and Honourable Mxolisi Kaunda.

With them leading from the front, we made great strides and positively contributed to provincial and national priorities. In particular, we expanded the delivery of critical, catalytic infrastructure that makes transport the lifeblood of the economy. We also helped create thousands of direct and indirect jobs and build skills through our infrastructure projects and Expanded Public Works Programme. In the last financial year, we built approximately 55.68 kilometres of tarred roads. We also built nine vehicle bridges. Over the five year period, we built 399 km's of surfaced roads and 84 new bridges.

We look to the future with a better promise of escalating socio-economic transformation initiatives. This will be driven through our far-reaching policies that we have introduced, in support of the Inclusive Growth, Unity and economic Liberation of Africans in particular and Black people in general (IGULA) programme.

Organisationally, we made progress in improving our compliance with the Public Finance Management Act (PFMA) and other legal mandates. I am confident that, because of the policies, systems and processes we have implemented, the department is steadily gearing up for improved performance. This is because we have resolved the issue of accounting for our roads infrastructure assets, which was a key concern for the Auditor-General. We continue to improve our planning and contract management capacity to overcome irregular expenditure. Obtaining approval for our organisational structure will allow us to reconfigure the department for increased performance across its performance indicators. In

this regard, I am particularly encouraged with the support and progressive relations we have enjoyed with organised labour.

In the same vein, I applaud all my more than 4 000 colleagues for contributing to our sterling progress in many service delivery performance areas. Over the years, we have invested incrementally on skills development and training. We also continued to on-board interns across disciplines, especially in technical skills areas such as Civil Engineering. At the same time, we overachieved on the target of gender equity, with women now constituting 52% up from 50% of senior management.

More importantly, we have been able to deliver services across our five programmes, especially Transport Infrastructure and Transportation Services, because of the good, mutually beneficial relations we have maintained with all our stakeholders. We thank all of them for understanding that our mandate depends on their patriotic involvement.

Going forward, we will be developing a new, five-year Strategic Plan of the department, and aligning it to the updated National and Provincial Development Plans. We will also seek to work closely with the Department of Transport's agencies, across roads, rail, maritime, in the province including SANRAL, which is investing more than R20 billion in the province over the next five years.

Ultimately, as a department we are tested by how best we deliver services and infrastructure to citizens, including learner and driver licences. We will improve these services by fast-tracking the introduction of new technology systems that improve efficiencies and our response times. The upgrade of these systems is also critical because it stands to help us eradicate fraud and corruption, which in turn will positively impact road safety. Indeed, saving people's lives on our roads is the most important of our performance indicators. Whilst as a province and nation, we are highly unlikely to meet our Decade of Action for Road Safety (2011-2020) objectives of halving road deaths, a lot of initiatives were implemented. It is going to be crucial to review the achievements against the failures, so we can best implement the National Road Safety Strategy, which was adopted in 2016.

The Fourth Industrial Revolution has gained momentum and challenges us to raise our game to keep up with the world in building smart highways and cities. The advent of autonomous vehicles, whilst it might appear far-fetched for many, is actually already disrupting transport policy thinking and urban planning in many developed countries. We have to scale up even as we address core issues of access to roads and public transport.

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent

opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2019.

Yours faithfully



MR. B.S. GUMBI
HEAD: TRANSPORT
DATE: 31 MAY 2019



Buffels Nhlesi River Bridge in Mahlaba near Umsinga. PHOTO: MBUYISELO NDLOVU





PART B: PERFORMANCE INFORMATION

OVERVIEW OF DEPARTMENTAL PERFORMANCE

Service Delivery Environment

During the Medium Term Expenditure Framework, the Department has made a conscious decision to vehemently promote and implement radical socio-economic transformation. We are supporting the principles of radical socio-economic transformation through our Integrated Transport Sector Socio-Economic Transformation methodology encapsulated in our IGULA (“Inclusive Growth, Unity and Economic Liberation of Africans in particular and Blacks in General”) Programme. Our focus is on empowering Africans and on transforming the transport sector in line with the demographics of the Province.

This decision served as a foundation as we undertook our core functions and as we supported the other government’s mandates, particularly those in respect of, poverty alleviation, job creation and infrastructure development. Other spin-offs of this decision are changed patterns of ownership and management control in businesses; skills development; enterprise and supplier development; as well as socio-economic development.

Our IGULA Programme and supporting policies are implemented while focussing on the entire transportation sector and the need to ensure that we continue to unlock the growth of our Province’s economy especially as KwaZulu-Natal is the main link to the continent and other economic hubs with Durban being Africa’s busiest general cargo port and home to one of the largest and busiest container terminals in the Southern Hemisphere.

The Department’s key focus for the year in question and forthcoming years is to achieve radical socio-economic transformation. Hence, the Department committed 73 percent of our total budget into roads and transportation infrastructure that would create equitable access to communities and to support and promote economic development and growth.

In our quest to create equitable access through an equitable and maintained road network, our primary infrastructure activities were dominantly on road infrastructure development in the rural areas. These additional kilometres of road will improve communities’ access roads to schools, clinics, social and economic infrastructure so that communities are properly and safely connected to essential services.

Furthermore, while we undertook our construction and maintenance activities, we continued advancing work to the identified target groups as per our IGULA Programme. The Department continued to engage with all our stakeholders in the transport subsectors on our policies, plans and planned activities. This engagement included service delivery as well as transformation issues.

Our engagements extended to our counterparts in the municipal and national sphere where we were closely involved in planning and sector-specific issues as well as in lending support where there are capacity constraints. This support was extended to the municipalities in respect of their transportation services.

The Department faced the ongoing battle in respect of adequate resource allocation, especially in respect of financial resources, to ensure that acceptable standards of service for the Provincial Road Network are continued. The situation was exacerbated by the need to ensure that maintenance of the road network was unbroken and that it the network was renewed or replaced timely so that it remained well-managed and preserved.

The situation was worsened in the 2017/2018 year as our conditional grant funding decreased in an environment of consistently very limited financial resources, thereby affecting our ability to provide the services we would have liked to.

The limited resource availability over the years, has resulted in backlogs in terms of providing a minimum equity network in the Province, despite our concerted efforts at creating access but we continued making concerted efforts at reducing this backlog in the long term despite challenges in respect of funding, etc.

The reduction of the backlogs, both in construction and maintenance, will always rely on the budget allocation received. As an example, the Department required approximately R16 billion per year to adequately maintain the road network. Our current Maintenance budget was only R3,67 billion, which was significantly lower than the required budget. The effect of this has seen our blacktop road condition deteriorate from 36% to 56% in the “poor to very poor road” category while the industry desired target is less than 10%.

Similarly, in respect of construction, the Department required R16 billion per year to achieve an equitable road network and our budget was only R3,44 billion. Despite these funding shortfalls the Department still managed to reduce the shortfall with the backlog being quantified as 9,237kms.

The other major challenge that the Department continued constantly facing was the increased demand for both construction and maintenance of the road network despite the disproportionate increase in funding.

In an effort to best meet these demands, we ensured that our MTEF business plans were strategically based on the necessary social, economic and environmental requirements of the Province and country. Furthermore, our revised 10 year Road Asset Management Plan, set out detail on allocating more budget towards maintenance activities which were boosted by the additional budget from the Provincial Road Maintenance Conditional Grant.

The rising fuel costs also impacted negatively on the Department and our operations. These increases impacted upon budgets and had a slight effect on delivery in respect of infrastructure and on our enforcement activities.

A serious challenge to our planning and delivery related to the political environment that affected our prioritisation of projects. Sometimes the list of projects that were planned for the MTEF, changed as political objectives were sometimes different to technical objectives. This adversely affected the Department as the projects that were under design and those under review for approval purposes became redundant and different projects became a priority.

Changes in project prioritisations meant that projects with approved designs did not get to be constructed in the planned financial year and are deferred to other financial years. This could have resulted in wasteful expenditure as the condition of the road deteriorates with every passing year, and new designs are required which necessitates more funds for the same project prior to construction commencement.

Our efforts at delivering services were also faced with other challenges as highlighted below:

- new ward councillors were elected resulting in new political priorities;
- the demand for the upgrading of gravel roads to blacktop or concrete surface increased;
- communities prevented maintenance teams from carrying out blading or gravelling projects that will assist in improving the condition of the road, as they are demanding road upgrades; and
- community interference in projects increased with the implementation of radical socio-economic transformation as some local business fora stopped work to demand that they be permitted to participate in those projects through sub-contracting.

This situation was compounded by the Vukuzakhe Association as they expected that the sub-contracted works will be allocated to only members of their Association.

In addition, Military Veterans also expected the Department to have set aside contracts that will only be allocated to its members and they expected the Department to amend existing policies to allow companies owned by Military Veterans to participate in all Regions and not have boundaries like other companies.

The Water Use License Applications (WULA) provisions also required that applicants had to stipulate the volumes of water to be extracted from surrounding water sources during construction and if the area was badly affected by drought then the application was unsuccessful which severely delayed the start of projects. While there was good rains, some parts of the country remained in a drought situation and the recovery was not sufficient to relax the restrictions to water use. This impacted on some of our projects.

Departmental projects were also negatively affected by environmental factors. As an example of this, the Department utilises natural resources from borrow pits during construction. Sometime these became contaminated due to spillages etc. and the supply dwindled.

Furthermore, accessing gravel material from borrow pits was a challenge with employees facing resistance from communities and some traditional leaders wanted the Department to pay royalties for the material taken out of borrow pits for road construction and maintenance activities. Royalties for materials mined can only be paid if these borrow pits are registered with the Department of Minerals and Energy. Secondly, this had a significant cost increase for road building and maintenance.

The building of houses and structures in the country remained a challenge as communities, obviously, erected structures on the Department's road reserve and building line requirements and these encroached upon the road reserve. Negotiations with these communities were then required in order to utilise the Department's road reserve prior to any road construction occurring and frequently compensation was expected by community members before they relocated.

The Department's challenge regarding uncoordinated planning outside of the formal urban areas with regard to the provision of mobility routes and access roads, with adequate road reserve width, continued.

There has also been an obscuring of responsibilities in respect of roads between the Department and the municipalities which impacted upon Departmental participation in projects on urban access roads within dense settlement areas. The Department continued to support the Expanded Public Works Programme's (EPWP) job creation initiatives in labour intensive programmes through road maintenance and construction, due to the benefits on an economic and social level. The focus areas for EPWP included safety maintenance, routine maintenance, new infrastructure and special maintenance. The Labour Intensive Programmes were funded through the EPWP Integrated Grant, the Provincial Roads Maintenance Grant as well as the Equitable Share.

Our programmes, policies and activities continued to support provincial priority areas and objectives as they sought to institute food security; fight disease and poverty; empower Women, Youth, Persons with Disabilities and Military Veterans despite the downturn in the economy which resulted in funding limitations, deferring of projects to outer financial years and ultimately limitations on service delivery.

In an effort to further advance the principles and objectives of job creation and poverty alleviation through the EPWP, the Department created awareness of these objectives with the members of the Transportation Committees.

The freight industry is an essential contributor to the economy's growth and sustainability and the Department continued to monitor trends in the industry to apply best practise that will yield benefits for all. The challenge of balancing the economic benefits of the freight industry against the need to preserve the Province's road network while protecting the environment, remained as an ongoing concern.

Public transport in the Province remained a mandate and a challenge that required joint collaboration among the different spheres of government and the public transport industry itself. This was especially challenging in light of the instability in the industry and the increased prevalence of violent conflict due to route intruders.

Instability continued to plague the public transport industry, despite efforts and interventions to minimise conflict. The Department continued to engage the services of experts in the area of conflict resolution due our limited capacity in this area so that we could address this major challenge and ensure the safety of our commuters.

The limited capacity of municipalities in public transport continued and as such the Department continued to provide continuous training to municipal employees dealing with issues of public so that regulation of public transport in the Province improved.

The Department continued with our endeavours to reduce the scourge of public transport violence that negatively impacts upon commuters and society at large. Hence, we continued with our co-operation and co-ordination activities with other enforcement agencies (SAPS, Crime Intelligence, Organised Crime Unit and Department of Justice) to reduce such negativities on our roads and we continued fostering the partnership we have developed over the years with SANTACO, not only in our quest to promote good customer service and taxi driver behaviour but also to reduce fatalities on the road and to promote road safety in general.

The responsibility for learner transport reverted to the Department of Transport after the decision was taken in the previous year to move the function to the Department of Education.

The Department's strategic goal of reducing fatalities continued to be a difficult one to meet. This is due to the fact that we are not in pure control of the goal and we relied heavily on the motoring public and other road users to support our efforts at reducing accidents and fatalities.

Despite our efforts at educating the public on road safety matters, patrolling the roads and enforcing the rules of the road, there was an increase in the number of fatalities on the roads. Our slogan of "Road Safety is Our Collective Responsibility" clearly spells out that we require co-operation and acceptance of responsibility from all stakeholders, if we are to succeed in our efforts. Hence we are continued seeking new ways to approach road safety so that people's lives are saved by reducing crashes. We also continued with our law enforcement activities, awareness programmes

and partnerships developed with organisations in the sector.

The Department's efforts at enforcement were frustrated by the ever-increasing protests against a lack of service delivery, growing unemployment and rising fuel prices. These protests resulted in protesters blockading national and provincial roads. Coupled with the blockades, there were instances of looting, violence, arson and damage to the road infrastructure by the protesters.

Furthermore, the emerging trend of blockages on the key corridors by truck drivers resulted in huge traffic disruptions, traffic backlogs, delays in the delivery of goods and compromised safety of all other road users. The Department's law enforcement officers had to stretch already limited resources to conduct intensive and extended enforcement functions in patrolling and clearing roads that were blockaded as well as to clear backlogs in traffic. This impacted upon planned enforcement activities as employees had to be redeployed to problem areas.

These service delivery protests not only impacted on Departmental employees and operations but also caused huge losses to the economy of the country as major routes were affected, key infrastructure was damaged and freight either damaged or looted with trucks being burned.

The Department's enforcement activities and successes were dealt a blow by some magistrates in the Pietermaritzburg jurisdictional area withdrawing speed prosecution cases where the range exceeded 400 meters. However, this range was previously set at 500 metres by the 2012 prosecution guidelines. The magistrates were using 1997 guidelines which frustrated our efforts.

The Department continued supporting government's mandate of job creation, creating sustainable communities, eliminating poverty and promoting economic transformation through all our policies, activities and programmes.

The Department was faced with the ever-increasing threats of disruptions to electricity supply through load shedding. Not only did this impact upon employees' productivity but it also resulted in disruptions to services at our various licensing offices. This ongoing challenge was a never-ending threat.

The Department was committed to addressing all challenges we faced in delivering services. However it must be acknowledged that not all challenges could be mitigated (eg. drought implications, rising fuels costs, escalating number of service delivery protests, etc). Nonetheless all necessary steps to mitigate challenges that are within our control were continually explored.

Organisational environment

The Department's commitment to Radical Socio-Economic Transformation was firm and was primarily our strategic policy thrust. This informed all activities of our Department both internally, including human resources, and in terms of our relations with all our stakeholders including suppliers, service providers, targeted groups and most importantly citizens.

The Department conducted a review of, and developed new policies, systems and processes to effectively increase participation of, particularly Africans, and Blacks in general, in the transport sector value chain.

As part of our Radical Socio-Economic Transformation interventions, we promoted all the targeted sectors which are Women, Youth, Persons with Disabilities, Military Veterans, and Widows in the Public Transport sub-sector. These targets are 35% Youth, 30% Women, 5% Persons with Disabilities and 10% Military Veterans.

Targeted groups continued to be dominant in all Departmental programmes, policies and functions especially in those relating to the employment of labour in infrastructure construction and maintenance projects, through our empowerment initiatives, our transformation mandates and in our recruitment processes. The Department continued to consciously give preference to both Women and Persons with Disabilities when we were able to fill vacant posts.

While implementing plans to satisfy these government's mandates, the Department remained committed to good governance and to proper management.

The persistent challenge of budget cuts remained a constant challenge to the Department's ability to achieve all we would like to. This was exacerbated by a decreased allocation from the Provincial Road Maintenance Grant.

The Department continued to be constrained by employee shortages which arose by the moratorium on the filling of posts that we imposed many years ago as well as Provincial Treasury Circular 11/5/8/1/12-16/17, dated 10 February 2016. This directive resulted in the Department having to carefully prioritise posts which were critical to fill.

The increased restrictions to this circular and additional processes in obtaining Treasury approval before filling posts, definitely had a negative impact on the Department and our ability for function optimally.

The Department's continued and worsening challenge in respect of the shortage of skills, particularly in the technical and engineering fields, continued to threaten our operations especially in light of the request to decrease the use of consultants. The continual attrition of seasoned employees due to retirements; higher salaries offered by the private sector, municipalities, and head hunting by other departments exacerbated this challenge and placed undue pressure on service delivery.

As an example of this, the shortage of the required Professional Engineers/Technologists worsened each year, which compromised service delivery and compliance with legislation, eg. to meet the response time requirements of the Spatial Planning and Land Use Management Act; Act No.16 of 2013 (SPLUMA) as well as to meet the requirements of the Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) as required by National Treasury. The latter requires that procurement and delivery procedures are signed-off by professional personnel and/or by persons with adequate experience. The Department has limited numbers of professionally registered technical personnel available to ensure the delivery of the infrastructure projects.

This situation resulted in the Department having to rely heavily on engineering consultants so that service delivery was not affected. This reliance was also necessary in respect of the Expanded Public Works Programme as the unit is not adequately and timely capacitated and trained to efficiently manage the Programme, as well as in the Surveying unit.

This situation did not permit the Department in reducing our reliance on engineering consultants due to our compromised internal capacity. The delay in finalising the Departmental structure exacerbated this situation which has also had a huge negative impact on service delivery. The Department faced huge challenges in recruiting engineering and technical employees hence more than 50% of these posts were currently vacant.

This lack of staff seriously affected some functions, such as traffic counting and management of the various infrastructure management systems, which had to be outsourced. This had a negative ripple effect in respect of proper planning, etc.

The many vacant posts within the Department, mainly those that are critical, placed added burden on existing employees and compromised service delivery. This situation was exacerbated by the loss of competent employees through retirement, resignation or the non-renewal of term contracts. Furthermore, in-house training and mentorship of employees was hampered by the lack of suitably qualified permanent employees to conduct this training or to be mentors.

The continuous organisational restructuring remained a huge constraint to service delivery with existing employees having to operate beyond limits and some functions remained partially unattended to. Furthermore, as posts could not be filled, this caused fatigue, stress and low morale amongst staff. The performance of the Department was affected quite negatively by this situation.

The lack of funding has always been a huge challenge to the Department in delivering its services. This challenge was been exacerbated by the reduction in the Province's Equitable Share and Conditional Grant Allocations.

The lack of adequate funding also compromised the Department's ability to regularly maintain our facilities. Many of our facilities are old and deteriorating and the state of some of our facilities, especially those that are visited by the public, eg. driver license testing centres, are embarrassing as they are in a very poor condition.

The Department was faced with a major challenge in respect of fraud and corruption, especially among the law enforcement staff. Incidents of bribery and corruption at the driver testing stations and on the roads where drivers are stopped for traffic violations were brought to the attention of management.

Key policy developments and legislative changes

In this year, there were changes to existing policies, strategies and plans that have either impacted upon or supplemented our Departmental policies and plans. These are summarised below:

2.1 National Department of Transport's Subsidised Motor Transport Handbook; Circular 1 of 2017; 12 June 2017 – This handbook became effective with effect from 1 October 2017 and sets out the provisions for the Subsidised Motor Vehicle Scheme in the country. This handbook superseded and replaced the Department's Policy on the Allocation and Administration of Subsidised Vehicles.

2.2 Statistics South Africa's 2018 KwaZulu-Natal Citizen Satisfaction Survey; 2018 – The purpose of the survey was to

measure the Province's citizens' rating of satisfaction with performance of the provincial and local government on a number of dimensions as well as with level and quality of selected services. The results of the survey serve as an excellent source for the Department to determine where we need to improve and prioritise services.

Strategic Outcome Oriented Goals

The strategic outcome oriented goals of the department are as follows:

- Provide mobility and accessibility within the province to achieve 32,890 kilometres of maintained road infrastructure by 2020
- Promote an integrated transportation system through developing 3 IPTN Operational Plans.
- Create and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) in 2020.
- Promote sustainable economic transformation through developing 2 empowerment programmes.



Performance Information by Programme

PROGRAMME 1: ADMINISTRATION

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

This includes publicly funded goods and services utilised for governance, management, research and administration, as well as general office services, e.g. cleaning and security services.

Programme 1 includes the Office of the MEC, Management of the Department, Corporate Support and Departmental Strategy.

Linking performance with budgets

Programme/ Sub Programme	2018/19			2017/18		
	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
Administration						
Office of the MEC	14 073	14 073	-	13 948	13 948	-
Management	11 924	11 924	-	12 226	12 226	-
Corporate Support	346 065	346 065	-	275 227	275 227	-
Departmental Strategy	19 883	19 883	-	26 726	26 726	-
Total	391 945	391 945	-	328 127	328 127	-



PROGRAMME 2: TRANSPORT INFRASTRUCTURE

The purpose of this programme is to promote accessibility and the safe, 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.

This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repair of all infrastructure supporting all modes of transport. It also includes project expenditure on the Expanded Public Works Programme done in support of the infrastructure provision.

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.

Recent Outputs

Improving road infrastructure is central to the development of the provincial economy. The Department continues to invest the bulk of its budget into the existing infrastructure to improve maintenance and reduce the backlog in terms of the ailing roads and bridges.

Nearly 75% of the Department's budget is allocated toward the upgrading and maintenance of road infrastructure in line with the goal of providing a balanced road network that meets the mobility needs of KZN citizens, and providing a logistics platform for South Africa's global trade, in accordance with the national and PGDS/P.

The Department continued to utilise Operation KuShunquthuli and the African Renaissance Roads Upgrading Programme (ARRUP) to focus on road infrastructure development in rural areas. Also, the Department continued with the construction of roads to link rural communities to provincial hubs of activity to achieve the strategic goal of providing access and mobility within the province.

The Department upgraded and rehabilitated part of the provincial road network to improve and prolong the lifespan of the network.

Linking performance with budgets

Programme/ Sub Programme	2018/19			2017/18		
	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 Infrastructure						
Programme Support Infrastructure	669 440	669 440	-	297 587	295 587	2 000
Infrastructure Planning	36 787	36 787	-	29 649	29 649	-
Infrastructure Design	37 929	37 929	-	33 354	33 354	-
Construction	2 204 174	2 938 234	265 940	3 687 907	3 639 907	48 000
Maintenance	3 390 708	3 420 337	(29 629)	3 303 360	3 103 360	200 000
Total	7 339 038	7 102 727	236 311	7 351 857	7 101 857	250 000

PROGRAMME 3: TRANSPORT OPERATIONS

The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, CBO's, NGO's and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access.

This includes all costs involved in Public transport management and service delivery including the Planning, co-ordination of operators in the transport industry.

This programme provides for the management of public transport contracts including the management of the subsidies for the public transport operators; this includes the payment of subsidies for providing services to the community based on an agreement between the government and the operator. This programme also provides for the subsidised dedicated learner transport services. Department of Education identifies the schools where the service is then provided. This also includes the monitoring of operators and subsidies in terms of the national and provincial legislation to ensure safety of commuters and learners.

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

Recent Outputs

In 2015/16, the department commenced with the negotiation process with the mainstream operators of subsidised bus contracts to ensure that the participation of black South African-owned bus operators is increased to at least 50% of the subsidised public transport contracts.

Negotiations were completed in 2016/17 and the implementation of Phase 1 started with the contracts operating at King Cetshwayo Municipality. To date, this transformation programme has enabled the Department to have 11 contracts that are purely owned and managed by historically disadvantaged individuals/groups. Most beneficiaries are taxi associations and small bus operators who were previously not receiving a subsidy. These contracts are fully operational and the Department has signed seven-year contracts with them.

Learner Transport Services

On 20 June 2018, the Provincial Executive Council took the decision to shift the learner transport services function from DOE back to DOT. This is due to challenges DOE faced, including objections, grievances, and appeals from unsuccessful bidders, capacity constraints and lack of expertise, among others.

The provision of learner transport services is now managed fully by DOT, and DOE is only responsible for the identification and assessment of schools and learners that qualify to be provided with transport. Once that process is finalised, DOE submits a list to DOT to procure service providers to provide transport to those particular schools and learners.

As funds follow function, the funding for this function was moved from DOE to DOT from the 2018/19 Adjustments Estimate going forward. The Department transported 58 816 learners from 320 schools in 2018/19, as well as the additional 2 933 learners in the Nquthu area following a court decision that transport be provided to learners in the



area.

Also, the Provincial Learner Transport Framework, which guides the transportation of learners in KZN, was finalised in September 2018.

Road Safety

The Department created and promoted a safe road environment through education and awareness by achieving the following:

- Reached 1 246 schools through the implementation of learner education projects.
- Conducted six major and minor awareness programmes.
- Maintained 200 employment opportunities created through the school crossing patrol services project.

Linking performance with budgets

Programme/ Sub Programme	2018/19			2017/18		
	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 Operations						
Programme Support Operations	41 872	41 872	-	28 389	28 389	-
Public Transport Services	1 784 411	1 784 411	-	1 397 400	1 397 400	-
Transport Safety and Compliance	65 020	65 020	-	84 576	84 576	-
Total	1 891 303	1 891 303	-	1 510 365	1 510 365	-

PROGRAMME 4: TRANSPORT REGULATION

The purpose of this programme is to ensure the provision of a safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licencing of vehicles and drivers. This includes the following all costs related to overall management of road traffic and safety in the Province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Regulation; Transport Administration and Licensing; Operator License and Permits; and Law Enforcement.

Recent Outputs

Most of the Department's revenue is derived from motor vehicle licences collected against this programme. There has been a steady annual growth in the vehicle population, now at 1.5 million vehicles, as well as the renewal of motor vehicle licences.

The Department unveiled the Driving Schools and Instructors Regulating Framework, which will serve as an enforcement tool for the driving school operators and instructors. The framework aims to transform the Driving Schools Industry into an organised sector. This will assist in addressing fraud and corruption that has been reported in many of our testing centres.

The Department has begun to decentralise the Provincial Regulatory Entity (PRE) offices. Services are now taken to districts as opposed to only at Head Office in Pietermaritzburg. Two offices have officially been launched, one in Empangeni and another in Ladysmith and these have had a positive impact in the lives of operators.

This programme also ensures passenger safety and attending to emergencies and accidents as well as provides training to traffic officers.

Traffic police visibility on our roads plays a critical role in preventing accidents. 90 trainees were recruited and are undergoing training at the Traffic Training College.

Linking performance with budgets

Programme/ Sub Programme	2018/19			2017/18		
	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 Regulations						
Programme Support Regulation	9 104	9 104	-	8 760	8 760	-
Transport Admin and Licensing	154 698	154 698	-	121 478	121 478	-
Operator Licence Permit	59 571	59 571	-	63 862	63 862	-
Law Enforcement	667 412	667 412	-	655 540	655 540	-
Total	890 785	890 785	-	849 640	849 640	-



PROGRAMME 5: COMMUNITY BASED PROGRAMME

Purpose: 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.

The Strategic objectives for this programme are:

- BBBEE and SMME development; and
- Job creation and poverty alleviation.

Recent Outputs

The Department contributed to job creation and poverty alleviation through the Zibambele Roads Maintenance Programme where the focus remained on youth and women empowerment. The Department over-achieved on its target in respect of Zibambele by creating employment opportunities of 42 451. The Department aims to maintain this performance over the next five years.

The Department committed itself to working together with the Vukuzakhe Emerging Contractors Association (VECA) to fast-track the development of emerging contractors through the provision of training and development support. During the year under review 1 297 small contractors were trained through the Vukuzakhe Emerging Contractor Development Programme. The Department will also direct some investment on the public transport transformation contract to emerging contractors in the coming financial years.

The Department used labour-intensive construction methods to achieve 44 008 work opportunities in 2018/19, through focusing on R200 million worth of projects in order to ensure a positive impact on livelihoods and the achievement of job creation targets. The focus areas for EPWP include safety maintenance, routine maintenance and special maintenance.

Linking performance with budgets

Programme/ Sub Programme	2018/19			2017/18		
	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
Community Based Programme						
Programme Support Community Based	11 077	11 077	-	5 470	5 470	-
Community Development	3 535	3 535	-	4 248	4 248	-
Innovation and Empowerment	29 228	29 228	-	17 300	16 250	1 050
EPWP Co-Ordination and Monitoring	8 766	8 766	-	7 263	8 313	(1 050)
Total	52 606	52 606	-	34 281	34 281	-

PROGRAMME 1: ADMINISTRATION

Strategic Objective: A culture of corporate governance that ensures the department is efficient and effective in delivering on its mandate where 80% (27/33) of MPAT standards are at least at a level 3 from the previous cycle

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Percentage of MPAT standards are at level 3 or 4 from previous cycle		55	69	48	-21	The overall underperformance of the Department is attributed to being marked down on the Governance & Accountability standards, including the Human Resource Management key performance areas.

PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Strategic Goal: Provide mobility and accessibility within the Province to achieve 32,890 kilometres of maintained road infrastructure by 2020

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Kilometres of declared road	32 165	32 825	32 796	33 238	442	An improvement in Data Management was the reason for the over achievement. This was also assisted by improved declaration process enforcement.

Strategic Goal: Promote an integrated transportation system through developing 3 IPTN Operational Plans

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of IPTN Operational Plans developed	0	0	0	0		

Strategic Objective: An affordable, balanced and equitable transport network by constructing 1,090kms of new gravel access roads, 65 pedestrian bridges and 35 major vehicle bridges.

Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Kilometres of new gravel access roads constructed	124	164	200	104,97	-95	Target was not achieved due to some planned projects were delayed with the new requirement of design approval which required specialised services.
New pedestrian bridges constructed	12	6	5	0	-5	GJ Crookes, DIRKCHINBURG PEDESTRIAN RIVER BRIDGE, Nkongolwane Pedestrian Bridge, LOVU PEDESTRIAN BRIDGE 3775, MHLALANE BRIDGE and MVUBUKAZI PEDESTRIAN BRIDGE 3585 were scheduled for Construction during this FY, however due to the over commitment in the upgrade programme fund were shifted from the Pedestrian Bridge Programme, which resulted in these projects being moved to the outer years.
New major vehicle bridges constructed	9	18	7	9	2	Khomfini - Delays were caused due to the re design of the bridge and resulted bridge to be completed during 2018/19 financial year. P280 Mhlangana Bridge - The Mhlangana Bridge was part of P280 road upgrade. Holinyoka Bridge - Slow progress on project due contractor having a cash flow problem which resulted in delay in completing the project and reported in 2018/19 financial year. P318 Bridges - Bridges were part of road upgrade

Strategic Objective: Affordable transport infrastructure maintenance so that 30% of the blacktop road network is in a 'poor to very poor' condition by 2019/2020						
Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
% of blacktop road network in a "poor to very poor" condition	35%	36%	33%	57%	24%	Due to the Upgrade Programme over committing for the past 5 years, which was attributed to the high community demand for upgrading gravel roads to blacktop standards, this resulted in the condition of the road network deteriorating as funds were shifted from the rehabilitation programme to upgrades
PROGRAMME 3: TRANSPORT OPERATIONS						
Strategic Objective: 90% (62,100/69,000) of all public transport operators are fully compliant with the public transport provisions						
Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
No. of compliant public transport operators	25 297	27 686	61 000	15 920	-45 080	Operating licences expire on a daily basis. Most applications are pending finalisation and expired licences are due for renewal.
Strategic Objective: The provision of a dedicated subsidised learner transport service to 38,600 learners identified by the Department of Education						
Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
No. of learners transported	43 990	47 747	0	58 816	58 816	The variance is as per the audited figures from the Department of Education, since this is a shared function.

Strategic Objective: The migration of 72 million tonnes of freight from road to rail by 2019/20												
Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations						
Million tonnes of freight migrated	0	0	0	0								
PROGRAMME 4: TRANSPORT REGULATION												
Strategic Goal: Create and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) in 2020												
Performance Indicators	Actual Achievement 2015/2016	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations						
Number of fatalities (per 100,000 vehicle kms)	1 848	2 375	2155	2374	219	The increase in fatalities is attributed to a number of factors cutting across engineering, road safety, law enforcement, etc. These include driver behaviour, vehicle road worthiness, hazardous locations amongst others						
Strategic Objective: Effective regulation and law enforcement through 6,500 goal directed multi-disciplinary operations.												
Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations						
Number of goal directed multi-disciplinary operations	4 134	1 487	1365	1551	186	During this period, 2018/19, the Directorate over achieved. This was due to more intensified operations during the Easter, Festive and October Transport month periods and also due to Safer Fridays and Closing Ranks campaigns through the ITLEC structures						

PROGRAMME 5: COMMUNITY-BASED PROGRAMME

Strategic Goal: Promote sustainable economic transformation through developing 2 empowerment programmes

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of empowerment programmes developed	0	0	1	1	0	

Strategic Objective: Support and promote economic transformation through the awarding of R2,031 billion worth of contracts to emerging entrepreneurs. (Vukuzakhe contractors on Grades 1 to 3 and public transport transformation contracts)

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Value of contracts awarded to emerging entrepreneurs	1 014,6	527	632	1 122	490	
Value of contracts awarded to Vukuzakhe contractors on Grades 1 to 3 (in R millions)	876	353	450	918	468	
Value of public transport transformation contracts (in R millions)	138,6	174	182	204	22	At the time of calculating the target Mlalazi Taxi Co-op (ZNB 1381) was operating their original negotiated contract. Re-negotiations took place a short while later, resulting in an increase of four (4) buses to their fleet. This resulted in an increase in their subsidy of approximately 60%

Strategic Objective: Addressing poverty alleviation and empowerment through increasing the opportunities for job creation by 40% (24,000 jobs)

Performance Indicators	Actual Achievement 2015/2016 to date	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
No. of jobs created	58 459	49 501	58 260	44 008	-14 252	Reason for under achievement of work opportunities target is due to delays in the implementation of Labour Intensive Projects which would have contributed more work opportunities

KWAZULU-NATAL
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Programme / Subprogramme / Performance Measures	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
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ANNUAL OUTPUTS

PROGRAMME 1: ADMINISTRATION

Management of the Department							
% of KPA 1 MPAT standards that are at level 3 or 4 from the previous cycle	71	80	100	100	100	0	Target achieved
% of KPA 2 MPAT standards that are at level 3 or 4 from the previous cycle	40	70	50	66	40	-26	The Department was marked down on Ethics standards.
% of KPA 3 MPAT standards that are at level 3 or 4 from the previous cycle	27	36	38	50	13	-37	The Department was marked down on the following standards: HR strategy & planning, HR Practices & administration, Management of Performance and Employee Relations. The Department needs to focus on improving these standards, notwithstanding the discontinuation of MPAT.

% of KPA 4 MPAT standards that are at level 3 or 4 from the previous cycle	78	89	60	80	80	0	Target achieved
PROGRAMME 2: TRANSPORT INFRASTRUCTURE							
Infrastructure Planning							
Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual	3 750	3 751	3 945	3 950	3 950	0	
Number of kilometres of gravel roads visually assessed as per the applicable TMH manual	8 550	7 510	7 802	7 900	7 900	0	
QUARTERLY OUTPUTS							
PROGRAMME 2: TRANSPORT INFRASTRUCTURE							
Construction							
Kilometres of gravel roads upgraded to surfaced roads	101	102	115	90	59,88	-30,12	Target was not achieved due to P402, D1126 and L781 being incomplete due to under performance by contractors
Number of m ² of surfaced roads rehabilitated	1 991 651	2 408 223	1 683 719	1 800 000	1 874 219,02	74 219,02	Target was exceeded due to the acceleration of the following projects: P110, P49-1, P77, D870, P6-5, P523, P211, P46-2 and P544, utilising the municipal contracts. The use of eThekweni Municipality contract number 1R-16640 adopted under section 32 was approved in November 2018 and implementation commenced in December 2018
Number of square metres of non-motorised transport facility constructed	48 585	84 592	53 981	43 000	9 936,46	-33 063,54	Target was not met due to some projects that were put on hold due to budgets being moved to Blacktop Patching Projects. This is also due to the fact that geometric designs approval for safety reasons were outstanding.

Maintenance									
Number of square metres of surfaced roads resealed	1 737 985	2 944 842	764 222	2 000 000	993 961,46	-1 006 038,54	There were reseat projects i.e. P398-2, P20-2, P47-2, P271, D870, P2-2, P577-1 and P1-1 that were initially earmarked for reseat programme that were found to have deteriorated beyond the reseat and required light rehabilitation. As a result these were moved to the rehab programme, hence the increase in rehab output. Due to delays by inclement weather, P73, P523 and P68-2 could not be completed in the 2018/19 financial year. P750 was completed but line marking was not done and as a result it was also not reported in the 2018/19 financial year.		
Number of kilometres of gravel road re-gravelled	1 725	2 330	1 413	2 200	849,89	-1 350,11	Target has not been met due to the advertising of some regravelled contracts were put on hold or cancelled because of interference with the Amadela, Business Forums and VECA and some existing contracts which are in termination processes as the main contractors had abandoned sites.		
Number of square meters of blacktop patching (including pothole repairs)	321 843	353 780	819 659	420 000	1 925 150,95	1 505 150,95	Target was exceeded due to high rainfall than usual which accelerated the deteriorating road network which caused a lot of potholes. This is due to the increase of the road network in the poor to very poor condition so excessive Pothole Patching had to be done to ensure that the road was safe for road users at all times.		
Number of kilometres of gravel roads bladed	53 889	76 518	77 938	90 000	65 411,60	-24 588,40	Target has not been met due to blading is mostly done by in-house teams and the shortage of operators has had an impact on the outputs. There was also a reliance on the Grade 8 projects to start which unfortunately did not.		
Kilometres maintained by Zibambele Contractors	28 933	27 044	21 357	21 500	21 225	-275	The process of replacing Zibambele contractors over the age of 65 took longer than anticipated		

PROGRAMME 3: TRANSPORT OPERATIONS

Public Transport Services									
Number of kilometres subsidised	42 071 471	41 599 563	41 498 121	41 888 710	41 360 571	-528 139	The cause of the variation is due to two factors. 1. Trips that did not operate 2. The pro rata factor used for Durban Transport. The KZNDOT portion of the subsidy is fixed while the total subsidy claim varies from month-month. The difference between the KZNDOT subsidy and the total subsidy is paid by the eThekweni Transport Authority. The total monthly claim amount is a unknown at the time of setting the target. During the 2018-2019 financial year this pro rata factor has varied from a high of 0.575163 in April 2018 to a low of 0.474634 in January 2019. This represents a 21% variance between high and low pro rata factor used.		
Number of trips subsidised	1 197 322	1 189 452	1 176 850	1 198 870	1 165 396	-33 474	The cause of the variation is due to two factors. 1. Trips that did not operate 2. The pro rata factor used for Durban Transport. The KZNDOT portion of the subsidy is fixed while the total subsidy claim varies from month-month. The difference between the KZNDOT subsidy and the total subsidy is paid by the eThekweni Transport Authority. The total monthly claim amount is a unknown at the time of setting the target. During the 2018-2019 financial year this pro rata factor has varied from a high of 0.575163 in April 2018 to a low of 0.474634 in January 2019. This represents a 21% variance between high and low pro rata factor used.		
Number of Provincial Regulating Entity (PRE) hearings conducted	371	501	441	450	475	25	The Directorate depends on the applications received and ready for consideration. If all documents are on file the application is finalised		
Number of routes subsidised	1 740	1 709	2 074	1 702	2 074	372	The number of routes were verified by the Department and the Operators in August 2017 and signed off by the HOD in September 2017. At the time of determining the targets the Durban Transport routes were pro-rata, split between the KZN Department of transport and eThekweni Transport Authority (ETA). However, it was realized that there is no distinction between which route are subsidised by the DOT or the ETA so all the Durban Transport routes have been added to the total		
Subsidy per passenger	13,24	17,47	18,22	22,00	19,79	-2,21	The decrease in the price of diesel has resulted in the escalation decreasing. This resulted in the decrease in subsidy, hence the decrease in subsidy per passenger.		

Transport Safety and Compliance										
Number of road safety awareness programmes conducted	5	9	9	6	6	0				
Number of schools involved in road safety education programmes	461 211	1 110	1 176	1 246	1 252	6				Partnered with Library Services and SAPS to promote road safety therefore the slight over achievement
Number of crossing patrols provided	143	143	191	200	185	-15				A variance in the performance criteria is recorded. This is attributed to external factors which impacted on performance targets. 3 municipalities did not renew contracts for 15 SCP attendants which significantly affected attaining the intended target
Number of decentralised PRE offices established	2	1	1	0	0					
Number of public transport routes that have been evaluated for economic viability	0	443	793	200	1 091	891				The project was delayed due to operators in other regions not being ready to participate, i.e. bus operators
PROGRAMME 4: TRANSPORT REGULATION										
Transport Administration and Licensing										
Number of license compliance inspections conducted	974	1 393	1 110	1 096	1 230	134				Target was over achieved due to the over achievement in the number of DLTCs that were visited during the financial year
Traffic law enforcement										
Number of speed operations conducted	19 443	17 359	12 573	18 250	16 003	-2 247				1. During the year 2018/19 the Directorate under achieved by 2247 due to heavy rainfalls and limited manpower because of leave taken, attending to crashes and obstructions as well as road closures due to public protest actions. 2. The number of crashes attended to for the year was 2971 with 18321 manhours lost, 2880 obstructions with 18523 manhours lost and 1232 abnormal loads escorted with 9382 manhours lost.

Number of vehicles weighed	157 124	180 758	160 230	155 000	159 409	4 409	For the year 2018/19 the Directorate over achieved by 4 409 due to limited down time at the weighbridges and weighing operations increased over the Easter, Festive and October Transport Month period.
Number of drunken driving operations conducted	1 214	399	485	210	520	310	During the year 2018/19 the Directorate over achieved by 310 due to intensified enforcement due to Safer Fridays and Closing ranks campaigns through the ITLEC structures
Number of vehicles stopped and checked	1 678 166	1 264 674	893 239	1 600 000	1 100 274	-499 726	1. For the year 2018/19 the Directorate under achieved by 499 726, historically the Directorate has not achieved this target due to officers spending a vast amount of time on various other functions such as driving and learner's licence testing, escorting of abnormal loads, attending to public protest actions, accidents and incidents. The Directorate has made a request for this target to be reviewed based on historical achievements. 2. The number of crashes attended to for the year was 2971 with 18321 manhours lost, 2880 obstructions with 18523 manhours lost and 1232 abnormal loads escorted with 9382 manhours lost.
Number of law enforcement officers employed	830	799	783	784	770	-14	During the financial year 2018/19 the Directorate under achieved by 13 due to 6 resignations, 3 retirements and 4 deaths.
Undertake goal directed enforcement of public transport (Operation Shanela)	879	881	1 311	880	1 224	344	The stimuli and reasons that gave birth to conditions and circumstances of the PTEU component over achievements are mainly amongst others un-previous circumstances including changing conditions on the ground from time to time, Mainly in respect and in relation to the ongoing public transport unrest or taxi violence which is persistently and consistently engulfed our province during the entire 2018/2019 financial year. Therefore the situation on the ground necessitated for simultaneous tactical deployments of our various respective sections to cover the entire KZN Province as the situation determines on the ground.

PROGRAMME 5: COMMUNITY-BASED PROGRAMME

EPWP Coordination and Monitoring

Number of jobs created	58 459	63 626	49 501	58 260	44 008	-14 252	Reason for under achievement of work opportunities target is due to delays in the implementation of Labour Intensive Projects which would have contributed more work opportunities
Number of employment days created	4 744 107	4 977 811	4 357 306	4 370 000	3 411 949	-958 051	Reason for under achievement of Person-Day target is due to the implementation of short term contracts instead of sustainable long term contracts
Number of Full-Time Equivalents (FTE's)	20 626	21 630	18 944	19 000	14 835	-4 165	Reason for under achievement of Person-Day target is due to the implementation of short term contracts instead of sustainable long term contracts
Number of youth (18-35) employed	14 783	17 594	9 505	7 000	7 115	115	Youth participation has improved on infrastructure projects hence the indicator was over achieved
Number of women employed	45 105	46 552	42 381	40 000	38 616	-1 384	Infrastructure projects tend to employ men more than women due to the nature of work
Number of Persons With Disabilities employed	44	35	146	80	101	21	Participation of disabled individuals has improved on infrastructure projects hence the indicator was over achieved

Community Development

Number of Zibambebe contractors employed	44 513	44 002	42 714	43 000	42 451	-549	The process of replacing Zibambebe Contractors over 65 years of age, took longer than anticipated.
Small contractors trained through the Vukuzakhe Emerging Contractor Development Programme	519	397	529	500	1 297	797	Targets were over achieved because of additional training that was conducted targeting Military Veterans. This additional training was done as part of the implementation of the RET policy that supports Empowerment of designated groups within the department in order to enable their participation in our procurement spend. In addition; the Training of Transportation Committees also commenced through out the province, this training is aimed at empowering members of Committees to perform their functions in support of the Communities and the Department.

Number of training opportunities created for women	399	122	456	250	599	349	Targets were overachieved because of additional training that was targeting Military Veterans. This additional training was done as part of the implementation of the RET policy that supports Empowerment of designated groups within the Department in order to enable their participation in our procurement spend. In addition; the training of Transportation Committees also commenced throughout the province, this training is aimed at empowering members of Committees to perform their functions in support of the Communities and the Department. Furthermore; our RET programme is aligned to the procurement Indaba resolution which requires that 35% procurement is targeted at women owned entities. This alignment has resulted in the steady increase of women participation in our programmes including training.
Number of training opportunities created for youth	162	193	546	250	556	306	Targets were over achieved because of additional training targeting Military Veterans and Transportation Committees throughout the Province. These additional training was done as part of the implementation of RET policy that supports Empowerment of designated groups with the department
Number of training opportunities created for people with disabilities	3	0	2	8	4	-4	This indicator is implemented through projects awarded were there is participation of entities owned by Disabled persons. However due to poor recruitment of this sector to participate in our procurement spend and programmes in general; there has been a consistent underachievement on this target in the Department



KZN Premier Sihle Zikalala pictured with the MEC for Transport, Community Safety and Liaison Mxolisi Kaunda during the official handover of a contractor for the construction of new jersey barriers in Manguzi which will assist in fighting cross border crime in the province . PHOTO: MBUYISELO NDLOVU

TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of Organisation	Purpose for which the funds were used	Did the dept. comply with S38(1) (j) of the PFMA	Amount transferred R'000	Amount Spent by the Entity	Reasons for the funds unspent by the entity
Province	Department	Motor Vehicle Licences	Yes	6 174	6 174	-
Construction and Engineering SETA's	Departmental Agency	Skills Development Levy	Yes	4 564	4 564	-
Bus Corporations	Private Enterprise	Bus Subsidies	Yes	1 390 894	1 390 894	-
Households	Individuals	Claims Against the State, Expropriation of Land, Leave Gratuities and Injury on Duty	Yes	15 084	15 084	-

- Motor vehicle licences relate to the payment of motor vehicle licences, which is dependent on the number of vehicles and mechanical plant that the Department owns and intends to purchase.
- Construction Education and Training Authority (CETA) and the Transport Education and Training Authority (TETA) levies are in terms of the Skills Development Act.
- Payments to Bus Operators relates mainly to the PTOG, which is a conditional grant aimed at subsidising road-based public transport services and to provide supplementary funding toward public transport services.
- Households caters for staff exit packages, external bursaries, injury on duty and claims against the state payments.

Conditional Grants and Earmarked Funds Paid

Conditional Grants

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.

A) Provincial Roads Maintenance Grant

The Provincial Roads Maintenance Grant is for the maintenance and construction of road infrastructure in KZN. The purpose of the grant is to supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Provincial Roads Maintenance Grant
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R1 826 745 000
Amount transferred	R1 826 745 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by department	R1 826 745 000
Reasons for funds unspent	N/A
Monitoring mechanism by the transferring department	Monthly Reporting

B) 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 users, especially the poor enjoy affordable public transportation. In many respects performance in the provision of the service has been above average.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Provincial Roads Maintenance Grant
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R1 106 154 000
Amount transferred	R1 106 154 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by department	R1 106 154 000
Reasons for funds unspent	N/A
Monitoring mechanism by the transferring department	Monthly Reporting

C) 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.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	EPWP Integrated Grant for Provinces
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R76 562 000
Amount transferred	R76 562 000
Reasons if amount as per DORA not transferred	-
Amount spent by department	R74 093 000
Reasons for funds unspent	R2 469 000 underspent due to late submission of an invoice by the service provider.
Monitoring mechanism by the transferring department	Monthly Reporting

Earmarked Funds

D) LEARNER TRANSPORT

The purpose of Learner Transport is to:

- Provide equitable access to quality education for the people of KwaZulu-Natal
- Improve access to quality education by providing safe, decent, effective, and integrated sustainable learner transport.

Department whom the grant has been transferred.	KZN Transport
Purpose of Allocation	Learner Transport
Expected outputs on allocation	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R331 630 000
Amount transferred	R331 630 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by department	R331 630 000
Reasons for funds unspent	N/A
Monitoring mechanism by the transferring department	Quarterly Reporting

Donor Funding

No donor funding was received by the Department



Capital Investment

Table: Capital Investment

Infrastructure Projects	2018/19			2017/18		
	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
Existing Infrastructure Assets	5 274 470	5 038 159	236 311	5 292 332	5 092 332	200 000
Maintenance and Repairs	2 388 113	2 417 742	(29 629)	2 192 748	1 992 748	200 000
Upgrades and Additions	1 695 588	1 695 588	-	2 305 000	2 305 000	-
Rehabilitation, Renovations and Refurbishments	1 190 769	924 829	265 940	794 584	794 584	-
New and Replacement Assets	314 754	314 754	-	588 323	540 323	48 000
Non Infrastructure	1 421 333	1 421 333	-	1 110 612	1 110 612	-
Capital	3 201 111	2 935 171	265 940	3 687 907	3 639 907	48 000
Current	2 388 113	2 417 742	(29 629)	3 303 360	3 103 360	200 000
Total	7 010 557	6 774 246	236 311	6 991 267	6 743 267	248 000





PART C: GOVERNANCE

MEC for Transport, Community Safety and Liaison Mxolisi Kaunda addressing Santaco Provincial Executive Committee in Pietermaritzburg .PHOTO: MBUYISELO NDLOVU

INTRODUCTION

The Provincial Growth and Development Strategy (PGDS) of 2011 defines both the strategic vision for the province in 2030 as well as the underlying strategic goals required to attain the vision. Goal number six is Governance and Policy and thus Governance is pertinent.

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

RISK MANAGEMENT

Risk Appetite Statements - Management of the Department of Transport showed no tolerance to road accidents in the province and have set a high appetite by adjusting the budget from R10 062 047 to R10 565 677 to provide an affordable transport infrastructure maintenance so that 30% of the blacktop road network in a 'poor to very poor' condition is reduced by 2019/2020 and to reduce accidents in the Province by more than 30%.

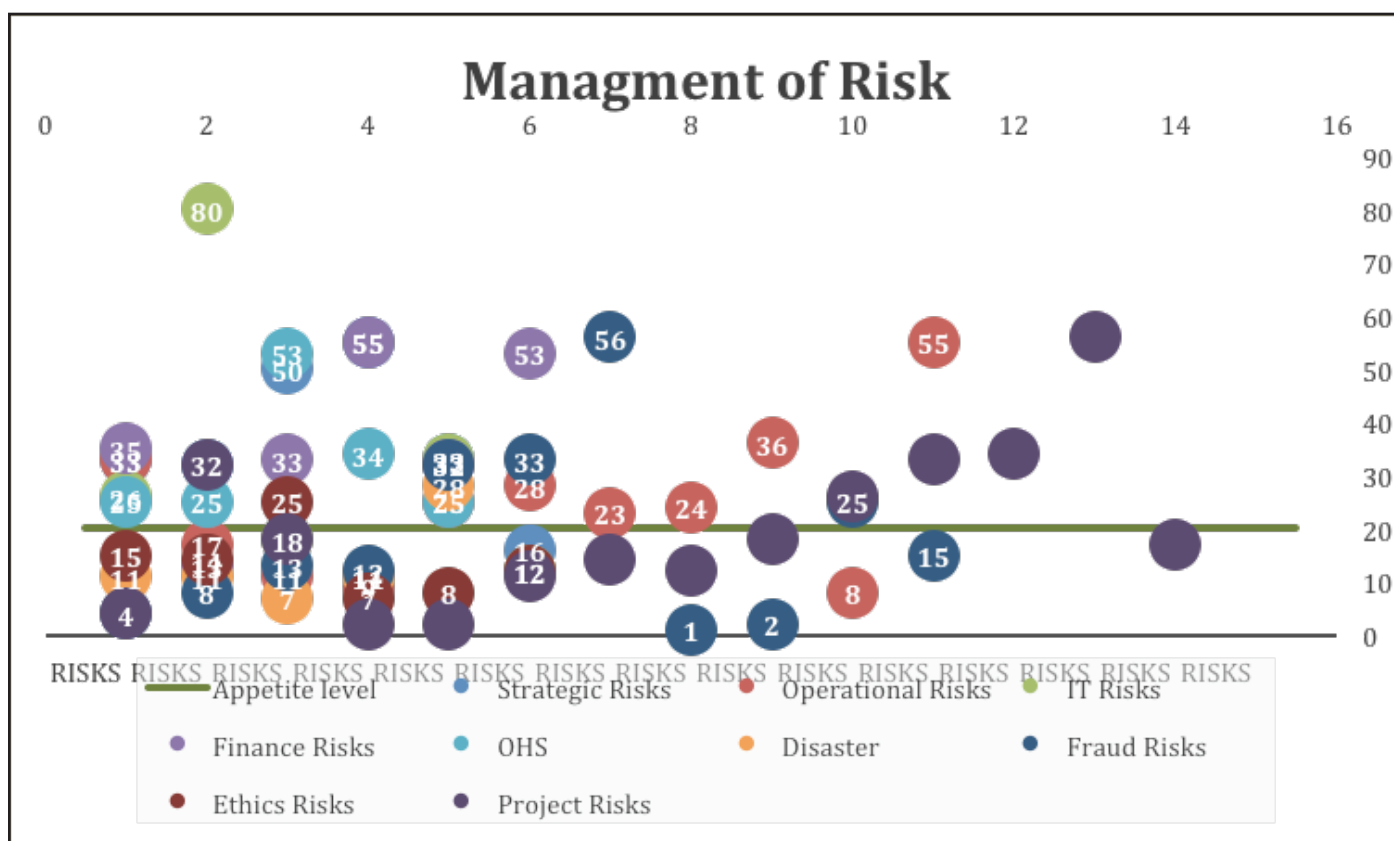
To accomplish the set Risk Appetite statement, the Departmental Risk Management unit communicated the Risk Appetite through risk assessment workshops. The process of risk assessment aided the development of the Departmental Risk Profile for the financial year 2018/19. The Risk Profile comprised of 71 risks with a total of 151 mitigation plans identified to manage such risks.

The Risk Management Directorate monitored the Risk Profile on regular basis and produced reports for the Department's Risk Management Committee, and the Cluster Audit and Risk (CARC) Committee on a quarterly basis. To date there are 40 risks that were managed and reduced to the Risk Appetite and Tolerance level. The table below depicts the whole risk profile into the various levels of risks and provides a high level statistical view of how the Department made progress in terms of implementing risk mitigation plans.

No.	Risk Magnitude	Period/ QTR	No. of Identified Risks	No. of Agreed Action Plans	No. of Completed Action Plans	No. of Outstanding Action Plans
1.	Critical	Quarter 1	5	15	1	14
		Quarter 2	1	4	1	3
		Quarter 3	1	4	1	3
		Quarter 4	1	4	2	2
2.	Major	Quarter 1	9	23	4	19
		Quarter 2	9	26	09	17
		Quarter 3	4	9	3	6
		Quarter 4	6	17	10	7
3.	Moderate	Quarter 1	34	72	18	54
		Quarter 2	28	58	13	45
		Quarter 3	26	65	33	32
		Quarter 4	24	55	31	24
4.	Minor	Quarter 1	12	24	10	14
		Quarter 2	20	39	25	14
		Quarter 3	28	48	29	19
		Quarter 4	25	46	33	13
5.	Insignificant	Quarter 1	11	19	6	13
		Quarter 2	13	25	17	8
		Quarter 3	12	24	18	6
		Quarter 4	15	29	22	7
Total Quarter 1 17/18			70	153	39	114
Total Quarter 2 17/18			71	152	65	87
Total Quarter 3 17/18			71	150	84	66
Total Quarter 4 17/18			71	151	98	53

The table below reflects the categories of risks and the quantity of risks per category the Department considered for the Financial Year 2018/19. There was a reduction of the residual risk exposure against 48 mitigation measure in the year under review.

Analysis	Strategic Risk	Operational Risks	Information Technology Risks	Financial Management Risks	Occupational Health and Safety	Disaster Management risks	Project Risks	Fraud	Ethics Risks	Total
Total Risk Identified	06	12	05	06	05	05	15	11	06	71
Balance of Risks outside the Risk Appetite Level as at 01 April 2018	06	11	05	06	05	01	09	01	02	46
Balance of risks within the risk appetite as at 31 March 2019	01	04	03	01	00	04	01	07	05	26



There are 98 mitigation plans that were successfully completed during the financial year 2018/19 and 53 were outstanding. Within the 53 outstanding mitigation plans, there are mitigations that subsequently included long-term undertakings and those that could not be completed as they cannot be dealt with internally. These include vetting of employees by the State Security Agency, while some are those that are ongoing to ensure risks are management within the Risk Appetite. These risks are included in the revised Risk Profile for the financial year 2019/20. The Department is continuously engaging with relevant stakeholders in this regard.

FRAUD AND CORRUPTION

The Department continued implementing the Fraud Prevention Policy in line with developed Fraud Prevention Strategy and the implementation Plans to provide formal techniques to manage fraud and corruption risks which the Department is exposed to. The execution of the Fraud Prevention Implementation Plan continued, including awareness on the whistle blowing processes to try and detect fraud and corruption in order promote good ethics in the Department.

The culture of zero tolerance to fraud and corruption was maintained. Consequently, the Department has ensured that all cases emerging from the application of the Whistle Blowing Policy are being investigated. The Department has continued engaging with the Forensic Investigation Unit within the Provincial Internal Audit Services.

There were 25 cases referred for forensic investigations, 13 investigation reports were issued with corrective actions sanctioned for the Department to implement. All the recommendations are being considered through labour relations processes.

The Department received from the National Anti-Corruption Hotline and Office of the Premier. These cases were also investigated and recommendations were implemented.

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.

The Department has an electronic gift register which is co-ordinated centrally by the Office of the Chief Financial Officer. Any gifts received must be properly approved by the relevant authority and entered onto this register.

The Department also has an approved Declaration of Interest Policy which was reviewed, amended and approved during June 2014. 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 situation 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 must be maintained by management and copies of all declarations must be 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.

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 of Transport adheres to and is bound by the Public Service Code of Conduct. A copy of this code of conduct was issued to all new employees of the Department. Workshops on the Code of Conduct have also been held to ensure an understanding of the content of the document.

The Department reserves the right to take disciplinary action against any employee deviating from the code of conduct.

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 the relevant role players.

Health and Safety and Environmental issues addressed include for example:

- Living conditions in terms of official accommodation, water, electricity, ventilation and fumigation.
- Office environment in terms of buildings, office furniture, natural and artificial ventilation, water, sewage and fumigation.
- Internal employee wellness in terms of noise induced hearing loss, operator/driver wellness and workers general wellness and personal protective clothing.
- The implementation of the new construction regulations with special attention being given to agent/manager/safety officer to be fully in place by August 2015. The new construction regulations point towards the client (department) now more than ever before in terms of involvement and accountability.
- The provision of the correct equipment, facilities, training and regular safety meetings to ensure a safety educated and confident internal staff compliment.
- Ensuring compliance of the OHS Act and Regulations in terms of external service providers such as consultants and contractors, relating to construction and maintenance sites. This includes all levels of contracting.
- Ensuring that compliance to various legislation is achieved and maintained, in order to preserve and sustain the environment and that the relevant rehabilitation processes are met with special attention to the quarries, borrow pits and road verges.

2.5.7 FINANCE PORTFOLIO COMMITTEE

Finance Portfolio Committee Meetings were held on the following dates:

Resolution No.	Subject	Details	Response by the Department
104/2018	TRANSPORT: EXISTING INFRASTRUCTURE ASSETS	<p>Noting that:</p> <p>There is a huge reduction of the existing infrastructure assets budget in the 2018/19 financial year</p> <p>The Committee resolves that:</p> <p>The Accounting Officer must provide a report to the Committee by 30 June 2018 on the following:</p> <p>a) What informed the reductions in the maintenance and repair, upgrades and additions and refurbishment and rehabilitation projects?</p> <p>b) What are the implications of the reductions in the existing infrastructure assets in the province?</p>	<ol style="list-style-type: none"> On the matter of the reduction in maintenance and repairs <ol style="list-style-type: none"> The first contributing factor towards the observed reduction in the maintenance and repairs allocation against the existing infrastructure assets category is the decrease of the department's Provincial Roads Maintenance Grant (PRMG) funding: <ul style="list-style-type: none"> The PRMG allocation was decreased by R106.254 million in 2018/19, R287.991 million in 2019/20 and R200.752 million in 2020/21 during the 2018/19 MTEF process. Please see attached allocation letter referenced as Annexure A. This is not the first reduction to be implemented against the PRMG funding as during the 2017/18 MTEF budget process the allocations were decreased by R224.228 million in 2018/19 and R86.444 million in 2019/20. Please see attached allocation letter referenced as Annexure B. The PRMG is a supplementary grant allocated to the department towards the maintenance and repair of provincial roads and bridges. The department does not have control over the decision to reduce or increase this allocation by the National Department of Transport. Secondly, the 2017/18 allocation was increased by R200 million during the Adjustments Estimates towards the repairs of roads and other fixed structure that were damaged by the Storm around the eThekweni and Ugu Districts. This was a once off allocation that does not carry-over into the 2018/19 MTEF. Therefore it would also appear as if the department's allocation is decreasing in comparison to the 2017/18 allocation in that regard. Lastly, the department had to change some of the expenditure that it previously classified as Maintenance and repair: Current to Non infrastructure within the Infrastructure table due to the review of the item by Provincial Treasury and it now includes amounts that were not included in the 2017/18 budget process. This change makes the 2018/19 MTEF Maintenance and repair: Current allocation appear to have decreased even further as the Zibambele contractors' budget is now reflected against Non infrastructure which is reflecting a substantial increase in that regard. However the 2017/18 figures do not reflect that change as per Provincial Treasury's instruction. The Maintenance allocation is made up of the Maintenance and repair: Current and Non Infrastructure categories. The Upgrades and additions category is a capital allocation towards the upgrading and additions of existing infrastructure assets. When comparing the 2017/18 Main Appropriation to the 2018/19 allocation you will note that the allocation actually increases. However due to the increase in the 2017/18 Adjusted Appropriation, it appears as if the allocation decreases in the 2018/19 MTEF. The majority of the increase in the 2017/18 Adjusted Appropriation is attributed to virements effected from refurbishment and rehabilitation as well as new infrastructure assets: capital which are categories that fall within capital infrastructure to fund various construction projects carried over from the previous year. A small portion was in respect of a roll-over from 2016/17 towards the construction of bus lanes on Main Road P577 in the eThekweni Metro. The slight decrease against Refurbishment and rehabilitation is due to re-prioritisation to Upgrades and additions to fund various construction projects carried over from the previous year. The following are implications of the reductions in the existing infrastructure assets: <ol style="list-style-type: none"> The reduction in the PRMG requires the department to supplement the maintenance and repair funding using equitable share. This equitable share funding is already committed towards Capital projects and is already not sufficient to cater for existing projects due to budget cuts that have been implemented for the past three MTEF periods. This results in projects being delayed and pushed out such that commitments are being completed later than planned. This also impacts on the department not been able to start any further projects until the previous commitments are completed.

Resolution No.	Subject	Details	Response by the Department
			<p>C) The reduction in maintenance activities will have a serious effect on the department to preserve the existing road network:</p> <ul style="list-style-type: none"> • As it stands the department only receives approx. 40% of the required budget for maintenance, these reductions will further deteriorate the road conditions within the Province; • This means that the department is not in a position to perform adequate proactive preventative maintenance and as a result the condition of the road network is in a poor condition and the cost of backlog maintenance increases.
Resolution No.	Subject	Details	Response by the Department
106/2018	TRANSPORT: TRANSPORT INFRASTRUCTURE	<p>Noting that:</p> <p>a) The allocation over the 2018/19 MTEF relates to the Department's investment in the provincial road network;</p> <p>b) This programme was substantially affected by a reduction of R520.654 million in respect of the Provincial Roads Maintenance Grant (PRMG) for the 2017/18 MTEF;</p> <p>c) A further reduction has been implemented against the PRMG allocation, totalling R604.997 million, for the 2018/19 MTEF, as per the allocation from Provincial Treasury.</p> <p>The Committee resolves that:</p> <p>The Accounting Officer must provide a report to the Committee by 30 June 2018 on the following:</p> <p>a) Why was the transport infrastructure budget reduced?</p>	<p>1. On the matter of the reduction in the transport infrastructure budget:</p> <p>a) The purpose of the transport infrastructure programme is to promote accessibility and the safe, 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. This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repair of all infrastructure, supporting all modes of transport.</p> <p>b) Of the R7.460 billion allocated against this programme, an amount of R1.827 billion allocated against the Maintenance sub-programme is funded through the Provincial Roads Maintenance Grant (PRMG) which is a supplementary grant allocated to the department towards the maintenance and repair of provincial roads and bridges.</p> <p>c) Unlike the EPWP Integrated Grant for Provinces, the PRMG is not a performance based incentive grant and therefore the department does not have control over the increase or decrease of the funding decisions implemented by the National Department of Transport.</p> <p>d) The reasons provided in the allocation letters received by the Department on the reduction of the PRMG allocation are as follows:</p> <ul style="list-style-type: none"> • With regard to the reasons provided in the 2017/18 MTEF Allocation Letter, it was stated that the formula used to allocate this grant to the provinces includes a visual condition indicator (VCI), which measures the percentage of a province's road network that is in good condition or not changes from 45% in the 2016/17 MTEF to 55% for the 2017/18 MTEF. However the new VCI threshold will be phased in at 45%, 50% and 55% over the 2017/18 MTEF. Therefore the shift to the higher VCI destabilized provincial allocations in terms of this grant. In addition, the grant transitions to using actual traffic volumes instead of projected traffic volumes to match actual road usage patterns. • The reason provided in the 2018/19 MTEF Allocation letter states that, the sector took a decision to protect the Public Transport Operations Grant (PTOG) from budget cuts as far as possible, with the sector's fiscal consolidation cuts therefore predominantly effected against the Provincial Roads Maintenance Grant (PRMG). <p>e) Therefore the reduction in the PRMG allocation is implemented against Transport Infrastructure as the entire grant funding is allocated against this programme.</p>

Resolution No.	Subject	Details	Response by the Department
124/2018	TRANSVERSAL: VALUE ADDED TAX (VAT) INCREASE	<p>Noting that:</p> <p>The National Treasury announced VAT increase from 14 to 15 percent, effective from 1 April 2018.</p> <p>The Committee resolves that:</p> <p>The Accounting Officer must provide a report to the Committee by 30 June 2018 on the following:</p> <ul style="list-style-type: none"> b) How much will the Department lose from its budget because of VAT increase? c) What are the implications of the increase of VAT on service delivery? d) Which programmes are going to be affected by the increase? 	<ul style="list-style-type: none"> a) The departmental loss from its budget due to the VAT increase equals to R82 million per year. b) The implication of the increase of VAT will increase the cost of service delivery resulting in projects being delayed and pushed out such that commitments are being completed later than planned. This also impacts on the department not been able to start any further projects until the previous commitments are completed. c) All five programmes will be affected by the increase with Programme 2: Transport Infrastructure being the most affected as approximately 74% of the department's budget has been allocated against the programme

Resolution No.	Subject	Details	Response by the Department
125/2018	TRANSVERSAL: BUDGET CUTS	<p>Noting that:</p> <ol style="list-style-type: none"> Further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. The actual cut will only be effected in the 2018/19 Adjustment Estimate, to allow time for planning. This fiscal consolidation is in addition to the two percent cut to fund the remuneration of <i>Izinduna</i>. <p>The Committee resolves that:</p> <p>The Accounting Officer must provide a report to the Committee by 30 June 2018 on the following:</p> <ol style="list-style-type: none"> How much the Department lost from its budget? What are the implications of the budget cuts on service delivery? Which programmes are going to be affected by the budget cut? Does the Department have a savings plan to avoid the adverse impact this budget cut may have on service delivery? 	<ol style="list-style-type: none"> The amount to be cut in the 2018/19 Adjustments Estimate is R32.840 million. The implications of the budget cuts will affect Capital projects particularly Road Upgrades as some of the planned construction will have to be deferred to a future date determined by available financial resources. The total R32.840 million will be effected against Programme 2: Transport Infrastructure from the sub-programme: Construction. The budget against this category caters for the construction of new roads, the rehabilitation of existing road infrastructure as well as the upgrading of provincial roads. The cuts will not be effected against Maintenance as the department wants to prioritise its existing infrastructure assets and ensure the implementation of maintenance and rehabilitation projects. Furthermore, with the substantial budget cuts in the PRMG additional cuts against Maintenance projects are not practical. <p>The reasons for effecting the reduction against the following programmes is as follows:</p> <ul style="list-style-type: none"> The budget allocations for Programme 1: Administration as well as Programme 5: Community Based Programmes caters for the overall management and administrative, strategic, financial and corporate support services to ensure that the department delivers on its mandate. Therefore most of the allocation caters for personnel, operational as well as legislative requirements costs that cannot be avoided. Approximately 86% of Programme 3: Transport Operations budget is made out of the Public Transport Operations Grant (PTOG) allocated from the National sphere of government. The rest of the budget caters for road safety programmes, personnel and operational costs. Programme 4: Transport regulation caters for the regulation of traffic on public infrastructure, law enforcement, the registration and licensing of vehicles and drivers. Approximately 73% of the budget allocated against this programme is towards compensation of employees. The rest of the allocation is towards operational costs and tools of trade as the majority of service delivery is achieved through departmental personnel. <ol style="list-style-type: none"> In the province, cost cutting measures have been in place for nine years such that there are no contingency reserves in the department's budget. This then means that any reduction is the department's budget allocation will affect the service delivery programmes of the department.

Resolution No.	Subject	Details	Response by the Department
127/2018	TRANSVERSAL: STANDARDISATION OF BUDGET REPORTING	<p>Noting that:</p> <ol style="list-style-type: none"> 1. The Departments and entities in particular do not all use the uniform budget reporting template designed by the Provincial Treasury when they write or present their budgets, financial performance reports and Annual Performance Plans. Therefore, reports are not standardised. 2. Some Departments and entities submit figures to the Treasury and change the figures later without indicating to the Treasury that the figures have changed. <p>The Committee resolves that:</p> <ol style="list-style-type: none"> a) The Accounting Officers must make sure that their departments and entities comply with the Treasury's reporting guidelines and that they use the templates provided to them. b) If there have been changes in the figures of the departments and entities, they must indicate where changes are and notify the Provincial Treasury timeously. c) Public entities, like all departments, must use the template that has been developed by the Provincial Treasury when reporting on their budgets and financial performance in order to have uniformity in the form of reporting. 	<ol style="list-style-type: none"> a) The Department of Transport always complies with the Treasury's reporting guidelines and only uses the templates provided by Provincial Treasury. b) The Budget Analyst allocated to Vote 12 at Provincial Treasury is accessible and interacts with the department on an ongoing basis and all changes whether initiated by the Department or herself are discussed and agreed upon between the two parties timeously. <p>The resolution is noted the Department of Transport does not have any Public Entities under its administration</p>

SCOPA RESOLUTIONS

SCOPA Meetings were held on the following dates:

13 February 2018

16 October 2018

Resolution No.	Subject	Details	Response by the Department
95/2018	TRANSPORT: Emphasis of matter: Under-spending of budget	<p>Noting that:</p> <p>a) The Department materially under-spent its budget on Programme 2: Transport Infrastructure by R250 million of which R200 million relates to delays with the implementation of flood damage projects.</p> <p>b) The Department was unable to spend R50 million relating to the construction of the crime fighting structure between South Africa and Mozambique as the required memorandum of agreement was not signed by the relevant stakeholders.</p> <p>The Committee resolves that:</p> <p>That the Accounting Officer must report by 31 January 2019 on plans to address the causes of the under-expenditure of the budget.</p>	<p>a) Reasons for the zero expenditure on the flood damage funding are detailed hereunder:</p> <p><input type="checkbox"/> The department was allocated an amount of R200 million during the 2017/18 Adjustment Estimates around November 2017, towards the repairs of roads and other fixed structures that were damaged by the Storm around the Ethekwini and Ugu Districts.</p> <p><input type="checkbox"/> The adjudication process of the contracts started in December 2017 due to the fact that the department had to request for a deviation from normal tender processes from Provincial Treasury as these constituted an emergency. This process was also affected by the construction shut-down period which delayed the appointment of contractors as there weren't adequate returns on request for quotations. Furthermore, site handover processes took longer than anticipated as the community stakeholder engagements had delays.</p> <p><input type="checkbox"/> The department was then unable to spend the entire allocation however the majority of the contracts amounting R162.732 million were awarded by the end of the 2017/18 financial year and the balance of R37.268 million awarded at the beginning of the 2018/19 financial year due to delays in the appointment of service providers resulting from non-responsive suppliers in the previous financial year. Approval of roll-over was received from Treasury, projects are currently on progress.</p> <p>b) This project did not materialise as the Provincial Executive Council included a condition that this project may not be undertaken until an MOA has been entered into with the Department of Home Affairs who is responsible for the border infrastructure, so that funds can be recovered. As at the end of the 2017/18 financial year the MOA had not yet been signed and the project could not proceed and therefore the department could not spend the allocated R50 million. The department has prepared a Cabinet Memorandum to request for the removal of the restrictive condition attached to the R50 million allocation to allow the Department of Transport to commence construction and incur expenditure prior to the signing of the MOU.</p>

Resolution No.	Subject	Details	Response by the Department
114/2018	TRANSPORT: Payments not made within 30 days	<p>Noting that:</p> <p>a) Payables in certain departments and public entities exceeded the required payment term of 30 days from the date of receipt of an invoice, as required by Treasury Regulation 8.2.3.</p> <p>b) Most departments do not comply with the 30 days' payment policy and the amounts incurred would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.</p>	<p>1. Invoices are received in one central points where are being track and distributed to respective centres for payment processes. Responsibility managers are responsible to keep track on all received invoices weekly and ensure timeously payments.</p> <p>2. More responsibility managers has been appointed to approve expenditure to avoid holding of payment should be other responsibility managers are on leave.</p> <p>3. 30 days report is presented monthly to management meeting, where all responsible managers are present and advised to take consequence measure against responsible officials.</p> <p>4. More relievers capturers and authorises has been appoint assist with large number of invoices received.</p>
153/2018	TRANSPORT: Unspent flood damage funding	<p>Noting that:</p> <p>1) The Department was allocated R200 million funding for the repairs the flood damaged roads in the province in October 2017.</p> <p>2) No expenditure was incurred on this funding in 2017/18 financial year.</p> <p>3) The Department applied for a rollover of this funding to 2018/19 financial year.</p> <p>The Committee resolves that:</p> <p>The Accounting Officer must provide a report to the Committee by 31 October 2018 on the following:</p> <p>a) Provide reasons for zero expenditure on the flood damage funding.</p> <p>b) Indicate whether the rollover application for the funds to 2018/19 financial year was approved.</p>	<p>a) Reasons for the zero expenditure on the flood damage funding are detailed hereunder:</p> <ul style="list-style-type: none"> The department was allocated an amount of R200 million during the 2017/18 Adjustment Estimates around November 2017, towards the repairs of roads and other fixed structures that were damaged by the Storm around the Ethekwini and Ugu Districts. The adjudication process of the contracts started in December 2017 due to the fact that the department had to request for a deviation from normal tender processes from Provincial Treasury as these constituted an emergency. This process was also affected by the construction shut-down period which delayed the appointment of contractors as there weren't adequate returns on request for quotations. The department was then unable to spend the entire allocation however the majority of the contracts amounting R162.732 million were awarded by the end of the 2017/18 financial year and the balance of R37.268 million awarded at the beginning of the 2018/19 financial year due to delays in the appointment of service providers resulting from non-responsive suppliers in the previous financial year. <p>b) The roll-over of funds to the 2018/19 financial year has been tentatively approved by Provincial Treasury and an allocation letter received on the 22nd of October 2018 in that regard. However the final approval will be sought by Provincial Treasury at the next sitting of the Provincial Executive Council.</p>

Resolution No.	Subject	Details	Response by the Department
160/2018	TRANSVERSAL: General Underspending on Conditional Grants	<p>Noting that:</p> <ol style="list-style-type: none"> 1) The conditional grant allocation in the province was underspent by R226.181 million in 2017/18. 2) The departments applied for rollovers for the committed amounts of the conditional grants which amounted to R192.347 million thus leaving uncommitted amounts that must be returned to National Treasury to R37.077 million. <p>The Committee resolves that:</p> <p>Departments are reminded that it is the position of the Provincial Legislature and the Provincial Executive Council that all conditional grants must be spent in full each financial year and that failure to spend conditional grants in full may result in the reduction of future conditional grants allocation by National Treasury.</p>	<ol style="list-style-type: none"> a) The department notes the resolution of the Provincial Legislature and the Provincial Executive Council. b) For the 2017/18 financial year the Department of Transport received funding for three conditional grants as follows: <ul style="list-style-type: none"> Provincial Roads Maintenance Grant R1 828 970 000 Public Transport Operations Grant R1 071 439 000 EPWP Integrated Grant for Provinces R 33 645 000 <p>The Department of Transport hereby confirms that the allocations for all three conditional grants were fully spent at the end of the 2017/18 financial year.</p>

Resolution No.	Subject	Details	Response by the Department
161/2018	TRANSVERSAL: Lack of Consequence Management for Contravention of the PFMA, KwaZulu-Natal Appropriation Bill, Treasury Regulations and DORA	<p>Noting that:</p> <ul style="list-style-type: none"> a) Some departments continuously commit financial transgressions by contravening the provisions of the PFMA, Treasury Regulations and DORA when utilising their appropriated funds. b) Some departments appear to deliberately disregard the law and regulations and have a long history of contravening the PFMA, Treasury Regulations and DORA in prior financial years and continue to do so. c) There does not seem to be consequence management in departments where the PFMA, Treasury Regulations and DORA have been transgressed. <p>The Committee resolves that:</p> <ul style="list-style-type: none"> 1. The Provincial Treasury must provide a list of all departments that have contravened the provisions of the PFMA, Treasury Regulations and DORA from 2017/2018 financial year specifying the contravened sections or provisions of the PFMA or Treasury Regulations or DORA. 2. The Provincial Treasury must provide a detailed report on the steps that it has taken where departments were found to have contravened the PFMA or KwaZulu-Natal Appropriation Bill or Treasury Regulations or DORA. 3. Accounting Officers of the departments that have been found to have contravened the PFMA, KwaZulu-Natal Appropriation Bill, Treasury Regulations and DORA must provide a report to the Committee by 31 October 2018 indicating whether there were any consequences against the officials that contravened these laws and regulations. 4. Where no consequence management took place, Accounting Officers must provide reasons for this. 	<ul style="list-style-type: none"> 1. According to the department's knowledge it has not contravened the provisions of the PFMA, Treasury Regulations and DORA for the 2017/2018 financial year with regard to the utilisation of its appropriated funds. 2. As per the above response, the department did not have to implement any consequence management in that regard.

Resolution No.	Subject	Details	Response by the Department
163/2018	TRANSVERSAL: Failure by departments to spend specifically and exclusively appropriated funds.	<p>Noting that:</p> <ol style="list-style-type: none"> 1. Spending on specifically and exclusively appropriated funds was at 90.6% at year end and reflected underspending of R464.109 million. 2. It is only COGTA that managed to spend its full allocation out of all the departments that had received specifically and exclusively appropriated funds in 2017/18. <p>The Committee resolves that:</p> <ol style="list-style-type: none"> a) Accounting Officers of all the departments that underspent their specifically and exclusively appropriated funding in 2017/18 must provide a report to the Committee by 31 October 2018 giving reasons for the under-expenditure. b) Accounting Officers of all the department that underspent their specifically and exclusively appropriated funds must indicate to the Committee what measures have they put in place in order to ensure full expenditure of their specifically and exclusively appropriated allocation in 2018/19. 	<p>a) The Department of Transport received specifically and exclusively appropriated funds for learner transport services, cross-border crime fighting structure and flood damage repairs in the 2017/18 financial year. The spending regarding these is explained hereunder:</p> <ol style="list-style-type: none"> I. R195.300 million that was specifically and exclusively appropriated towards the procurement of service providers for the transportation of learners was fully spent at year end. II. The department was allocated R50 million for the planning and the construction of the cross-border crime fighting structure. These funds cannot be spent until such time as an MOA between the province and other national bodies responsible for the border control has been signed. At year end, the MOA had not been signed by the relevant stakeholders hence the funds remain unspent. The department has requested a roll-over in this regard, and has further requested that the funds be suspended until such time that an MOA is signed. III. The reasons for the flood damage under-expenditure are as follows: <ul style="list-style-type: none"> • The department was allocated an amount of R200 million through the 2017/18 Adjustment Estimates process in November 2017, towards the repairs of roads and other fixed structures that were damaged by the Storm around the Ethekwini and Ugu Districts. • During the month of November 2017, department submitted a request for a deviation from normal tender processes to Provincial Treasury as these repairs constituted an emergency. The deviation was approved in December 2017. • The procurement and adjudication of the contracts commenced in December 2017 after the approval from Provincial Treasury was granted however this process was affected by the construction shut-down period which delayed the appointment of contractors as there weren't adequate returns on request for quotations. • The majority of the contracts amounting to R162.732 million were awarded by the end of the 2017/18 financial year. The balance of R37.268 million awarded at the beginning of the 2018/19 financial year due to non-responsive suppliers in the previous financial year. <p>As such the specifically and exclusively appropriated funds related to flood damages remained unspent at year end.</p> <p>b) The roll-over of funds for both the flood damages and the cross-border crime fighting structure to the 2018/19 financial year has been tentatively approved by Provincial Treasury and an allocation letter received on the 22nd of October 2018 in that regard. Furthermore, the suspension of funds for the cross-border crime fighting structure has also been approved until such time as the MOA has been signed.</p> <p>The final approval in terms of these adjustments will be sought by Provincial Treasury at the next sitting of the Provincial Executive Council.</p>

Prior modifications to audit reports

The Department received a qualified opinion in the audit of the financial year 31 March 2018

The basis for the qualified opinion is detailed as follows:

Nature of Qualification, disclaimer, Adverse opinion and matters of non - compliance	Financial year in Which it first arose	Progress made in clearing/resolving the matter
Immovable Capital Assets	2014/15	Complete asset register has been developed and submitted for audit. Due to the extensive sample size the Department was not able to provide all requested documentation by the audit deadline
Irregular Expenditure	2014/15	Resolved in 2018/19

The Department developed an audit improvement strategy document, in which all 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 on to the MEC for the Department as well as to the Cluster and Audit Committee, on a quarterly basis.

Internal Control Unit

A programme of inspections, based on areas of perceived higher risk, as per the table below, was drafted and, during the 2018/2019 Financial Year SCM, Assets, Zibambele, Stores and Revenue inspections were all successfully completed. In addition, several revenue and security ad-hoc inspections were randomly executed throughout the Department, mostly in the offices of RTI's, MLB's and Cost Centres where public monies and security related matters are dealt with. Follow-up inspections were also executed in offices where responses to inspection reports were timeously received. Internal Compliance officials were also invited and attended regional management meetings throughout the Department to present the results of inspections undertaken and raise any issues of concern.

Inspections Conducted	Number of Offices Inspected	Time Frames
SCM Inspection	19	January - April 2018
Asset Inspection	72	April – June 2018
Zibambele Inspection	12	July – August 2018
Stores Inspection	19	September – October 2018
Revenue Inspection	76	November 2018 – March 2019

Internal Control is also responsible for the coordination of Audits both Internal Audits by Provincial Treasury and External Audits by the Auditor-General. The component facilitates the retrieval of documents and compilation of formal communications.

This component also conducts post-audit inspections based on the AG Management Report Findings as well as the Provincial Treasury Audits to raise awareness of all findings within the Department.

Internal Control also is responsible for the development and maintenance of the Audit Improvement Strategy and facilitates the logistics for the Departmental Audit Improvement Workshop.

Internal Audit and Audit Committees

The Internal Audit is a shared service by Provincial Treasury. The Audit Plan is developed on a risk based approach.

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 12 – TRANSPORT

The 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, and is pleased to present its report for the financial year ended 31 March 2019.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Transport is served by the Economic Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter; and reports that it has discharged all of its responsibilities as contained therein.

1. Audit Committee Members and Attendance

The PARC and Economic CARC consists of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	8 of 8	4 of 4
2.	Mr V Ramphal	8 of 8	3 of 4**
3.	Mr M Tarr	8 of 8	4 of 4
4.	Mr P Christianson	8 of 8	N/A*
5.	Ms T Njozela	8 of 8	N/A*
6.	Mr D O'Connor	8 of 8	N/A*
7.	Ms N Sithole	8 of 8	N/A*

* refers to PARC members who did not serve on the Economic CARC

** Mr Ramphal was absent on day 2 of the Q4 Eco Cluster meeting

2. The Effectiveness of Internal Controls

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls in the following areas:

- Expenditure Management – Irregular Expenditure
- Understatement of commitments
- Revenue Management
- Immovable tangible capital assets
- Regulation and Enforcement Operations
- Procurement and contract management
- Performance Information
- Network Vulnerability Assessment
- Software Licensing & IT Spending
- General Accounting Controls

The Committee noted with concern the number of control deficiencies identified by the auditors, both internal and external. Although management interventions on certain control weaknesses were considered by the Committee, the Accounting Officer is urged to urgently implement strategies that will prevent any further regression on audit outcomes.

3. Effectiveness of Internal Audit

The PIAS performed effectively during the period under review. The Committee has, through the PARC and CARC monitoring processes assessed the both the PIAS and its audit reports on the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the Department. These audit reports were tabled at quarterly CARC meetings.

The PIAS planned to conduct twenty two (22) audit assignments for the period under review, of which fifteen (15) were finalized, two (2) were cancelled, two (2) were rolled over and three (3) was carried over to the 2019/20 financial year with the approval of the Audit Committee.

The Committee noted with extreme concern that only 68% of the operational audit plan for the year had been completed, due to the financial and human resource limitations imposed upon PIAS. The Committee urged the management of Provincial Treasury and PIAS to urgently address the factors which had negatively impacted the performance of PIAS during the year under review in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the department's risk register and monitoring progress against the Risk Management Operational Plan.

As at 2018/19 financial year-end, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	1	6	24	25	15	71
Number of Identified Action Plans	4	17	55	46	29	151
Number of Completed Action Plans	2	10	31	33	22	98
No. of Completed Action Plans as a Percentage (%)	50%	59%	56%	72%	76%	65%

Although the Department is commended on the high completion rate of its risk mitigation plans, the Committee is concerned about the slow progress made on addressing risks classified as critical and major. The Committee is also concerned about the impact that risk management is making on the control environment as most of the audit findings and forensic investigations that have been tabled to the Committee during the period under review points to control environment that requires enhancement.

With regard to other risk management initiatives, the Department is commended for recording positive progress on compliance with prescribed risk management standards; high percentage of risk management maturity score; being one of the few departments that have demonstrated linking of risks to its performance indicators; and the implementation of recommended improvement plans for fraud prevention management, and business continuity management.

Notwithstanding the above, the Department is urged to reconfigure its risk management efforts to align it with the improvement of the control environment and achievement of set performance targets through, among other things, performing regular risk assessment and control self-assessment at a process level. The department is also urged to pay particular attention to occupational health and safety management; increasing its low risk management function capacity to be in line with the size and complexity of the Department; and the completion of the on-line risk management training prescribed for the Departmental risk committee members.

5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance prepared and issued by the Accounting Officer of the Department submitted in terms of the PFMA and the Division of Revenue Act during the year under review. However, the Committee notes that the annual financial statements contained material misstatements.

The Committee also notes with concerns the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the Department has been urged to urgently implement appropriate improvement strategies in order to address the identified shortcomings.

Furthermore, the Committee noted with concern the underspending of the budget by R236, 31 million on transport infrastructure.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted with procurement and contract management and the failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts; and
- Reviewed the qualified conclusion on the reliability of performance information resulting from the audit of the Department. The Committee notes with concern that significantly important targets were not reliably reported when compared to the source information or portfolio of evidence provided.

7. Forensic Investigations

During the period under review, the Committee noted that there were twenty seven (27) forensic investigations from 1 April 2018 to 31 March 2019, all relating to alleged conflict of interest, supply chain management and procurement irregularities, mismanagement of funds, motor licensing irregularities, nepotism which the department has referred to the PIAS for investigation.

Fourteen (14) of these investigations in terms of phase 1 were completed and thirteen (13) are in-progress. From the fourteen (14) matters completed three (3) were closed, and nine (9) had disciplinary actions recommended.

The Committee further noted that nine (9) matters are currently under criminal investigation by the South African Police Service (SAPS) and that a criminal case must still be registered on one (1) matter.

The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigations.

8. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the conclusion of the Auditor General's qualified opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

9. 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 support they have provided to enable us to compile this report.



Mr S Simelane
Acting Chairman: Provincial Audit and Risk Committee

05 August 2019



PART D: HUMAN RECOURCES

HUMAN RESOURCE OVERSIGHT

1. Introduction

THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

- The filling of vacant posts and the turn-around time has been affected negatively since the approval to fill critical posts must first be obtained from the Premier. The vacancy rate of the Department has since increased during the reporting period to 14% as compared to 2017/2018 financial year. Women at SMS levels occupying 51.35% (19) of the total number of posts filled at these levels, which is 37.

The employment of persons with disabilities within the Department is at 1.34% (50).

HUMAN RESOURCE PRIORITIES FOR THE YEAR

- The filling of identified critical and funded vacancies remained a key priority, because it is critical to improving service delivery. Improve levels of compliance to HR policies, procedures and respective legislative prescripts. Enhanced and improved employee engagements through, amongst others, climate surveys, leadership impact analysis and exit interviews analysis.

WORKFORCE PLANNING AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

- The Department continues to implement the Occupational Specific Dispensation (OSD) for engineers and related professionals to assist in managing career paths of existing employees in these occupations. This is also manifested through the provision of grade and accelerated grade progression, such as automatic progression to a higher grade after serving the required number of years. Vacancies within the Department are advertised as wide as possible to attract adequate pool of competent and empowered applicants whilst encouraging fair and transparent competition.

EMPLOYEE PERFORMANCE MANAGEMENT

- The Department achieved 100% compliance in terms of signing of SMS members' PAs, including the Head of Department and 99% for employees at levels 1-12 during the year under review. Employees who failed to meet set deadlines as per the Departmental EPMDS Policy forfeited performance incentives, such a performance bonus and pay progression. Stringent and reliable monitoring and evaluation mechanisms were put in place to ensure reliability of information and compliance. The 2017/2018 annual performance assessments for employees at levels 1-12 were finalised and paid out in November 2018.

CHALLENGES

- The filling of critical, funded vacant posts remained a challenge during the year under review. The Department still faces the challenge of attracting and employing more persons with disabilities.
- The Department is faced with a challenge of a relatively high number of employees accessing incapacity leave, which is sitting at 243 (6.15%) out of 3947 employees in the year under review. The increase in applications from the previous year's 3.01% is attributed mainly to the majority of the 3 year sick leave cycle falling within the 2018/2019 financial year where more employees tend to have exhausted their 36 days of normal sick leave and therefore apply for incapacity leave.

FUTURE HUMAN RESOURCE PLANS/GOALS

- The Department will continue to focus on the challenge of filling critical, vacant and funded posts in the new performance year, as well as make every effort to achieve the set employment equity targets. It will also focus on improving the time taken to fill vacant and funded posts. The filling of vacant, critical and funded posts remains a priority. Strategic partnering with line management to improve the understanding of HR prescripts and mandates within the Department in its entirety and also to obtain buy-in on HR strategies regarding workforce planning in general.

EMPLOYEE WELLNESS PROGRAMMES

- The EHW Unit continues to make a visible impact on the lives of employees by increasing the number of employees using Departmental Wellness Clinics and an increase of participants on voluntary on-site testing of employees. Weekly articles encouraging responsible life style disease management and physical fitness are shared within the Department through the Departmental Ezethu magazine. The Work and Play Policy was actively implemented during the period under review with the introduction of Aerobics during office and after hour's classes in certain workplaces as approved by the HoD.

2 Human Resources Oversight Statistics

1.1.1 Personnel Related Expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 2.1.2 Personnel expenditure by programme for the period 1 April 2018 and 31 March 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and Special Services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	391 945	144 658	0.00	0.00	36.90	289
Transport Infrastructure	7 102 727	605 839	0.00	0.00	17	14
Transport Operations	1 891 303	38 144	0.00	0.00	8.52	13
Transport Regulation	8 90 785	612 526	0.00	0.00	2	77
Community Based Programme	52 606	8 622	0.00	0.00	68.80	364
Z=Total as on Financial Systems (BAS)	10 329 366	1 409 789	0.00	0.00	13.40	29

Table 2.1.3 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	55 672	3	338	164 710
Skilled (Levels 3-5)	358 894	19.50	1417	253 277
Highly skilled production (Levels 6-8)	623 789	33.90	1416	440 529
Highly skilled supervision (Levels 9-12)	210 694	11.50	292	721 555
Senior management (Levels 13-16)	45 379	2.5	36	1 260 528
Contract (Levels 1-2)	2 890	0.20	2	1 445 000
Contract (Levels 3-5)	7 126	0.40	39	182 718
Contract (Levels 6-8)	71 769	3.90	187	383 791
Contract (Levels 9-12)	14 024	0.80	23	609 739
Contract (Levels 13-16)	9 508	0.50	202	47 069
Periodical Remuneration	18 149	1	849	21529
Abnormal Appointment	379 291	20.60	43958	8628
TOTAL	1 797 184	97.80	36 863	48 753

Table 2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	122 736	80.50	1 231	0.80	3 753	2.50	7 302	4.80
Community Based Programme	13 241	81.70	0.00	0.00	215	3.30	564.00	4.20
Transport Infrastructure	841 791	87.80	16 732	1.70	25 044	2.50	34 375	6.20
Transport Operations	47 067	83.60	26.00	0.00	856	1.50	1 858	3.30
Transport Regulation	402 156	65.20	93 604	15.20	20 534	3.30	43 820	7.10
TOTAL	1427 991	77.70	111 593	6.10	50 402	2.70	87 900	4.80

Table 2.1.5 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	38 829	69.30	1 336	2.40	4 453	7.90	5 815	10.40
Skilled (Levels 3-5)	261 089	72.30	10 595	2.90	21 886	6.10	30 585	8.50
Highly skilled production (Levels 6-8)	419 477	66.30	88 330	14	20 696	3.30	42 673.00	6.70
Highly skilled supervision (Levels 9-12)	170 815	75.60	9 941	4.40	3 021	1.30	7 753.00	3.40
Senior management (Levels 13-16)	40 445	83.10	0	0	283	0.60	790	1.60
Contract (Levels 1-2)	6 883	94.00	29	0.40	48	0.70	44	0.60
Contract (Levels 3-5)	70 219	95.30	1 286	1.70	16	0	86	0.10
Contract (Levels 6-8)	13 553.00	90.90	13.00	0.10	0	0	112	0.80
Contract (Levels 9-12)	2 608.00	79.60	0	0	0	0	42	1.30
Contract (Levels 13-16)	9 445	99.30	62	0.70	0	0	0	0
Periodical Remuneration	15 409	82.20	0	0	0	0	0	0
Abnormal Appointment	379 218	98.30	0	0	0	0	0	0
TOTAL	1 427 991	77.70	111 593	6.10	50 402	2.70	87 900	4.80

3 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.1.1 Employment and vacancies by programme as on 31 March 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	592	488	17.60	126
Transport Infrastructure	30	21	30	0
Transport Operations	2346	1944	17.14	208
Transport Regulation	90	75	16.70	9
Community Based Programme	1 601	1 424	11.10	2
TOTAL	4 659	3 952	15.20	345

Table 3.1.2 Employment and vacancies by salary band as on 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	391	338	13.60	0
Skilled (Levels 3-5), Permanent	1 762	1 417	19.60	0
Highly skilled production (Levels 6-8), Permanent	1 652	1 416	14.30	0
Highly skilled supervision (Levels 9-12), Permanent	352	292	17	0
Senior management (Levels 13-16), Permanent	49	36	26.50	0
Contract (Levels 1-2), Permanent	202	202	0.00	123
Contract (Levels 3-5), Permanent	39	39	0.00	16
Contract (Levels 6-8), Permanent	187	187	0.00	185
Contract (Levels 9-12), Permanent	23	23	0.00	21.
Contract (Levels 13-16), Permanent	2	2	0.00	0
TOTAL	4 659	3 952	15.20	345

Table 3.1.3 Employment and vacancies by critical occupations as on 31 March 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	188	147	21.80	2
All Artisans In The Building Metal Machinery Etc., Permanent	130	97	25.40	3
Artisan Project And Related Superintendents, Permanent	24	18	25	0
Auxiliary And Related Workers, Permanent	33	31	6.10	0
Building And Other Property Caretakers, Permanent	11	5	54.50	0
Bus And Heavy Vehicle Drivers, Permanent	9	3	66.70	1
Cartographers And Surveyors, Permanent	1	1	0	1
Cartographic Surveying And Related Technicians, Permanent	8	6	25	1
Civil Engineering Technicians, Permanent	294	255	13.30	200
Cleaners In Offices Workshops Hospitals Etc., Permanent	122	105	13.90	0
Client Inform Clerks (Switchb Recept Inform Clerks), Permanent	29	25	13.80	0
Communication And Information Related, Permanent	5	4	20	0
Engineering Sciences Related, Permanent	21	15	28.60	0
Engineers And Related Professionals, Permanent	63	54	14.30	0
Finance And Economics Related, Permanent	5	4	20	0
Financial And Related Professionals, Permanent	14	10	28.60	1
Financial Clerks And Credit Controllers, Permanent	18	8	55.60	0
Food Services Aids And Waiters, Permanent	19	17	10.50	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources & Organisat Developm & Relate Prof, Permanent	27	21	22.20	0
Human Resources Clerks, Permanent	91	76	16.50	0
Human Resources Related, Permanent	15	13	13.30	0
Language Practitioners Interpreters & Other Commun, Permanent	9	8	11.10	1
Legal Related, Permanent	3	3	0	0
Librarians And Related Professionals, Permanent	1	1	0	0
Library Mail And Related Clerks, Permanent	2	2	0	0
Light Vehicle Drivers, Permanent	9	3	66.70	0
Logistical Support Personnel, Permanent	1	1	0	0
Mechanical Engineering Technicians, Permanent	1	1	0	1
Messengers Porters And Deliverers, Permanent	81	54	33.30	0
Motor Vehicle Drivers, Permanent	392	309	21.20	0
Other Administrat & Related Clerks And Organisers, Permanent	1120	995	11.20	131
Other Administrative Policy And Related Officers, Permanent	241	203	15.80	2
Other Information Technology Personnel., Permanent	2	1	50	0
Other Occupations, Permanent	1	1	0	0
Printing Planners And Production Controllers, Permanent	1	1	0	0
Regulatory Inspectors, Permanent	778	713	8.40	0
Road Superintendents, Permanent	13	12	7.70	0
Road Trade Workers., Permanent	151	135	10.60	0
Road Workers, Permanent	503	427	15.10	0
Safety Health And Quality Inspectors, Permanent	2	2	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	36	29	19.40	1
Security Guards, Permanent	33	25	24.20	0
Security Officers, Permanent	5	5	0	0
Senior Managers, Permanent	47	34	27.70	0
Trade Labourers, Permanent	98	71	27.60	0
Trade Trainers, Permanent	1	0	100	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Total	4 659	3 952	15.20	345

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2019

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	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	10	7	70	3	30
Salary Level 13	29	27	93	2	7
Total	44	39	89	5	11

Table 3.3.2 SMS post information as on 30 September 2018

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	0	0
Salary Level 15	4	3	75	0	0
Salary Level 14	10	7	70	3	30
Salary Level 13	29	27	93	2	7
Total	44	39	89	5	11

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
The functions needed to be aligned to the structure and the process of having to seek approval for filling from the Premier took longer than anticipated.
Reasons for vacancies not filled within twelve months
N/A – the posts have not yet been vacant for 12 months (2 posts - vacated 1 June 2018 and 1 July 2018)

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019

Disciplinary steps taken
None

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2018 and 31 March 2019

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	391	288	73.70	32	100	19	100
Skilled (Levels 3-5)	1 762	1 310	74.30	734	96.73	28	100
Highly skilled production (Levels 6-8)	1 652	1 286	77.80	675	98.81	8	100
Highly skilled supervision (Levels 9-12)	352	233	66.20	87	100	5	100
Senior Management Service Band A	32	16	50	0	0	0	0
Senior Management Service Band B	12	9	75	0	0	0	0
Senior Management Service Band C	4	2	50	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	202	0	0	0	0	0	0
Contract (Levels 3-5)	39	31	79.50	0	0	0	0
Contract (Levels 6-8)	187	1	0.50	0	0	0	0
Contract (Levels 9-12)	23	2	8.70	0	0	0	0
Contract Band A	1	1	100	0	0	0	0
Contract Band D	1	1	100	0	0	0	0
Total	4 659	3 180	68.30	1 530	97.84	60	100

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 and 31 March 2019

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				N/A
Percentage of total employed				N/A

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2) Permanent	356	0	3	0.80
Skilled (Levels 3-5) Permanent	1 492	33	93	6.20
Highly Skilled Production (Levels 6-8) Permanent	1 437	18	54	3.80
Highly Skilled Supervision (Levels 9-12) Permanent	273	11	3	1.10
Senior Management Service Band A Permanent	24	0	1	4.20
Senior Management Service Band B Permanent	8	0	1	12.50
Senior Management Service Band C Permanent	3	0	0	0
Senior Management Service Band D Permanent	1	0	0	0
Other Permanent	26	220	43	165.40
Contract (Levels 3-5) Permanent	39	14	9	23.10
Contract (Levels 6-8) Permanent	192	7	19	9.90
Contract (Levels 9-12) Permanent	22	8	5	22.70
Contract Band D Permanent	1	0	0	0
Total	3 874	312	231	6

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	136	5	5	3.70
All Artisans In The Building Metal Machinery Etc. Permanent	101	2	4	4
Artisan Project And Related Superintendents Permanent	17	1	1	5.90
Auxiliary And Related Workers Permanent	29	1	0	0
Building And Other Property Caretakers Permanent	6	0	1	16.70
Bus And Heavy Vehicle Drivers Permanent	6	0	3	50
Cartographic Surveying And Related Technicians Permanent	7	2	3	42.90
Civil Engineering Technicians Permanent	253	29	24	9.50
Cleaners In Offices Workshops Hospitals Etc. Permanent	108	0	4	3.70
Client Inform Clerks (Switch Receipt Inform Clerks) Permanent	26	0	1	3.80
Communication And Information Related Permanent	4	0	0	0
Engineering Sciences Related Permanent	17	1	0	0
Engineers and Related Professionals Permanent	46	5	0	0
Finance and Economics Related Permanent	4	0	0	0
Financial and Related Professionals Permanent	9	2	0	0
Financial Clerks and Credit Controllers Permanent	10	0	0	0
Food Services Aids and Waiters Permanent	19	0	1	5.30
Head Of Department/Chief Executive Officer Permanent	1	0	0	0
Human Resources & Organisat Developm & Relate Prof Permanent	22	0	1	4.50
Human Resources Clerks Permanent	76	0	5	6.60
Human Resources Related Permanent	14	1	2	14.30
Language Practitioners Interpreters & Other Commun Permanent	8	0	0	0
Legal Related Permanent	3	0	0	0
Librarians and Related Professionals Permanent	1	0	0	0
Library Mail and Related Clerks Permanent	2	0	0	0
Light Vehicle Drivers Permanent	6	0	2	33.30
Logistical Support Personnel Permanent	1	0	0	0
Mechanical Engineering Technicians Permanent	2	0	1	50.00
Messengers Porters and Deliverers Permanent	56	0	3	5.40
Motor Vehicle Drivers Permanent	319	4	21	6.60
Other Administrat & Related Clerks and Organisers Permanent	853	244	83	9.70
Other Administrative Policy and Related Officers Permanent	179	10	5	2.80
Other Information Technology Personnel. Permanent	2	0	1	50
Other Occupations Permanent	1	0	0	0
Printing Planners and Production Controllers Permanent	1	1	0	0
Regulatory Inspectors Permanent	741	1	21	2.80
Road Superintendents Permanent	13	0	1	7.70
Road Trade Workers. Permanent	138	0	3	2.20
Road Workers Permanent	461	0	25	5.40
Safety Health and Quality Inspectors Permanent	2	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	31	2	1	3.20
Security Guards Permanent	25	0	0	0
Security Officers Permanent	5	0	0	0
Senior Managers Permanent	34	1	2	5.90
Trade Labourers Permanent	78	0	6	7.70
Trade Trainers Permanent	1	0	1	100
TOTAL	3874	312	231	6

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2018 and 31 March 2019

Termination Type	Number	% of Total Resignations
Death	31	13.40
Resignation	80	34.60
Expiry of contract	58	25.10
Dismissal – operational changes	0	0
Dismissal – misconduct	3	1.30
Dismissal – inefficiency	0	0
Discharged due to ill-health	3	1.30
Retirement	56	24.20
Transfer to other Public Service Departments	0	0
Other	0	0
Total	231	100
Total number of employees who left as a % of total employment (3952)	5.80%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related Permanent	136	13	9.60	71	52.20
All Artisans In The Building Metal Machinery Etc. Permanent	101	2	2	55	54.50
Artisan Project And Related Superintendents Permanent	17	4	23.50	9	52.90
Auxiliary And Related Workers Permanent	29	1	3.40	19	65.50
Building And Other Property Caretakers Permanent	6	0	0	4	66.70
Bus And Heavy Vehicle Drivers Permanent	6	0	0	1	16.70
Cartographic Surveying And Related Technicians Permanent	7	0	0	3	42.90
Civil Engineering Technicians Permanent	253	0	0	110	43.50
Cleaners In Offices Workshops Hospitals Etc. Permanent	108	0	0	63	58.30
Client Inform Clerks(Switchb Recept Inform Clerks) Permanent	26	0	0	16	61.50
Communication And Information Related Permanent	4	0	0	1	25

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineering Sciences Related Permanent	17	0	0	5	29.40
Engineers And Related Professionals Permanent	46	2	4.30	25	54.30
Finance And Economics Related Permanent	4	0	0	2	50
Financial And Related Professionals Permanent	9	0	0	3	33.30
Financial Clerks And Credit Controllers Permanent	10	0	0	5	50
Food Services Aids And Waiters Permanent	19	0	0	7	36.80
Head Of Department/ Chief Executive Officer Permanent	1	0	0	1	100
Human Resources & Organisat Developm & Relate Prof Permanent	22	1	4.50	13	59.10
Human Resources Clerks Permanent	76	2	2.60	67	88.20
Human Resources Related Permanent	14	1	7.10	4	28.60
Language Practitioners Interpreters & Other Commun Permanent	8	0	0	8	100
Legal Related Permanent	3	0	0	2	66.70
Librarians And Related Professionals Permanent	1	0	0	0	0
Library Mail And Related Clerks Permanent	2	0	0	1	50
Light Vehicle Drivers Permanent	6	0	0	2	33.30
Logistical Support Personnel Permanent	1	0	0	0	0
Mechanical Engineering Thechnicians Permanent	2	0	0	1	50
Messengers Porters And Deliverers Permanent	56	0	0	44	78.60
Motor Vehicle Drivers Permanent	319	9	2.80	246	77.10
Other Administrat & Related Clerks And Organisers Permanent	853	2	0.20	662	77.60
Other Administrative Policy And Related Officers Permanent	179	22	12.30	116	64.80
Other Information Technology Personnel. Permanent	2	0	0	1	50
Other Occupations Permanent	1	0	0	0	0
Printing Planners And Production Controllers Permanent	1	0	0	0	0
Regulatory Inspectors Permanent	741	3	0.40	500	67.50
Road Superintendents Permanent	13	0	0	4	30.80
Road Trade Workers. Permanent	138	1	0.70	106	76.80
Road Workers Permanent	461	1	0.20	334	72.50
Safety Health And Quality Inspectors Permanent	2	0	0	1	50
Secretaries & Other Keyboard Operating Clerks Permanent	31	0	0	11	35.50
Security Guards Permanent	25	0	0	16	64
Security Officers Permanent	5	0	0	1	20
Senior Managers Permanent	34	2	5.90	21	61.80

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Trade Labourers Permanent	78	0	0	59	75.60
Trade Trainers Permanent	1	0	0	0	0
TOTAL	3874	66	1.70	2620	67.60

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	356	0	0	215	60.40
Skilled (Levels 3-5), Permanent	1492	11	0.70	1187	79.60
Highly skilled production (Levels 6-8), Permanent	1437	33	2.30	858	59.70
Highly skilled supervision (Levels 9-12), Permanent	273	18	6.60	144	52.70
Senior management (Levels 13-16), Permanent	36	4	11.10	22	61.10
Contract (Levels 1-2), Permanent	26	0	0	83	319.20
Contract (Levels 3-5), Permanent	39	0	0	30	76.90
Contract (Levels 6-8), Permanent	192	0	0	72	37.50
Contract (Levels 9-12), Permanent	22	0	0	8	36.40
Contract (Levels 13-16), Permanent	1	0	0	1	100
TOTAL	3874	66	1.70	2 620	67.60

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	0	1	3	17	0	1	0	36
Professionals	52	1	9	12	48	2	4	7	135
Technicians and associate professionals	242	12	35	23	268	7	34	25	646
Clerks	171	8	37	9	731	24	93	62	1135
Service and sales workers	336	27	88	35	207	11	26	13	743
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	159	3	20	17	64	0	0	0	263
Plant and machine operators and assemblers	285	0	0	2	28	0	0	0	315
Elementary occupations	386	1	2	2	285	1	2	0	679
Total	1645	52	192	103	1648	45	160	107	3952

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	0	1	2	0	0	0	5
Senior Management, Permanent	11	0	1	2	16	0	1	0	31
Professionally qualified and experienced specialists and mid-management, Permanent	108	10	28	28	95	2	14	7	292
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	502	31	122	64	495	26	81	95	1416
Semi-skilled and discretionary decision making, Permanent	714	10	33	7	573	17	58	5	1417
Unskilled and defined decision making, Permanent	104	0	1	0	232	0	1	0	338
Not Available, Permanent	51	0	0	0	151	0	0	0	202
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally Qualified), Permanent	13	0	3	0	4	0	3	0	23
Contract (Skilled Technical), Permanent	117	0	3	1	65	0	1	0	187
Contract (Semi-Skilled), Permanent	21	1	1	0	15	0	1	0	39
TOTAL	1645	52	192	103	1648	45	160	107	3952

Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
03 Professionally qualified and experienced specialists and mid-management, Permanent	8	1	0	0	2	0	0	0	11
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	0	2	0	8	0	0	0	18
05 Semi-skilled and discretionary decision making, Permanent	6	0	1	0	25	0	1	0	33
Not Available, Permanent	55	0	0	0	165	0	0	0	220
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	6	0	0	0	2	0	0	0	8
Contract (Skilled technical), Permanent	4	0	0	0	3	0	0	0	7
Contract (Semi-skilled), Permanent	9	0	1	0	3	0	1	0	14
TOTAL	97	1	4	0	208	0	2	0	312
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	2	0	0	0	2
Senior Management	9	0	1	0	14	0	0	0	24
Professionally qualified and experienced specialists and midmanagement	64	7	18	14	51	2	2	4	162
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	337	14	55	20	382	16	34	33	891
Semi-skilled and discretionary decision making	585	8	26	4	505	14	50	6	1198
Unskilled and defined decision making	73	0	0	0	142	0	0	0	215
07 Not Available, Permanent	34	0	0	0	49	0	0	0	83
08 Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
10 Contract (Professionally qualified), Permanent	4	0	2	0	1	0	1	0	8
11 Contract (Skilled technical), Permanent	49	0	2	0	21	0	0	0	72
12 Contract (Semi-skilled), Permanent	15	1	0	0	13	0	1	0	30
Total	1171	30	104	38	1180	32	88	43	2686
Employees with disabilities	9	0	2	1	10	0	2	1	25

Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0	0
Professionally qualified and experienced specialists and midmanagement	1	0	0	0	1	0	0	1	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	1	7	5	7	2	2	4	54
Semi-skilled and discretionary decision making	59	0	2	0	29	0	2	1	93
Unskilled and defined decision making	2	0	0	0	1	0	0	0	3
Not Available, Permanent	9	0	0	0	34	0	0	0	43
Contract (Professionally qualified), Permanent	3	0	0	0	2	0	0	0	5
Contract (Skilled technical), Permanent	13	0	1	0	5	0	0	0	19
Contract (Semi-skilled), Permanent	6	0	0	0	3	0	0	0	9
Total	120	1	10	5	83	2	4	6	231
Employees with Disabilities	1	0	0	0	1	0	0	0	2

Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written Warning									
Final Written Warning									
Dismissal									
Suspension with pay									
Case Withdrawn									
GRAND TOTAL									
Employees with disabilities									

Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	43	7	14	19	66	7	18	13	187
Professionals	33	3	3	7	30	1	3	7	87
Technicians and Associate Professionals	212	1	25	25	224	7	17	7	528
Clerks	118	12	32	22	501	22	49	32	788
Service and Sales Workers	163	20	56	27	85	6	16	7	380
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	38	2	11	4	10	0	0	0	65
Plant and Machine Operators and Assemblers	201	0	0	1	22	0	0	0	224
Elementary Occupations	62	0	1	0	95	0	0	0	158
TOTAL	870	45	142	105	1033	43	103	76	2417
Employees with disabilities	18	0	2	4	19	0	4	2	49

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018

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	4	4	100%
Salary Level 14	10	7	7	100%
Salary Level 13	29	27	27	100%
Total	44	39	39	100%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 20ZZ.

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2018

Reasons
None – All SMS members concluded their Performance Agreements by the deadline date of 31 May 2018

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2018

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

Race and Gender	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	461	1629	28.30	8 335.63	18082
African, Male	407	1626	25	6 399.41	15723
Asian, Female	69	156	44.20	1 688.87	24476
Asian, Male	75	190	39.50	1 979.55	26394
Coloured, Female	23	45	51.10	364.28	15838
Coloured, Male	15	52	28.80	508.34	33889
White, Female	49	105	46.70	1 267.73	25872
White, Male	43	99	43.40	1 513.36	35194
Employees with a disability	14	50	28	644.74	46053
TOTAL	1156	3952	29.30	22 701.90	19 638

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	87	338	25.70	640.57	7363	87
Skilled (Levels 3-5)	452	1417	31.90	5 063.22	11202	452
Highly skilled production (Levels 6-8)	435	1416	30.70	9 056.38	20819	435
Highly skilled supervision (Levels 9-12)	132	292	45.20	5 961.50	45163	132
Contract (Levels 1-2)	0	202	0.00	0	0	0
Contract (Levels 3-5)	7	39	17.90	84.55	12078	7
Contract (Levels 6-8)	28	187	15.00	539.29	19260	28
Contract (Levels 9-12)	2	23	8.70	49.29	24646	2
TOTAL	1143	3914	29.20	21 394.79	18 718	1143



MEC for Transport, Community Safety and Liaison Mxolisi Kaunda together with Transport Head of Department Sibusiso Gumbi arriving at Rossburg Drivers Licence Testing Center for an unannounced visit. PHOTO: MBUYISELO NDLOVU

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	6	8	75	109.65	18275
Human Resources Clerks	25	76	32.90	291.46	11658
Security Officers	1	5	20	10.81	10811
Human Resources & Organisat Developm & Relate Prof	8	21	38.10	237.34	29668
All Artisans In The Building Metal Machinery Etc.	24	97	24.70	459.32	19138
Messengers Porters And Deliverers	25	54	46.30	276.11	11044
Road Trade Workers.	27	135	20	378.69	14026
Safety Health And Quality Inspectors	0	2	0	0	0
Finance And Economics Related	3	4	75	156.85	52283
Logistical Support Personnel	1	1	100	24.02	24025
Other Administrat & Related Clerks And Organisers	294	995	29.50	4 155.04	14133
Auxiliary And Related Workers	14	31	45.20	221.76	15840
Other Occupations	0	1	0	0	0
Legal Related	1	3	33.30	21.68	21682
Financial And Related Professionals	7	10	70	399.57	57082
Building And Other Property Caretakers	4	5	80	45.34	11335
Administrative Related	81	147	55.10	3 860.51	47661
Communication And Information Related	2	4	50	54.59	27296
Secretaries & Other Keyboard Operating Clerks	22	29	75.90	443.56	20162
Cleaners In Offices Workshops Hospitals Etc.	41	105	39	329.75	8043
Library Mail And Related Clerks	2	2	100	43.32	21661
Human Resources Related	1	13	7.70	35.47	35466
Head Of Department/Chief Executive Officer	0	1	0	0	0
Trade Labourers	24	71	33.80	198.47	8269
Road Superintendents	3	12	25	37.98	12659
Language Practitioners Interpreters & Other Commun	8	8	100	115.27	14409
Regulatory Inspectors	142	713	19.90	3 221.30	22685
Cartographic Surveying And Related Technicians	2	6	33.30	64.00011	32000
Civil Engineering Technicians	49	255	19.20	1 095.63	22360
Road Workers	86	427	20.10	681.10	7920
Other Administrative Policy And Related Officers	87	203	42.90	2 032.21	23359
Artisan Project And Related Superintendents	6	18	33.30	152.01	25334
Bus And Heavy Vehicle Drivers	0	3	0	0	0
Senior Managers	12	34	35.30	1 225.46	102121
Client Inform Clerks(Switchb Recept Inform Clerks)	16	25	64.00	379.32	23708
Printing Planners And Production Controllers	0	1	0	0	0
Engineers And Related Professionals	18	54	33.30	603.23	33513
Cartographers And Surveyors	0	1	0	0	0
Other Information Technology Personnel.	2	1	200	32.66	16330
Light Vehicle Drivers	1	3	33.30	11.44	11438
Engineering Sciences Related	5	15	33.30	324.43	64887

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Motor Vehicle Drivers	84	309	27.20	765.60	9114
Security Guards	4	25	16	24.77	6192
Food Services Aids And Waiters	16	17	94.10	136.83	8552
Mechanical Engineering Technicians	0	1	0	0	0
Librarians And Related Professionals	1	1	100	34.70	34703
Total	1156	3952	29.30	22 701.90	19 638

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	8	25	32.00	768.21	96 026.20	2.50
Band B	4	7	57.10	450.94	112 733.80	4.20
Band C	1	4	25	87.96	87965	1.40
Band D	0	2	0	0	0	0
TOTAL	13	38	34.20	1 307.11	100 546.90	2.50

3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 foreign workers by salary band for the period 1 April 2018 and 31 March 2019

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1	50	1	50	0	0
Highly skilled supervision (Levels 9-12)	1	50	1	50	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	2	100	2	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2018 and 31 March 2019

Major Occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	0	0	0	0	0	0
Other occupations	0	0	0	0	0	0
Professionals and managers	2	100	2	100	0	0
TOTAL	2	100	2	100	0	0

3.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2018

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)
Lower skilled (Levels 1-2)	1686	86	231	8.30	7	872
Skilled (Levels 3-5)	7459	78.10	988	35.50	8	6204
Highly skilled production (Levels 6-8)	9052	72.10	1097	39.40	8	11546
Highly skilled supervision (Levels 9-12)	1177	73.30	193	6.90	6	3041
Senior management (Levels 13-16)	214	83.20	30	1.10	7	915
Contract (Levels 1-2)	119	79.00	23	0.80	5	78
Contract (Levels 3-5)	503	73.20	95	3.40	5	677
Contract (Levels 6-8)	91	85.70	15	0.50	6	227
Contract (Levels 9-12)	270	46.70	112	4	2	82
TOTAL	20571	75.40	2784	100	7	23 644

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

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)
Lower skilled (Levels 1-2)	489	100	16	7.20	31.00	261
Skilled (Levels 3-5)	1836	98.79	76	34.10	24	1570
Highly skilled production (Levels 6-8)	3186	100	118	52.90	27	4290
Highly skilled supervision (Levels 9-12)	168	100	9	4.00	19.00	430
Senior management (Levels 13-16)	11	100	2	0.40	11.00	45
Contract (Levels 6-8)	24	100	2	0.90	12.00	34
Contract Other	3	100	1	0.40	3.00	1
Total	5717	99.39	223	100	26.00	6 631

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days taken	Average per employee	Number of employees using annual leave
Lower skilled (Levels 1-2)	7301	21	349
Skilled (Levels 3-5)	35 964.20	24	1502
Highly skilled production (Levels 6-8)	35 487.95	25	1448
Highly skilled supervision (Levels 9-12)	6 811.92	25	276
Senior management (Levels 13-16)	896	24	37
Contract Other	1250	6	209
Contract (Levels 3-5)	669	18	37
Contract (Levels 6-8)	3359	17	194
Contract (Levels 9-12)	324	15	21
Total	92 084.07	23	4074

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Lower skilled (Levels 1-2)	0	0	0	12
Skilled (Levels 3-5)	103	18	5.72	61
Highly skilled production (Levels 6-8)	137	27	5.07	56
Highly skilled supervision (Levels 9-12)	42	11	3.82	72
Senior management (Levels 13-16)	0	0	0	112
Total	282	56	5.14	60

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay outs for the period 1 April 2018 and 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2018/19 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2018/19	3 996	66	60 545
Current leave payout on termination of service for 2018/19	2 016	113	34 538
Total	6 011	179	95 083

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 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
Nil	N/A

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the <u>Public Service Regulations, 2001</u> ? If so, provide her/his name and position.	X		Ms C Zwane, Chief Director: Human Resource Management.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Department has a dedicated EHWP unit with two (2) employees and the annual budget is R4, 4m.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Professional counselling and assessment, debriefing, crisis intervention, referrals to respective registered medical practitioners, and implementation of prevention programmes and consultations as and when deems fit.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the <u>Public Service Regulations, 2001</u> ? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The committee is chaired by Ms C Zwane (CD: HRM), other appointed members are Ms TM Zondi and Ms KH Mlakuhlwa from Head Office EHW unit; Ms S Hlela, Ms A Ndlovu, Ms G Hlabisa, and Ms S Afrika who are representing all employees from salary levels 1-14 under Empangeni, Ladysmith, Pietermaritzburg and Durban Regional Offices.
5. Has the department reviewed its employment policies and practices 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.	X		The Department has an approved HIV/AIDS and TB Management policy that is regarded as an overarching directive that directly addresses all issues of human rights and discrimination in the workplace.
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.	X		The EHW unit provides continuous support to employees who are directly or indirectly discriminated in general. Furthermore, the unit conducts ongoing awareness campaigns throughout the Department in terms of prevention strategies and encouraging employees to know their status. Health screenings are conducted on a monthly basis.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Departmental Wellness Clinics and GEMS services are utilised in this regard. There has been a noticeable increase of 197 number employees (estimate) who participated in testing for HIV during the reporting period. Furthermore, there has been an increase on the number of employees who are assisted and treated by an in-house registered medical practitioner as compared to the previous financial year.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		An increase in terms of the number of employees accessing Departmental Wellness clinics; An increase on formal referrals by respective supervisors; and the reduction of employees accessing incapacity leave by at least 2%.

4 LABOUR RELATIONS

Table 4.1.1 Collective agreements for the period 1 April 2018 and 31 March 2019

Subject matter	Date
None	

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

Table 4.1.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	3	50%
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	1	17%
Not guilty	0	0%
Case withdrawn	2	33%
Total	6	100%

Table 4.1.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

Type of misconduct	Number	% of total
Fraud/Theft	4	66%
Negligence	1	17%
Non Compliance	1	17%
Total	6	100%

Table 4.1.4 Grievances logged for the period 1 April 2018 and 31 March 2019

Grievances	Number	% of Total
Number of grievances resolved	4	3%
Number of grievances not resolved	155	97%
Total number of grievances lodged	159	100%

Table 4.1.5 Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	19	0%

Table 4.1.6 Strike actions for the period 1 April 2014 and 31 March 2015

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 4.1.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	0

4.2 SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

Table 4.2.1 Training needs identified for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	18	0	33	0	33
	Male	17	0	25	0	25
Professionals	Female	62	0	18	0	18
	Male	63	0	10	0	10
Technicians and associate professionals	Female	309	0	52	0	52
	Male	301	0	54	0	54
Clerks	Female	809	0	20	0	20
	Male	198	0	33	0	33
Service and sales workers	Female	263	0	29	0	29
	Male	509	0	29	0	29
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	63	0	11	0	11
	Male	208	0	11	0	11
Plant and machine operators and assemblers	Female	28	0	14	0	14
	Male	304	0	14	0	14
Elementary occupations	Female	297	0	23	0	23
	Male	432	0	21	0	21
Sub Total	Female	1 849	0	200	0	200
	Male	2 032	0	197	0	197
Total		3 881	0	397	0	397

Table 4.2.2 Training provided for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	18	0	26	0	26
	Male	17	0	22	0	22
Professionals	Female	62	0	11	0	11
	Male	63	0	13	0	13
Technicians and associate professionals	Female	309	0	37	0	37
	Male	301	0	33	0	33
Clerks	Female	809	0	33	0	33
	Male	198	0	24	0	24
Service and sales workers	Female	263	0	24	0	24
	Male	509	0	27	0	27
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	63	0	7	0	7
	Male	208	0	10	0	10
Plant and machine operators and assemblers	Female	28	0	10	0	10
	Male	304	0	21	0	21
Elementary occupations	Female	297	0	29	0	29
	Male	432	0	30	0	30
Sub Total	Female	1 849	0	177	0	177
	Male	2 032	0	180	0	180
Total		3 881	0	357	0	357

4.3 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.3.1 Injury on duty for the period 1 April 2018 and 31 March 2019

Nature of injury on duty	Number	% of total
Required basic medical attention only	36	81.8%
Temporary Total Disablement	7	15.9%
Permanent Disablement	0	0%
Fatal	1	2.3%
Total	44	100%

4.4 SEVERANCE PACKAGES

Table 4.4.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	5	0	0	0
Highly skilled production (Levels 6-8)	23	0	0	0
Highly skilled supervision (Levels 9-12)	10	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	38	0	0	0





PART E: FINANCIAL INFORMATION



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Financial year	2018/19
National / Province	KWAZULU-NATAL
Name of Department:	TRANSPORT
Vote number:	12
Quarter	Quarter 4

Annual Financial Statements

TRANSPORT

for the year ended 31 March 2019

Contact Information:	
Name of Chief Financial Officer:	Mr W Evans
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Name of contact at provincial treasury:	
Contact telephone number:	Mr Santanu Moodley 033 - 8794200
Contact e-mail address:	Santanu.moodley@kzntreasury.gov.za
Name of relevant Auditor:	
Contact telephone number:	Mr J Nkosi 033 - 264 7447
Contact e-mail address:	NkosiJ@agsa.co.za
Name of contact at National Treasury:	
Contact telephone number:	Star Ngozi 012 315-5763
Contact e-mail address:	Star.Ngozi@treasury.gov.za

Programmes within the department	
Programme 1	Administration

Programme 2	Transport Infrastructure
Programme 3	Transport Operations
Programme 4	Transport Regulation
Programme 5	Community Based Programme

Programme 1: Administration

Sub-Programme 1	Office of the MEC
Sub-Programme 2	Management
Sub-Programme 3	Corporate Support
Sub-Programme 4	Departmental Strategy

Programme 2: Transport Infrastructure

Sub-Programme 1	Programme Support Infrastructure
Sub-Programme 2	Infrastructure Planning
Sub-Programme 3	Infrastructure Design
Sub-Programme 4	Construction
Sub-Programme 5	Maintenance

Programme 3: Transport Operations

Sub-Programme 1	Programme Support Operations
Sub-Programme 2	Public Transport Services
Sub-Programme 3	Transport Safety And Compliance

Programme 4: Transport Regulation

Sub-Programme 1	Programme Support Regulation
Sub-Programme 2	Transport Administration and Licensing
Sub-Programme 3	Operator Licenses and Permits
Sub-Programme 4	Law Enforcement

Programme 5: Community Based Programme

Sub-Programme 1	Programme Support Community Based
Sub-Programme 2	Community Development
Sub-Programme 3	Innovation and Empowerment
Sub-Programme 4	EPWP Co-ordination and Monitoring

VOTE 12

FOR THE YEAR ENDED 31 MARCH 2019

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Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 12: Department of Transport

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Transport set out on pages 123 to 209, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Transport as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for qualified opinion

Immovable tangible capital assets and capital work in progress

3. I was unable to obtain sufficient appropriate audit evidence that immovable tangible capital assets had been properly accounted for, due to the status of the accounting records relating to prior years. I was unable to confirm the values of these assets by alternative means. Additionally, the department did not properly account for capital work in progress due to the status of the accounting records relating to prior years. I was unable to determine the value of the misstatement as it was impracticable to do so. Consequently, I was unable to determine whether any further adjustments were necessary to immovable tangible capital assets stated at R56,47 billion (2018: R54,04 billion) as disclosed in note 31 to the financial statements as well as capital work in progress stated at R7,24 billion (2018: R6,62 billion) as disclosed in note 31.3 to the financial statements.

Commitments

4. The department did not properly record commitments, as required by chapter 14, *Provisions and contingents*, in the MCS due to inadequate systems and processes to record this disclosure. I was unable to determine the full extent of the misstatement, as it was impractical to do so. Consequently, I was unable to determine whether any further adjustments were necessary to commitments stated at R6,7 billion as disclosed in note 20 to the financial statements.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
6. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Irregular expenditure

9. As disclosed in note 25 to the financial statements, the department incurred irregular expenditure of R14,11 billion, as it did not follow a proper tender process.

Underspending of the budget

10. As disclosed in the appropriation statement, the department materially underspent the budget by R265,94 million on programme 2 – transport infrastructure, due to delays in infrastructure projects.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 210 to 223 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 on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.

14. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Transport's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – transport infrastructure	38 - 39
Programme 3 – transport operations	40 - 41
Programme 4 – transport regulations	41 - 42

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – transport infrastructure

Kilometres maintained by zimbabwe contractors

22. I was unable to obtain sufficient appropriate audit evidence for the target of 21 225 kilometres maintained by zimbabwe contractors that clearly defined the predetermined nature and required level of performance. This was due to a lack of proper systems and processes. I was unable to test by alternative means whether the target for this indicator was clearly defined.

Programme 3 – transport operations

23. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme.

Programme 4 – transport regulations

24. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 32 to 44 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2 – transport infrastructure, programme 3 – transport operations, and programme 4 – transport regulations. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. The programme that was not corrected is reported above.

Report on the audit of compliance with legislation

Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

29. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

31. Effective and appropriate steps were not taken to prevent irregular expenditure of R3,41 billion, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure resulted from the contravention of supply chain management legislation.

Procurement and contract management

32. Sufficient appropriate audit evidence could not be obtained that bid adjudication was done by committees composed in accordance with the policies of the department, as required by treasury regulation 16A6.2 (a), (b) and (c). A similar limitation was also reported in the prior year.
33. Some of the contracts and quotations were awarded to bidders based on pre-qualification criteria that were not stipulated, or differed from those stipulated, in the original invitation for bidding and quotations, in contravention of preferential procurement regulation 4(1) and 4(2) of 2017.
34. Some of the contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence management

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular as well as fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was due to irregular, fruitless and wasteful expenditure not being investigated.

Other information

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the foreword by the member of the executive council and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the

findings on the annual performance report and the findings on compliance with legislation included in this report.

41. Monitoring of financial and performance information, as well as compliance with key legislation, was not effective to ensure that the objectives of transparent, credible and reliable reporting were achieved.
42. Management did not adequately maintain and review underlying schedules to support financial statement disclosures and reported performance information. Non-compliance could have been prevented, had management regularly monitored adherence with legislation.
43. The risk assessment processes and reviews were not adequate to ensure that risks relating to financial and performance reporting, including the non-compliance with key legislation, were mitigated and responded to in good time by management.

Other reports

44. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
45. The shared internal audit unit for departments in the province performed 27 investigations relating to various procurement irregularities and fraudulent payments made to suppliers and employees. Eleven investigations were completed, three were closed and thirteen were still in progress at year-end. The accounting officer commenced with legal and disciplinary action against officials in eight of the finalised investigations.
46. In terms of Proclamation Number R23 of 2016, issued in Government Gazette 39935 of 15 April 2016, the Special Investigating Unit investigated various irregularities at the department relating to motor vehicle ownership and licensing details. This investigation was completed on 31 March 2019. The accounting officer implemented all the recommendations of the report.
47. In terms of Proclamation Number R14 of 2018, issued in Government Gazette 41650 of 25 May 2018, the Special Investigating Unit is investigating various irregularities at the department relating to the sale of properties and rental collections. This investigation was still in progress at the date of this report.
48. In terms of Proclamation Number R36 of 2018, issued in Government Gazette 42101 of 14 December 2018, the Special Investigating Unit is investigating various irregularities at the department relating to the procurement of consultancy services. This investigation was still in progress at the date of this report.

Auditor-General
Pietermaritzburg

31 July 2019



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Transport’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.





MEC for Transport, Community Safety and Liaison Mxolisi Kaunda participating in Mandela Day activities in Paulpietersburg which included planting fruit trees. PHOTO: MBUYISELO NDLOVU

REPORT BY THE ACCOUNTING OFFICER



1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

1.1 IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES FACING THE DEPARTMENT

There have been changes to existing policies, strategies and plans that have either impacted upon or supplemented our Departmental policies and plans. These are summarised below:

- National Department of Transport's Subsidised Motor Transport Handbook; Circular 1 of 2017; 12 June 2017 – This handbook became effective with effect from 1 October 2017 and sets out the provisions for the Subsidised Motor Vehicle Scheme in the country. This handbook superseded and replaced the Department's Policy on the Allocation and Administration of Subsidised Vehicles.
- Shifting of the provision of the Learner Transport Services function back to THE Department of Transport (DOT) - The function of providing learner transport services to scholars travelling long distances to and from schools was shifted to the Department of Education (DOE) from the 1st of April 2018 however on the 20th of June 2018, Cabinet resolved that the function must be transferred back to DOT together with the associated budget allocation. Although the function had been officially shifted to DOE, the operations in terms of the service were still being managed by DOT through a Memorandum of Agreement between the departments as DOE had not yet finalised their procurement processes of appointing service providers. Therefore, the return of the function to DOT will require the department to then embark on a formal tender process as the current contracts are due to expire. The shifting of the function was formalised during the 2018/19 Adjustments Estimate.

The following are strategic issues facing the department:

- The Department is still constrained by employee shortages which arose from the moratorium on the filling of posts that were imposed in previous financial years. The increased restrictions and additional processes in obtaining Provincial Treasury approval prior to filling posts are also having a negative impact on the Department and its ability to function optimally. The continuous attrition of seasoned employees due to retirements, higher salaries offered by the private sector, municipalities and head hunting by other departments has exacerbated this challenge. The continuous organisational restructuring is a huge constraint to service delivery with existing employees having to operate beyond limits.
- The proposed organisational structure remained unapproved at year-end as the Department has been requested to make some changes. Also, there was a decision to leave the approval of Administration structures for the 6th government administration.
- The Department aims to continue to ensure that it meets its employment equity targets in the workplace. To this end, the Department again commits itself to achieving representation of designated population groups in management and women in management positions (50%). The department will also strive to increase the number of Youth and People Living with Disabilities in our employment.
- The Department continued to adhere to the expanded cost-cutting measures, as reissued by Provincial Treasury in 2018/19, in conjunction with National Treasury Instruction 01 of 2013/14: Cost contained measures.
- The National and Provincial Treasury's reduction of the Department's budget has also impacted on our targeted delivery for construction and maintenance programmes. This has been exacerbated by a decreased allocation from the Provincial Roads Maintenance Grant (PRMG). For the Department of Transport this equates to a budget reduction of R388.414 million for the 2018/19 financial year. Since the inception of the cost-cutting measures the cumulative budget cuts total R1.268 billion.
- During the 2018/19 Adjustments Estimates, the learner transport services function was shifted back to DOT together with a budget of R206.630 million. The number of learners benefiting from the learner transport services is 47 747 from 320 schools. The increase in demand for the services placed tremendous pressures on the 2018/19 budget, however the Department received additional funding of R125 million in that regard.

The pressures are expected to continue into 2019/20, however, no allocation has been received by the Department in that regard.

- The rising fuel costs have also impacted on the Department and its operations. The claims from the bus operators are linked to an escalation clause that includes labour and fuel indices, among others. The increase in fuel prices led to the escalation increasing by an average of 6.2% leading to increased bus subsidies paid to bus operators. The allocation towards used for the provision of this service is from the Public Transport Operations Grant (PTOG). This is a Schedule 4 grant (supplementary grant) and, as such, the Department had to absorb the resultant spending pressures in respect of its equitable share.
- The other major challenge that the Department is constantly faced with is the increased demand for both construction and maintenance of the road network despite the disproportionate increase in funding. The Department's current Maintenance budget is significantly lower than the required allocation. The effect of this has seen the blacktop road condition deteriorate from 36% to 57% in the poor to very poor road category while the industry target is less than 10%.

2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

2.1 DEPARTMENTAL RECEIPTS

Revenue Tariffs

The Department adjusted its revenue tariff for the 2018/19 financial year by adding a minimum of the inflation rate (CPI) plus one percent to the 2017/18 tariff rate. These increases are approved by the Department in consultation with the Provincial Treasury. The following services rendered by the Department were increased at inflationary rate (CPI) plus one per cent for the 2018/19 financial year:

- Abnormal loads licences
- Traffic Officer Diploma course fees
- Examiner of vehicles course fees
- Examiner of Driving Licence Course
- Dangerous Goods and other courses
- Evaluation of Examiners
- Dräger Training
- Speed Timing Courses
- Refresher Training iro other courses
- Duplicate Registration Fee
- Issue of Permits
- Traffic Assistance
- Traffic Warden Course
- Exemptions: New Applications or Renewals
- Copies of accident information
- Impound fees
- Traffic fines

Motor Vehicle Licences

The KwaZulu-Natal Department of Transport which is responsible for motor vehicle registration and licensing in terms of the current national and provincial road traffic legislation, collects motor vehicle licence fees through 82 Registering Authority offices, made up of 7 Provincial Offices, 41 Municipal Offices, and 34 Post Offices. Motor vehicle licence fees are calculated, countrywide, on the tare weight of a vehicle and each MEC of the nine provinces is mandated to administer vehicle registration and license fees, inclusive of the increase thereof.

The variances between motor vehicle licences charged across all provinces in the various fee categories are significant and as such the province is losing revenue to neighbouring provinces due to cheaper rates as the fees has not yet been standardised. To avoid further losses the Department has been implementing a conservative 4% tariff increase rate since the 2016/17 financial year to narrow the gap.

A task team comprising of representatives from Provincial Treasuries and National Treasury was formed to explore ways to standardise the tariffs for motor vehicle licences, as some provinces such as KZN charge higher rates than others.

Road & Transport Licences/Fees

Revenue collected for road and transport licences/fees including learners' and drivers' licences applications, issuance, and renewal, conversion of drivers' licences and the sale of personalised and specific number plates.

Some of the revenue collected is later retained by Agencies that provide licencing services on behalf of the Department such as The Post Office, Provincial Municipalities as well as transactional fees paid over to the Road Traffic Management Corporation (RTMC).

The Department has been experiencing a decline in the revenue collection against this category since the Learner and Driver License tariffs are determined by the National Minister of Transport and these have remained the same for the past ten financial years. The other contributing factor to the decline is due to the economic climate as well as the high unemployment rate in the Province.

Revenue Collection

The Department of Transport collects the largest revenue in the province. Below is a table that presents a summary of revenue collected in comparison to the budgeted amounts for both the 2018/19 financial year and the 2017/18 financial year.

Departmental Receipts	2018/2019			2017/2018		
	Estimate	Actual Amount Collected	(Over) Under Collection	Estimate	Actual Amount Collected	(Over) Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
- Motor vehicle licences	1 694 050	1 763 535	(59 485)	1 597 163	1 658 031	(60 868)
Sale of goods and services other than capital assets	115 931	105 916	10 015	145 088	106 378	38 710
Fines, penalties and forfeits	57 733	40 353	17 379	40 948	38 164	2 784
Interest, dividends and rent on land	272	69	203	254	54	200
Sale of capital assets	7 481	-	7 481	5 132	5 034	98
Financial transactions in assets and liabilities	2 324	3 693	(1 369)	2 176	25 677	(23 501)
Total	1 877 791	1 913 566	(35 775)	1 790 761	1 833 338	(42 577)

The Department collected revenue totalling R1.914 billion in 2018/19. The over-collection of R35.775 million can be explained as follows:

- Motor vehicle licences collected R1.764 billion, which is higher than the budget of R1.694 billion. The over-collection was due to higher than anticipated applications for new and renewals of motor vehicle licences, which is dependent on the vehicle population registered in the province. A task team comprised of Provincial Treasuries and National Treasury, that was formed, is exploring ways to standardise the tariffs for motor vehicle licences as some provinces, such as KZN, charge higher rates than others. Currently, the Department grows the motor vehicle licence fees by only four percent annually in order to narrow the gap.

- Transactions in financial assets and liabilities relates to the recovery of prior years' expenditure and over-paid ex-employees. Revenue collection from this source is erratic, hence the conservative budget of R2.324 million which was exceeded by 58.9%

The over-collection was offset to an extent by the under-collection in respect of the following:

- Sale of goods and services other than capital assets amounted to R105.916 million against a budget of R115.931 million. Fees collected in respect of this category include, inter alia, house rentals, drivers' and learners' application fees, drivers' licence issuance and renewal fees, commission from payroll deductions, and tender fees. The under-collection was mainly from lower than anticipated applications for learners' and drivers' licences, drivers' licence issuance and renewal, and conversion of drivers' licences.
- Fines, penalties and forfeits was collected at R40.353 million against an annual budget of R57.733 million. The under-collection was mainly due to lower than anticipated collection in respect of traffic fines, where motorists transgress the stipulated rules and regulations in terms of the Road Traffic Act.
- Interest, dividends and rent on land derived revenue of R69 000 against a budget of R272 000. The under-collection of R203 000 was mainly from lower than anticipated interest on staff debts.
- No revenue was collected against Sale of capital assets against a budget of R7.481 million. Revenue from this source relates to the sale of redundant motor vehicles, plant and office equipment. The planned auction was postponed because of the low number of motor vehicles to be sold. Also, contributing to fewer vehicles being auctioned, was the decision to dispose of motor vehicles based on mileage rather than age. Furthermore, the Department decided in 2017/18 to transfer 192 of its redundant motor vehicles to the Msunduzi Municipality as the municipality could not afford to procure motor vehicles due to financial constraints. In addition, the Department decided to reduce the number of mechanical plant procured. The intention is to realign available mechanical plant to the number of operators, to avoid over-supply of plant in relation to the number of operators.

2.2 PROGRAMME EXPENDITURE

Below is a table that presents a summary of the actual expenditure in comparison to the adjusted appropriation for both the 2018/19 financial year and the 2017/18 financial year.

Programme Name	2018/2019			2017/2018		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	391 945	391 945	-	328 127	328 127	-
Transport Infrastructure	7 339 038	7 102 727	236 311	7 351 857	7 101 857	250 000
Transport Operations	1 891 303	1 891 303	-	1 510 365	1 510 365	-
Transport Regulation	890 785	890 785	-	849 640	849 640	-
Community Based Programme	52 606	52 606	-	34 281	34 281	-
Total	10 565 677	10 329 366	236 311	10 074 270	9 824 270	250 000

The Department under-spent its 2018/19 budget by a net R236 311 million. The details are as follows:

- The Department experienced delays in the awarding of the "Rehabilitation of Surfaced Roads, Reseals, Patching, Premix Asphalt, Drainage and Ancillary Works on Various Roads" due to large volumes from applicants who wanted to participate in the programme. The Department had received well over 1 100 bid applications and therefore the evaluation and adjudication therefore took longer than anticipated.
- As a remedial measure, the Department requested to participate in the eThekweni Metro contract as roads were found to have deteriorated to very poor conditions. The Department received approval to participate in November 2018 and work commenced thereafter. The delays were further exacerbated by the construction shut-down period. The Departmental contract was finalised and awarded in February 2019.
- As at the end of the 2018/19 financial year some of the invoices totaling R163 million had already been received. The Department processed them on the 30th of March 2019 however due to the configuration of the BAS system

these payments reflected as being paid on the 1st of April 2019.

- A roll-over of funds into the 2019/20 financial year has been requested in that regard.
- Spending against Programmes 1,3,4 and 5 was on target at 100% of the budget allocation after undertaking post adjustment virements.

Programme 1: Administration NIL

The Department fully spent its allocation against this programme.

Programme 3: Transport Operations

The Department fully spent its allocation against this programme.

Programme 4: Transport Regulation

The Department fully spent its allocation against this programme.

Programme 5: Community Based Programmes

The Department fully spent its allocation against this programme.

2.3 VIREMENTS

Virements that have taken place during the 2018/19 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 Department hereby confirms that these virements remain within the stipulated eight percent under each main division.

The virements that were applied are as per the below:

2018/2019					
Programme Name	Adjusted Appropriation	Virements	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000
Administration	363 292	28 653	391 945	391 945	-
Transport Infrastructure	7 482 222	(143 184)	7 339 038	7 102 727	236 311
Transport Operations	1 763 476	127 827	1 891 303	1 891 303	-
Transport Regulation	903 004	(12 219)	890 785	890 785	-
Community Based Programme	53 683	(1 077)	52 606	52 606	-
Total	10 565 677	-	10 565 677	10 329 366	236 311

The Department undertook virements post Adjustments Estimate to reduce unauthorised expenditure, in respect of Programme 1 and 3 as reflected above.

Most of the virements undertaken did not require Treasury approval as they were within the approval of the Accounting Officer, and do not exceed the eight percent limit set in terms of the PFMA.

The post Adjustments Estimate virements undertaken by the department are as follows:

PROGRAMME 1: ADMINISTRATION: R28.657 MILLION

- a) An amount of R19.729 million was moved within the *Machinery and equipment* economic classification from Programme 2: Transport Infrastructure against the sub-programme: Maintenance to the sub-programme: Corporate Services to cover expenditure pressures related to additional motor vehicles resulting from the increased demand for official vehicles due to delays in the ordering of subsidised vehicles by the appointed service provider.
- b) An amount of R7.861 million was moved from Programme 2: Transport Infrastructure against the sub-programme: Maintenance from *Compensation of employees* to the sub-programme: Corporate Services under *Goods and services* to cater for higher than budgeted computer services costs that resulted from network challenges.
- c) An amount of R1.076 million was moved within the *Goods and services* economic classification from Programme 5: Community Based Programmes against the sub-programme: EPWP Co-ordination and Monitoring to the sub-programme: Corporate Services to cater for higher than budgeted computer services costs that resulted from network challenges.

PROGRAMME 3: TRANSPORT OPERATIONS: R127.829 MILLION

- a) A total amount of R99 000 was moved within the *Machinery and equipment* category from Programme 4: Transport Regulation under the sub-programme: Law Enforcement towards higher than budgeted audio visual and computer equipment as follows:
 - R18 000 to the sub-programme: Programme Support Operations;
 - R81 000 to the sub-programme: Transport Safety and Compliance.
- b) An amount of R80 000 was moved within the *Machinery and equipment* category from Programme 2: Transport Infrastructure under the sub-programme: Maintenance to the sub-programme: Transport Safety and Compliance towards higher than budgeted audio visual and computer equipment.
- c) A total amount of R1.268 million was moved to *Public Corporations and Private Enterprises* against the sub-programme: Public Transport Services from Programme 4: Transport Regulation in respect of the increase in bus subsidies paid to bus operators due to re-negotiated contracts relating to the increased bus subsidies paid to bus operators due to re-negotiated fees as well as the increase in diesel prices which led to the escalation increasing by an average of 6.2% as follows:
 - A total of R151 000 was moved from the *Provinces and municipalities* economic classification from the sub-programmes, Transport Administration and Licensing Management (R111 000) and Law Enforcement (R40 000);
 - A total of R1.117 million was moved from the *Households* economic classification from the sub-programmes, Transport Administration and Licensing Management (R217 000) and Law Enforcement (R907 000).
- d) R10.844 million was moved to *Public Corporations and Private Enterprises* against the sub-programme: Public Transport Services, from Programme 4: Transport Regulation under the sub-programme: Law Enforcement against *Goods and services* economic classification to cater for the increase in bus subsidies paid to bus operators due to re-negotiated contracts relating to the increased bus subsidies paid to bus operators due to re-negotiated fees as well as the increase in diesel prices which led to the escalation increasing by an average of 6.2%
- e) An amount of R313 000 was moved to *Public Corporations and Private Enterprises* against the sub-programme: Public Transport Services from Programme 2: Transport Infrastructure under the sub-programme: Programme Support Infrastructure against the *Households* economic classification to cater for the increase in bus subsidies paid to bus operators due to re-negotiated contracts relating to the increased bus subsidies paid to bus operators due to re-negotiated fees as well as the increase in diesel prices which led to the escalation increasing by an average of 6.2%.
- f) An amount of R115.225 million was moved to *Public Corporations and Private Enterprises* against the sub-programme: Public Transport Services from Programme 2: Transport Infrastructure under the sub-programme: Maintenance against the *Compensation of employees* economic classification to cater for the increase in bus subsidies paid to bus operators due to re-negotiated contracts relating to the increased bus

subsidies paid to bus operators due to re-negotiated fees as well as the increase in diesel prices which led to the escalation increasing by an average of 6.2%.

Shifts:

- a) A total of R35 million was shifted from the sub-programme: Construction against *Buildings and other fixed structures* to the sub-programme: Programme Support Infrastructure against *Goods and services* for IDMS, as explained above. The IDMS costs were budgeted for, but the budget was allocated under *Payments for capital assets*. Some of the budget was reclassified during the Adjustments Estimates, however, this was not adequate as expenditure that had been erroneously processed against Buildings and other fixed structure was not included in the calculation of the shift amount during the process. As a result of a change in the classification of this expenditure in terms of SCOA, the budget and expenditure is being consolidated under the sub-programme: Programme Support Infrastructure against *Goods and services* for the over-arching management and oversight of maintenance and construction projects. The IDMS is used for all projects regardless of their nature, and the Department is not able to split the expenditure per projects, as the consultants provide over-arching services for maintenance and construction projects, hence, the need to consolidate the budget and expenditure to one sub-programme and category.

The original purpose, which is to ensure maintenance and construction projects are implemented, does not change. Also, Legislature approval for the decrease in capital in budget is therefore not required as the original purpose has not changed.

- b) A total of R3.063 million was shifted within sub-programme: Construction from *Buildings and other fixed structures* to *Transfers and Subsidies: Households*. This shift caters for ex-gratia payments related to expropriation of land prior to the construction of roads. These were previously classified under *Buildings and other fixed structures* and included as part of construction costs. However, these payments are required to be classified separately under Transfers and subsidies: Households are explained above.

The original purpose, which is to ensure maintenance and construction projects are implemented, does not change. Also, Legislature approval for the decrease in capital in budget is therefore not required as the original purpose has not changed.

Requested roll-overs to 2019/20

The department reflected under-expenditure of R236.311 million against its budget at year-end and are requesting a roll-over of R236.292 million of the equitable share funds from 2018/19 to 2019/20 under Programme 2, as follows:

- R27.438 million relates to the reseal of surfaced roads that are classified as Maintenance under the Goods and services category and are therefore current in nature.
- R208.855 million relates to rehabilitation of surfaced roads that are classified as Construction under Payments for capital assets: Buildings and other fixed structures and are therefore capital in nature.

3. UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

- The Department did not incur any unauthorised expenditure in the 2018/19 financial year.
- The fruitless and wasteful expenditure incurred by the Department in the 2018/19 financial year totals R901 000 broken down as follows:

R'000	Opening Balance 1 April 2018	Increase	Decrease	Closing Balance 31 March 2018
No Show Accommodation	19	7	-	26
Printing of 2017/2018 Annual Report	-	160	-	160
Construction of P318 (Phase 2)	-	734	-	734
Total	19	901	-	920

4. FUTURE PLANS OF THE DEPARTMENT

The department plans to continue to strive to provide the public with mobility through an affordable transportation system that is safe, integrated, regulated and accessible, to meet the developmental needs of our province.

5. PUBLIC PRIVATE PARTNERSHIPS

The department did not enter into any Public Private Partnerships the 2018/19 financial year.

6. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The department did not discontinue, nor does it have any plans to discontinue any services/activities.

7. NEW/PROPOSED ACTIVITIES

There are no new/proposed activities during the 2018/19 financial year.

8. 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 finalised the approved SCM Policy and Procedure Manual and workshopped it across all Regional Offices and Head Office.

Challenges experienced in SCM and how they were resolved

Human Resource Structure shortcomings were noted in Head Office as well as Regional and Cost Centre offices. The department has finalised the organisational restructuring process and this has been forwarded to DPSA for approval. The post of Director: Supply Chain Management was filled with the new incumbent commencing duty from the 1st of February 2019 however the department did appoint an Acting Director: Supply Chain Management prior to the appointment of the permanent employee.

9. GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

The Department did not receive any donations in cash or in kind from non-related parties for the 2018/19 financial year.

10. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The department did not receive any exemptions for the 2018/19 financial year.

11. EVENTS AFTER THE REPORTING DATE

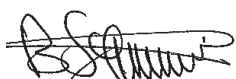
There are no significant events that occurred after the reporting date which will influence the interpretation of the results under review.

12. OTHER

There is no other material fact or circumstances, which may influence the understanding of the financial that is not addressed elsewhere in this department.

13. CONCLUSION

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



ACCOUNTING OFFICER
NAME: MR. B.S. GUMBI
DATE: 31 MAY 2019



Nqokotho Manzimakhulu River Bridge in Nongoma. The R12,7 million Vehicular bridge links the communities of Nqokotho and Sigodiphola. It will also allow easy access to two schools, Nongoma Clinic and Nongoma Police Station. PHOTO: MBUYISELO NDLOVU

APPROPRIATION PER PROGRAMME									
2018/19								2017/18	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Ex-penditure	Variance	Expenditure as % of final appropriation	Final Ap-propriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. Administration	363 292	-	28 653	391 945	391 945	-	100,0%	328 127	328 127
<u>Transport Infrastructure</u>	7 482 222	-	(143 184)	7 339 038	7 102 727	236 311	96,8%	7 351 857	7 101 857
<u>Transport Operations</u>	1 763 476	-	127 827	1 891 303	1 891 303	-	100,0%	1 510 365	1 510 365
<u>Transport Regulation</u>	903 004	-	(12 219)	890 785	890 785	-	100,0%	849 640	849 640
<u>Community Based Programme</u>	53 683	-	(1 077)	52 606	52 606	-	100,0%	34 281	34 281
Programme sub total	10 565 677	-	-	10 565 677	10 329 366	236 311	97,8%	10 074 270	9 824 270
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	10 565 677	-	-	10 565 677	10 329 366	236 311	97,8%	10 074 270	9 824 270
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				1 913 566				1 833 338	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				12 479 243				11 907 608	
Add:					4 941				1 127
Aid assistance									
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					10 334 307				9 825 397

APPROPRIATION PER ECONOMIC CLASSIFICATION									
R'000	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Ex-penditure	Variance	Expenditure as % of final appropriation	Final Ap-propriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	5 856 940	35 000	(133 806)	5 758 134	5 787 763	(29 629)	100,5%	5 046 856	4 844 856
Compensation of employees	1 589 872	-	(180 083)	1 409 789	1 409 789	-	100,0%	1 340 605	1 340 605
Salaries and wages	1 389 936	-	(173 774)	1 216 162	1 216 162	-	100,0%	1 159 061	1 159 061
Social contributions	199 936	-	(6 309)	193 627	193 627	-	100,0%	181 544	181 544
Goods and services	4 267 068	35 000	46 277	4 348 345	4 377 974	(29 629)	100,7%	3 706 251	3 504 251
Administrative fees	2 685	-	798	3 483	3 483	-	100,0%	22 740	22 740
Advertising	8 011	-	(280)	7 731	7 731	-	100,0%	7 012	7 012
Minor assets	3 103	-	1 295	4 398	4 398	-	100,0%	3 096	3 096
Audit costs: External	8 807	-	18 950	27 757	27 757	-	100,0%	8 023	8 023
Bursaries: Employees	1 193	-	(235)	958	958	-	100,0%	618	618
Catering: Departmental activities	4 300	-	1 601	5 901	5 901	-	100,0%	5 812	5 812
Communication (G&S)	24 829	-	4 484	29 313	29 313	-	100,0%	33 180	33 180
Computer services	176 395	-	30 226	206 621	206 621	-	100,0%	127 084	127 084
Consultants: Business and advisory services	481 409	35 000	122 650	639 059	639 059	-	100,0%	280 754	278 754
Infrastructure and planning services	26 329	-	56 663	82 992	82 992	-	100,0%	25 388	25 388
Laboratory services	262	-	(92)	170	170	-	100,0%	289	289
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	14 211	-	7 760	21 971	21 971	-	100,0%	14 797	14 797
Contractors	2 536 510	-	(274 089)	2 262 421	2 292 050	(29 629)	101,3%	2 048 320	1 848 320
Agency and support / outsourced services	1 701	-	2 750	4 451	4 451	-	100,0%	8 438	8 438
Entertainment	-	-	-	-	-	-	-	-	-

APPROPRIATION PER ECONOMIC CLASSIFICATION									
R'000	2018/19						2017/18		
	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
Fleet services (including government motor transport)	194 498	-	3 806	198 304	198 304	-	100,0%	158 994	158 994
Housing	(1)	-	1	-	-	-	-	-	-
Inventory: Clothing material and accessories	10 952	-	(3 619)	7 333	7 333	-	100,0%	7 921	7 921
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	428	-	20	448	448	-	100,0%	1 025	1 025
Inventory: Fuel, oil and gas	3 787	-	70 048	73 835	73 835	-	100,0%	56 821	56 821
Inventory: Learner and teacher support material	198	-	(198)	-	-	-	-	-	-
Inventory: Materials and supplies	19 062	-	(1 176)	17 886	17 886	-	100,0%	64 299	64 299
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	1	-	(1)	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	19	19
Consumable supplies	6 902	-	2 464	9 366	9 366	-	100,0%	7 895	7 895
Consumable: Stationery, printing and office supplies	31 270	-	(6 203)	25 067	25 067	-	100,0%	21 592	21 592
Operating leases	59 372	-	(1 239)	58 133	58 133	-	100,0%	239 957	239 957
Property payments	190 187	-	(13 556)	176 631	176 631	-	100,0%	175 716	175 716
Transport provided: Departmental activity	371 574	-	24 602	396 176	396 176	-	100,0%	285 553	285 553
Travel and subsistence	68 799	-	2 325	71 124	71 124	-	100,0%	58 522	58 522
Training and development	6 205	-	(197)	6 008	6 008	-	100,0%	11 401	11 401

APPROPRIATION STATEMENT

for the year ended 31 March 2019

APPROPRIATION PER ECONOMIC CLASSIFICATION									
R'000	2018/19						2017/18		
	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
Operating payments	5 327	-	(928)	4 399	4 399	-	100,0%	4 077	4 077
Venues and facilities	7 807	-	(2 595)	5 212	5 212	-	100,0%	9 841	9 841
Rental and hiring	955	-	242	1 197	1 197	-	100,0%	17 067	17 067
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 282 242	3 063	131 411	1 416 716	1 416 716	-	100,0%	1 138 246	1 138 246
Provinces and municipalities	5 729	-	445	6 174	6 174	-	100,0%	5 896	5 896
Provinces	5 729	-	445	6 174	6 174	-	100,0%	5 896	5 896
Provincial Revenue Funds	5 729	-	445	6 174	6 174	-	100,0%	5 896	5 896
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4 564	-	-	4 564	4 564	-	100,0%	4 493	4 493
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	4 564	-	-	4 564	4 564	-	100,0%	4 493	4 493
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	1 113 227	1 113 227

APPROPRIATION PER ECONOMIC CLASSIFICATION									
R'000	2018/19						2017/18		
	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
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	1 113 227	1 113 227
Subsidies on products and production (pe)	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	1 113 227	1 113 227
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15 795	3 063	(3 774)	15 084	15 084	-	100,0%	14 630	14 630
Social benefits	11 594	-	(3 797)	7 797	7 797	-	100,0%	12 411	12 411
Other transfers to households	4 201	3 063	23	7 287	7 287	-	100,0%	2 219	2 219
Payments for capital assets	3 426 482	(38 063)	22	3 388 441	3 122 501	265 940	92,2%	3 888 234	3 840 234
Buildings and other fixed structures	3 236 542	(38 063)	2 632	3 201 111	2 935 171	265 940	91,7%	3 687 907	3 639 907
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	3 236 542	(38 063)	2 632	3 201 111	2 935 171	265 940	91,7%	3 687 907	3 639 907
Machinery and equipment	188 403	-	(3 324)	185 079	185 079	-	100,0%	199 956	199 956
Transport equipment	171 263	-	(89 914)	81 349	81 349	-	100,0%	108 719	108 719
Other machinery and equipment	17 140	-	86 590	103 730	103 730	-	100,0%	91 237	91 237
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-

APPROPRIATION PER ECONOMIC CLASSIFICATION								
R'000	2018/19					2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	1 537	-	714	2 251	2 251	-	100,0%	371
Payment for financial assets	13	-	2 373	2 386	2 386	-	100,0%	934
	10 565 677	-	-	10 565 677	10 329 366	236 311	97,8%	10 074 270
								9 824 270

Programme 1: ADMINISTRATION								
Sub programme	2018/19					2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
1. <u>Office of the MEC</u>	16 804	-	(2 731)	14 073	14 073	-	100,0%	13 948
2. <u>Management</u>	12 502	-	(578)	11 924	11 924	-	100,0%	12 226
3. <u>Corporate Support</u>	306 628	-	39 437	346 065	346 065	-	100,0%	275 227
4. <u>Departmental Strategy</u>	27 358	-	(7 475)	19 883	19 883	-	100,0%	26 726
	363 292	-	28 653	391 945	391 945	-	100,0%	328 127
Economic classification								
Current payments	333 768	-	10 639	344 407	344 407	-	100,0%	309 477
Compensation of employees	150 417	-	(5 759)	144 658	144 658	-	100,0%	137 414
Salaries and wages	130 873	-	(5 047)	125 826	125 826	-	100,0%	119 539
Social contributions	19 544	-	(712)	18 832	18 832	-	100,0%	17 875
Goods and services	183 351	-	16 398	199 749	199 749	-	100,0%	172 063
Administrative fees	1 028	-	424	1 452	1 452	-	100,0%	1 076

Programme 1: ADMINISTRATION											
2018/19										2017/18	
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			
Advertising	3 542	-	166	3 708	-	100,0%	3 109	3 109			
Minor assets	436	-	109	545	-	100,0%	572	572			
Audit costs: External	8 807	-	898	9 705	-	100,0%	7 766	7 766			
Bursaries: Employees	1 193	-	(235)	958	-	100,0%	618	618			
Catering: Departmental activities	243	-	33	276	-	100,0%	653	653			
Communication (G&S)	8 689	-	2 536	11 225	-	100,0%	18 072	18 072			
Computer services	55 175	-	19 797	74 972	-	100,0%	77 521	77 521			
Consultants: Business and advisory services	20 744	-	(9 209)	11 535	-	100,0%	20 587	20 587			
Infrastructure and planning services	-	-	-	-	-	-	-	-			
Laboratory services	-	-	-	-	-	-	-	-			
Scientific and technological services	-	-	-	-	-	-	-	-			
Legal services	11 408	-	6 786	18 194	-	100,0%	9 734	9 734			
Contractors	5 305	-	11 767	17 072	-	100,0%	6 787	6 787			
Agency and support / outsourced services	1 701	-	2 728	4 429	-	100,0%	519	519			
Entertainment	-	-	-	-	-	-	-	-			
Fleet services (including government motor transport)	4 402	-	60	4 462	-	100,0%	3 507	3 507			
Housing	-	-	-	-	-	-	-	-			
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-			
Inventory: Farming supplies	-	-	-	-	-	-	-	-			
Inventory: Food and food supplies	44	-	(20)	24	-	100,0%	634	634			

**Programme 1:
ADMINISTRATION**

	2018/19							2017/18	
	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
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	198	-	(198)	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	198	198	198	-	100,0%	21	21
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 292	-	55	1 347	1 347	-	100,0%	1 646	1 646
Consumable: Stationery, printing and office supplies	1 305	-	163	1 468	1 468	-	100,0%	1 227	1 227
Operating leases	9 499	-	2 231	11 730	11 730	-	100,0%	3 439	3 439
Property payments	37 370	-	(22 599)	14 771	14 771	-	100,0%	9 318	9 318
Transport provided: Departmental activity	-	-	45	45	45	-	100,0%	1 038	1 038
Travel and subsistence	9 613	-	738	10 351	10 351	-	100,0%	2 281	2 281
Training and development	365	-	(87)	278	278	-	100,0%	1 137	1 137
Operating payments	895	-	59	954	954	-	100,0%	707	707
Venues and facilities	97	-	(47)	50	50	-	100,0%	94	94
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 180	-	(1 704)	8 476	8 476	-	100,0%	8 559	8 559

**Programme 1:
ADMINISTRATION**

	2018/19							2017/18	
	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
Provinces and municipalities	97	-	(4)	93	93	-	100,0%	77	77
Provinces	97	-	(4)	93	93	-	100,0%	77	77
Provincial Revenue Funds	97	-	(4)	93	93	-	100,0%	77	77
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4 564	-	-	4 564	4 564	-	100,0%	4 493	4 493
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	4 564	-	-	4 564	4 564	-	100,0%	4 493	4 493
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-

Programme 1: ADMINISTRATION											
2018/19											
2017/18											
	Adjusted Appropria- tion	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final appropriation	Final Ap- propriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	
Households	5 519	-	(1 700)	3 819	3 819	-	100,0%	3 989	3 989	3 989	
Social benefits	1 672	-	(386)	1 286	1 286	-	100,0%	1 821	1 821	1 821	
Other transfers to households	3 847	-	(1 314)	2 533	2 533	-	100,0%	2 168	2 168	2 168	
Payments for capital assets	19 344	-	19 718	39 062	39 062	-	100,0%	10 091	10 091	10 091	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	-	
Other fixed structures	-	-	-	-	-	-	-	-	-	-	
Machinery and equipment	19 344	-	19 718	39 062	39 062	-	100,0%	10 091	10 091	10 091	
Transport equipment	9 000	-	13 888	22 888	22 888	-	100,0%	-	-	-	
Other machinery and equipment	10 344	-	5 830	16 174	16 174	-	100,0%	10 091	10 091	10 091	
Heritage assets	-	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	-	
	363 292	-	28 653	391 945	391 945	-	100,0%	328 127	328 127	328 127	

PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Expenditure	Variance	Expenditure as % of final ap-propriation	Final Appro-riation	Actual Ex-penditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>Programme Support Infrastructure</u>	538 131	35 000	96 309	669 440	669 440	-	100,0%	297 587	295 587
2. <u>Infrastructure Planning</u>	25 479	-	11 308	36 787	36 787	-	100,0%	29 649	29 649
3. <u>Infrastructure Design</u>	38 414	-	(485)	37 929	37 929	-	100,0%	33 354	33 354
4. <u>Construction</u>	3 236 542	(35 000)	2 632	3 204 174	2 938 234	265 940	91,7%	3 687 907	3 639 907
5. <u>Maintenance</u>	3 643 656	-	(252 948)	3 390 708	3 420 337	(29 629)	100,9%	3 303 360	3 103 360
	7 482 222	-	(143 184)	7 339 038	7 102 727	236 311	96,8%	7 351 857	7 101 857
Economic classification									
Current payments	4 088 242	35 000	(123 448)	3 999 796	4 029 425	(29 629)	100,7%	3 483 319	3 281 319
Compensation of employees	746 637	-	(140 798)	605 839	605 839	-	100,0%	569 033	569 033
Salaries and wages	663 156	-	(138 300)	524 856	524 856	-	100,0%	492 939	492 939
Social contributions	83 481	-	(2 498)	80 983	80 983	-	100,0%	76 094	76 094
Goods and services	3 341 605	35 000	17 352	3 393 957	3 423 586	(29 629)	100,9%	2 914 286	2 712 286
Administrative fees	841	-	7	848	848	-	100,0%	20 280	20 280
Advertising	1 529	-	743	2 272	2 272	-	100,0%	1 562	1 562
Minor assets	1 873	-	859	2 732	2 732	-	100,0%	2 055	2 055
Audit costs: External	-	-	-	-	-	-	-	245	245
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	365	-	(5)	360	360	-	100,0%	231	231
Communication (G&S)	7 670	-	(169)	7 501	7 501	-	100,0%	5 901	5 901
Computer services	86 604	-	8 454	95 058	95 058	-	100,0%	39 922	39 922

PROGRAMME 2: TRANSPORT INFRASTRUCTURE										
	2018/19						2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Expenditure	Variance	Expenditure as % of final ap-propriation	Final Appo-riation	Actual Ex-penditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consultants: Business and advisory services	363 445	35 000	154 034	552 479	552 479	-	100,0%	215 672	213 672	
Infrastructure and planning services	26 216	-	56 305	82 521	82 521	-	100,0%	24 895	24 895	
Laboratory services	262	-	(97)	165	165	-	100,0%	289	289	
Scientific and technological services	-	-	-	-	-	-	-	-	-	
Legal services	1 234	-	89	1 323	1 323	-	100,0%	269	269	
Contractors	2 487 669	-	(274 106)	2 213 563	2 243 192	(29 629)	101,3%	1 985 263	1 785 263	
Agency and support / outsourced services	-	-	22	22	22	-	100,0%	7 913	7 913	
Entertainment	-	-	-	-	-	-	-	-	-	
Fleet services (including government motor transport)	149 835	-	4 429	154 264	154 264	-	100,0%	117 108	117 108	
Housing	(1)	-	1	-	-	-	-	-	-	
Inventory: Clothing material and accessories	10 936	-	(3 676)	7 260	7 260	-	100,0%	3 094	3 094	
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	
Inventory: Food and food supplies	349	-	(34)	315	315	-	100,0%	287	287	
Inventory: Fuel, oil and gas	3 780	-	70 050	73 830	73 830	-	100,0%	56 812	56 812	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	18 898	-	(1 386)	17 512	17 512	-	100,0%	64 222	64 222	
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	1	-	(1)	-	-	-	-	-	-	
Medsas inventory interface	-	-	-	-	-	-	-	-	-	

PROGRAMME 2: TRANSPORT INFRASTRUCTURE										
	2018/19						2017/18			
	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	
Inventory: Other supplies	-	-	-	-	-	-	-	19	19	
Consumable supplies	2 926	-	2 961	5 887	5 887	-	100,0%	4 156	4 156	
Consumable: Stationery, printing and office supplies	4 202	-	21	4 223	4 223	-	100,0%	3 322	3 322	
Operating leases	22 612	-	(9 646)	12 966	12 966	-	100,0%	218 341	218 341	
Property payments	103 409	-	8 903	112 312	112 312	-	100,0%	81 182	81 182	
Transport provided: Departmental activity	87	-	539	626	626	-	100,0%	386	386	
Travel and subsistence	38 228	-	(260)	37 968	37 968	-	100,0%	32 253	32 253	
Training and development	4 986	-	(116)	4 870	4 870	-	100,0%	9 792	9 792	
Operating payments	2 515	-	(686)	1 829	1 829	-	100,0%	1 794	1 794	
Venues and facilities	455	-	100	555	555	-	100,0%	141	141	
Rental and hiring	679	-	17	696	696	-	100,0%	16 880	16 880	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-	
Rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	11 921	3 063	(314)	14 670	14 670	-	100,0%	12 082	12 082	
Provinces and municipalities	4 762	-	613	5 375	5 375	-	100,0%	5 218	5 218	
Provinces	4 762	-	613	5 375	5 375	-	100,0%	5 218	5 218	
Provincial Revenue Funds	4 762	-	613	5 375	5 375	-	100,0%	5 218	5 218	
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	
Municipalities	-	-	-	-	-	-	-	-	-	
Municipal bank accounts	-	-	-	-	-	-	-	-	-	
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	

PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Ap-propriation	Actual Expenditure	Variance	Expenditure as % of final ap-propriation	Final Appo-riation	Actual Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 159	3 063	(927)	9 295	9 295	-	100,0%	6 864	6 864
Social benefits	7 127	-	(2 574)	4 553	4 553	-	100,0%	6 826	6 826
Other transfers to households	32	3 063	1 647	4 742	4 742	-	100,0%	38	38
Payments for capital assets	3 382 046	(38 063)	(19 800)	3 324 183	3 058 243	265 940	92,0%	3 855 894	3 807 894
Buildings and other fixed structures	3 236 542	(38 063)	2 632	3 201 111	2 935 171	265 940	91,7%	3 687 907	3 639 907
Buildings	-	-	-	-	-	-	-	-	-

**PROGRAMME 2:
TRANSPORT INFRASTRUCTURE**

	2018/19							2017/18	
	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
Other fixed structures	3 236 542	(38 063)	2 632	3 201 111	2 935 171	265 940	91,7%	3 687 907	3 639 907
Machinery and equipment	143 967	-	(23 146)	120 821	120 821	-	100,0%	167 616	167 616
Transport equipment	140 763	-	(104 919)	35 844	35 844	-	100,0%	88 086	88 086
Other machinery and equipment	3 204	-	81 773	84 977	84 977	-	100,0%	79 530	79 530
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 537	-	714	2 251	2 251	-	100,0%	371	371
Payment for financial assets	13	-	376	389	389	-	100,0%	562	562
	7 482 222	-	(143 184)	7 339 038	7 102 727	236 311	96,8%	7 351 857	7 101 857

PROGRAMME 3: TRANSPORT OPERATIONS									
Sub programme	2018/19						2017/18		
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final ap- propriation	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme Support Operations	47 521	-	(5 649)	41 872	41 872	-	100,0%	28 389	28 389
1. Public Transport Services	1 630 367	-	154 044	1 784 411	1 784 411	-	100,0%	1 397 400	1 397 400
2. Transport Safety And Compliance	85 588	-	(20 568)	65 020	65 020	-	100,0%	84 576	84 576
	1 763 476	-	127 827	1 891 303	1 891 303	-	100,0%	1 510 365	1 510 365
Economic classification									
Current payments	507 175	-	(7 050)	500 125	500 125	-	100,0%	398 899	397 849
Compensation of employees	41 667	-	(3 523)	38 144	38 144	-	100,0%	36 066	36 066
Salaries and wages	36 983	-	(2 866)	34 117	34 117	-	100,0%	32 373	32 373
Social contributions	4 684	-	(657)	4 027	4 027	-	100,0%	3 693	3 693
Goods and services	465 508	-	(3 527)	461 981	461 981	-	100,0%	362 833	361 783
Administrative fees	152	-	142	294	294	-	100,0%	330	330
Advertising	2 862	-	(1 197)	1 665	1 665	-	100,0%	2 277	2 277
Minor assets	-	-	280	280	280	-	100,0%	9	9
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3 422	-	1 820	5 242	5 242	-	100,0%	4 868	4 868
Communication (G&S)	137	-	2 744	2 881	2 881	-	100,0%	724	724
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	42 015	-	(14 338)	27 677	27 677	-	100,0%	25 999	24 949

**PROGRAMME 3:
TRANSPORT OPERATIONS**

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final ap- propriation	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	25	-	-	25	25	-	100,0%	882	882
Contractors	27 447	-	(16 795)	10 652	10 652	-	100,0%	26 394	26 394
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	263	-	(28)	235	235	-	100,0%	433	433
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	30	30	30	-	100,0%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	7	-	(2)	5	5	-	100,0%	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	25	-	(13)	12	12	-	100,0%	7	7
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	24	-	604	628	628	-	100,0%	489	489

PROGRAMME 3: TRANSPORT OPERATIONS										
2018/19							2017/18			
Adjusted Ap- propriation	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final ap- propriation	Final Appro- priation	Actual Expen- diture		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consumable: Stationery, printing and office supplies	1 165	(396)	769	769	-	100,0%	859	859		
Operating leases	-	41	41	41	-	100,0%	311	311		
Property payments	5 544	389	5 933	5 933	-	100,0%	3 605	3 605		
Transport provided: Departmental activity	370 823	24 518	395 341	395 341	-	100,0%	281 741	281 741		
Travel and subsistence	4 179	1 431	5 610	5 610	-	100,0%	4 457	4 457		
Training and development	-	-	-	-	-	-	34	34		
Operating payments	203	(83)	120	120	-	100,0%	152	152		
Venues and facilities	6 951	(2 634)	4 317	4 317	-	100,0%	9 173	9 173		
Rental and hiring	264	(40)	224	224	-	100,0%	89	89		
Interest and rent on land	-	-	-	-	-	-	-	-		
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-		
Rent on land	-	-	-	-	-	-	-	-		
Transfers and subsidies	1 256 209	134 698	1 390 907	1 390 907	-	100,0%	1 111 418	1 112 468		
Provinces and municipalities	13	(13)	-	-	-	-	-	-		
Provinces	13	(13)	-	-	-	-	-	-		
Provincial Revenue Funds	13	(13)	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-		
Municipalities	-	-	-	-	-	-	-	-		
Municipal bank accounts	-	-	-	-	-	-	-	-		
Municipal agencies and funds	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-		
Social security funds	-	-	-	-	-	-	-	-		

**PROGRAMME 3:
TRANSPORT OPERATIONS**

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final ap- propriation	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies (non-business entities) Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Public corporations Subsidies on products and production (pc) Other transfers to public corporations Private enterprises	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	1 111 362	1 112 412
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	1 111 362	1 112 412
	1 256 154	-	134 740	1 390 894	1 390 894	-	100,0%	-	-
	-	-	-	-	-	-	-	1 111 362	1 112 412
Non-profit institutions Households Social benefits Other transfers to households Payments for capital assets Buildings and other fixed structures Buildings Other fixed structures Machinery and equipment Transport equipment	-	-	-	-	-	-	-	-	-
	42	-	(29)	13	13	-	100,0%	56	56
	-	-	1	1	1	-	100,0%	43	43
	42	-	(30)	12	12	-	100,0%	13	13
	92	-	179	271	271	-	100,0%	48	48
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	92	-	179	271	271	-	100,0%	48	48
	-	-	-	-	-	-	-	-	-

**PROGRAMME 3:
TRANSPORT OPERATIONS**

2018/19										2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Ap- propriation	Actual Ex- penditure	Variance	Expenditure as % of final ap- propriation	Final Appro- priation	Actual Expen- diture		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Other machinery and equipment	92	-	179	271	271	-	100,0%	48	48		
Heritage assets	-	-	-	-	-	-	-	-	-		
Specialised military assets	-	-	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
	1 763 476	-	127 827	1 891 303	1 891 303	-	100,0%	1 510 365	1 510 365		

**PROGRAMME 4:
TRANSPORT REGULATION**

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appropriation	Actual Ex- penditure	Variance	Expenditure as % of final appropriation	Final Approp- riation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. <u>Programme Support Regulation</u>	6 568	-	2 536	9 104	9 104	-	100,0%	8 760	8 760
2. <u>Transport Administration and Licensing</u>	140 105	-	14 593	154 698	154 698	-	100,0%	121 478	121 478
3. <u>Operator Licenses and Permits</u>	65 175	-	(5 604)	59 571	59 571	-	100,0%	63 862	63 862
4. <u>Law Enforcement</u>	691 156	-	(23 744)	667 412	667 412	-	100,0%	655 540	655 540
	903 004	-	(12 219)	890 785	890 785	-	100,0%	849 640	849 640
Economic classification									
Current payments	874 132	-	(10 874)	863 258	863 258	-	100,0%	822 745	822 745
Compensation of employees	640 095	-	(27 569)	612 526	612 526	-	100,0%	590 323	590 323
Salaries and wages	549 491	-	(25 600)	523 891	523 891	-	100,0%	507 288	507 288
Social contributions	90 604	-	(1 969)	88 635	88 635	-	100,0%	83 035	83 035
Goods and services	234 037	-	16 695	250 732	250 732	-	100,0%	232 422	232 422
Administrative fees	638	-	191	829	829	-	100,0%	834	834
Advertising	77	-	9	86	86	-	100,0%	58	58
Minor assets	794	-	47	841	841	-	100,0%	460	460
Audit costs: External	-	-	18 052	18 052	18 052	-	100,0%	12	12
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	100	-	(77)	23	23	-	100,0%	34	34
Communication (G&S)	8 333	-	(627)	7 706	7 706	-	100,0%	8 474	8 474
Computer services	34 616	-	497	35 113	35 113	-	100,0%	8 965	8 965

PROGRAMME 4: TRANSPORT REGULATION									
	2018/19						2017/18		
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appropriation	Actual Ex- penditure	Variance	Expenditure as % of final appropriation	Final Approp- riation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	15 259	-	(2 321)	12 938	12 938	-	100,0%	10 322	10 322
Infrastructure and planning services	113	-	358	471	471	-	100,0%	493	493
Laboratory services	-	-	5	5	5	-	100,0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 544	-	885	2 429	2 429	-	100,0%	3 912	3 912
Contractors	16 089	-	720	16 809	16 809	-	100,0%	19 092	19 092
Agency and support / outsourced services	-	-	-	-	-	-	-	6	6
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	39 912	-	(635)	39 277	39 277	-	100,0%	37 912	37 912
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	16	-	27	43	43	-	100,0%	4 827	4 827
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	35	-	74	109	109	-	100,0%	104	104
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	9	9
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	139	-	25	164	164	-	100,0%	49	49
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-

**PROGRAMME 4:
TRANSPORT REGULATION**

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appropri- ation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 660	-	(1 156)	1 504	1 504	-	100,0%	1 604	1 604
Consumable: Stationery, printing and office supplies	24 585	-	(5 990)	18 595	18 595	-	100,0%	16 179	16 179
Operating leases	27 261	-	6 135	33 396	33 396	-	100,0%	17 821	17 821
Property payments	43 864	-	(249)	43 615	43 615	-	100,0%	81 611	81 611
Transport provided: Departmental activity	164	-	-	164	164	-	100,0%	29	29
Travel and subsistence	14 993	-	667	15 660	15 660	-	100,0%	17 270	17 270
Training and development	854	-	6	860	860	-	100,0%	426	426
Operating payments	1 675	-	(199)	1 476	1 476	-	100,0%	1 388	1 388
Venues and facilities	304	-	(14)	290	290	-	100,0%	433	433
Rental and hiring	12	-	265	277	277	-	100,0%	98	98
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 926	-	(1 269)	2 657	2 657	-	100,0%	4 322	4 322
Provinces and municipalities	857	-	(151)	706	706	-	100,0%	601	601
Provinces	857	-	(151)	706	706	-	100,0%	601	601
Provincial Revenue Funds	857	-	(151)	706	706	-	100,0%	601	601
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-

PROGRAMME 4: TRANSPORT REGULATION									
2018/19							2017/18		
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
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 069	(1 118)	1 951	1 951	-	100,0%	3 721	3 721	3 721
Social benefits	2 789	(838)	1 951	1 951	-	100,0%	3 721	3 721	3 721
Other transfers to households	280	(280)	-	-	-	-	-	-	-

PROGRAMME 4: TRANSPORT REGULATION									
	2018/19						2017/18		
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appropriation	Actual Ex- penditure	Variance	Expenditure as % of final appropriation	Final Approp- riation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	24 946	-	(101)	24 845	24 845	-	100,0%	22 201	22 201
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	24 946	-	(101)	24 845	24 845	-	100,0%	22 201	22 201
Transport equipment	21 500	-	1 117	22 617	22 617	-	100,0%	20 633	20 633
Other machinery and equipment	3 446	-	(1 218)	2 228	2 228	-	100,0%	1 568	1 568
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	25	25	25	-	100,0%	372	372
	903 004	-	(12 219)	890 785	890 785	-	100,0%	849 640	849 640

PROGRAMME 5: COMMUNITY BASED PROGRAMME									
Sub programme	2018/19						2017/18		
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. <u>Programme Support Community Based</u>	8 151	-	2 926	11 077	11 077	-	100,0%	5 470	5 470
2. <u>Community Development</u>	4 173	-	(638)	3 535	3 535	-	100,0%	4 248	4 248
3. <u>Innovation and Empowerment</u>	28 855	-	373	29 228	29 228	-	100,0%	17 300	16 250
4. <u>EPWP Co-ordination and Monitoring</u>	12 504	-	(3 738)	8 766	8 766	-	100,0%	7 263	8 313
	53 683	-	(1 077)	52 606	52 606	-	100,0%	34 281	34 281
Economic classification									
Current payments	53 623	-	(3 075)	50 548	50 548	-	100,0%	32 416	33 466
Compensation of employees	11 056	-	(2 434)	8 622	8 622	-	100,0%	7 769	7 769
Salaries and wages	9 433	-	(1 961)	7 472	7 472	-	100,0%	6 922	6 922
Social contributions	1 623	-	(473)	1 150	1 150	-	100,0%	847	847
Goods and services	42 567	-	(641)	41 926	41 926	-	100,0%	24 647	25 697
Administrative fees	26	-	34	60	60	-	100,0%	220	220
Advertising	1	-	(1)	-	-	-	-	6	6
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	170	-	(170)	-	-	-	-	26	26
Communication (G&S)	-	-	-	-	-	-	-	9	9
Computer services	-	-	1 478	1 478	1 478	-	100,0%	676	676

**PROGRAMME 5:
COMMUNITY BASED PROGRAMME**

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	39 946	-	(5 516)	34 430	34 430	-	100,0%	8 174	9 224
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	4 325	4 325	4 325	-	100,0%	10 784	10 784
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	86	-	(20)	66	66	-	100,0%	34	34
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-

**PROGRAMME 5:
COMMUNITY BASED PROGRAMME**

2018/19							2017/18		
Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	13	(1)	12	12	-	100,0%	5	5	5
Operating leases	-	-	-	-	-	-	45	45	45
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	500	(500)	-	-	-	-	2 359	2 359	2 359
Travel and subsistence	1 786	(251)	1 535	1 535	-	100,0%	2 261	2 261	2 261
Training and development	-	-	-	-	-	-	12	12	12
Operating payments	39	(19)	20	20	-	100,0%	36	36	36
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6	-	6	6	-	100,0%	1 865	1 865	815
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

**PROGRAMME 5:
COMMUNITY BASED PROGRAMME**

2018/19							2017/18		
Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	1 865	815	
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	1 865	815	
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	1 865	815	
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6	-	6	6	-	100,0%	-	-	-
Social benefits	6	-	6	6	-	100,0%	-	-	-

PROGRAMME 5:

COMMUNITY BASED PROGRAMME

	2018/19							2017/18	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appro- priation	Actual Ex- penditure	Variance	Expenditure as % of final appropria- tion	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	54	-	26	80	80	-	100,0%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	54	-	26	80	80	-	100,0%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	54	-	26	80	80	-	100,0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	1 972	1 972	1 972	-	100,0%	-	-
	53 683	-	(1 077)	52 606	52 606	-	100,0%	34 281	34 281

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

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-H) 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 payments for financial assets

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

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

4,1	Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.	
		R'000	R'000	R'000	%	
	Programme name					
	Administration	391 945	391 945	0	100%	
	Transport Infrastructure	7 339 038	7 102 727	236 311	97%	
	Transport Operations	1 891 303	1 891 303	0	100%	
	Transport Regulation	890 785	890 785	0	100%	
	Community Based Programme	52 606	52 606	0	100%	
	Programme sub total	10 565 677	10 329 366	236 311	98%	
	The department experienced delays in the awarding of the "Rehabilitation of Surfaced Roads, Reseals, Patching, Premix Asphalt, Drainage and Ancillary Works on Various Roads" period contract otherwise known as due to large volumes from applicants who wanted to participate in the programme.					
	Programme name					
	Explanation of variance					
	Programme name					
	Explanation of variance					
	(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)					

4,2	Per economic classification:		Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
			R'000	R'000	R'000	%
	Current expenditure					
	Compensation of employees		1 409 789	1 409 789	0	100%
	Goods and services		4 348 345	4 377 974	-29 629	100%
	Interest and rent on land		0	0	0	100%
	Transfers and subsidies					
	Provinces and municipalities		6 174	6 174	0	100%
	Departmental agencies and accounts		4 564	4 564	0	100%
	Higher education institutions		0	0	0	100%
	Public corporations and private enterprises		1 390 894	1 390 894	0	100%
	Foreign governments and international organisations		0	0	0	100%
	Non-profit institutions		0	0	0	100%
	Households		15 084	15 084	0	100%
	Payments for capital assets					
	Buildings and other fixed structures		3 201 111	2 935 171	265 940	100%
	Machinery and equipment		185 079	185 079	0	100%
	Heritage assets		0	0	0	100%
	Specialised military assets		0	0	0	0%
	Biological assets		0	0	0	100%
	Land and subsoil assets		0	0	0	101%
	Software and other intangible assets		2 251	2 251	0	100%
	Payments for financial assets		2 386	2 386	0	0%
	Explanation of variance					

4,3	Per conditional grant		Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Ap- prop.
			R'000	R'000	R'000	%
	Departmental Conditional Grants					
	Provincial Roads Maintenance Grant		1 826 745	1 826 745	0	100%
	Public Transport Operations Grant		1 106 154	1 106 154	0	100%
	EPWP Incentive Grant		76 562	74 093	2 469	97%
	Total		3 009 461	3 006 992	2 469	100%

Explanation of variance



Tulwane River Bridge in Nkandla . PHOTO: MBUYISELO NDLOVU

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2019

		2018/19 R'000	2017/18 R'000
Note			
REVENUE			
Annual appropriation	1	10 565 677	10 074 270
Statutory appropriation	2	-	-
Departmental revenue	3	1 913 566	1 833 338
NRF Receipts		-	-
Aid assistance	4	-	-
TOTAL REVENUE		12 479 243	11 907 608
EXPENDITURE			
Current expenditure			
Compensation of employees	5	1 428 296	1 344 934
Goods and services	6	4 321 389	3 788 059
Interest and rent on land	7	-	-
Aid assistance	4	-	1 127
Total current expenditure		5 749 685	5 134 120
Transfers and subsidies			
Transfers and subsidies	9	1 416 712	1 140 243
Aid assistance	4	-	-
Total transfers and subsidies		1 416 712	1 140 243
Expenditure for capital assets			
Tangible assets	10	3 126 181	3 530 193
Intangible assets	10	39 344	19 704
Total expenditure for capital assets		3 165 525	3 549 897
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	8	2 385	1 137
TOTAL EXPENDITURE		10 334 307	9 825 397
SURPLUS/(DEFICIT) FOR THE YEAR		2 144 936	2 082 211
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		236 311	250 000
Annual appropriation		233 842	250 000
Conditional grants		2 469	-
Departmental revenue and NRF Receipts	19	1 913 566	1 833 338
Aid assistance	4	(4 941)	(1 127)
SURPLUS/(DEFICIT) FOR THE YEAR		2 144 936	2 082 211

STATEMENT OF FINANCIAL POSITION

at 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current Assets		455 280	390 787
Unauthorised expenditure		-	-
Cash and cash equivalents		368 828	351 280
Other financial assets		-	-
Prepayments and advances	12	836	815
Receivables	13	85 616	38 692
Loans		-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
Non-Current Assets		4 305	40 045
Investments		-	-
Receivables	13	4 305	40 045
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		459 585	430 832
LIABILITIES			
Current Liabilities		455 825	427 448
Voted funds to be surrendered to the Revenue Fund	14	236 311	250 000
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	177 699	138 877
Bank overdraft		-	-
Payables	16	29 252	21 067
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	12 563	17 504
Non-Current Liabilities			
Payables		-	-
TOTAL LIABILITIES		455 825	427 448
NET ASSETS		3 760	3 384
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		3 760	3 384
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		3 760	3 384

STATEMENT OF CHANGE IN NET ASSETS

for the year ended 31 March 2019

NET ASSETS		2018/19 R'000	2017/18 R'000
	Note		
Capitalisation Reserves			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		3 384	2 422
Transfers		376	962
Irrecoverable amounts written off	8,3	-417	-563
Debts revised		-	-
Debts recovered (included in departmental receipts)		151	561
Debts raised		642	964
Closing balance		3 760	3 384
Retained funds			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
Revaluation Reserves			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		3 760	3 384

CASH FLOW STATEMENT

for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		12 479 209	11 902 544
Annual appropriated funds received	1,1	10 565 677	10 074 270
Statutory appropriated funds received	2	-	-
Departmental revenue received	3	1 913 516	1 828 250
Interest received	3,3	16	24
NRF Receipts		-	-
Aid assistance received	4	-	-
Net (increase)/ decrease in working capital		(3 020)	20 032
Surrendered to Revenue Fund		(2 124 744)	(1 922 461)
Surrendered to RDP Fund/Donor		-	-
Current payments		(5 749 685)	(5 007 607)
Interest paid	7	-	-
Payments for financial assets		(2 385)	(1 137)
Transfers and subsidies paid		(1 416 712)	(1 140 243)
Net cash flow available from operating activities	18	3 182 663	3 851 128
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		34	30
Payments for capital assets	10	(3 165 525)	(3 676 410)
Proceeds from sale of capital assets	3,4	-	5 034
(Increase)/ decrease in loans		-	-
(Increase)/ decrease in investments		-	-
(Increase)/ decrease in other financial assets		-	-
Net cash flows from investing activities		(3 165 491)	(3 671 346)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		376	962
Increase/ (decrease) in non-current payables		-	-
Net cash flows from financing activities		376	962
Net increase/ (decrease) in cash and cash equivalents		17 548	180 744
Cash and cash equivalents at beginning of period		351 280	170 536
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	19	368 828	351 280

Summary of significant accounting policies

[Concepts and Principles, Financial Statement Presentation]

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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 PFMA and the annual Division of Revenue Act.

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 GOING CONCERN

The financial statements have been prepared on a going concern basis.

3 PRESENTATION CURRENCY

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4 ROUNDING

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

5 FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6 COMPARATIVE INFORMATION

6.1 PRIOR PERIOD COMPARATIVE INFORMATION

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.

6.2 CURRENT YEAR COMPARISON WITH BUDGET

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 REVENUE

7.1 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 statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 DEPARTMENTAL REVENUE

[REVENUE, GENERAL DEPARTMENTAL ASSETS AND LIABILITIES]

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 ACCRUED DEPARTMENTAL REVENUE

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy

8 EXPENDITURE

8.1 COMPENSATION OF EMPLOYEES

8.1.1 SALARIES AND WAGES

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 SOCIAL CONTRIBUTIONS

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 OTHER EXPENDITURE

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 ACCRUALS AND PAYABLES NOT RECOGNISED

[General Departmental Assets and Liabilities]

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 LEASES

8.4.1 OPERATING LEASES

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 FINANCE LEASES

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end

of the lease term, excluding interest.

9 AID ASSISTANCE

9.1 AID ASSISTANCE RECEIVED

[Revenue, General Departmental Assets and Liabilities]

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 AID ASSISTANCE PAID

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

11 PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12 LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13 INVESTMENTS

Investments are recognised in the statement of financial position at cost.

14 FINANCIAL ASSETS

14.1 FINANCIAL ASSETS (NOT COVERED ELSEWHERE)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 IMPAIRMENT OF FINANCIAL ASSETS

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 PAYABLES

[General Departmental Assets and Liabilities]

Payables recognised in the statement of financial position are recognised at cost.

16 CAPITAL ASSETS

16.1 IMMOVABLE CAPITAL ASSETS

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 MOVABLE CAPITAL ASSETS

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 INTANGIBLE ASSETS

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 PROJECT COSTS: WORK-IN-PROGRESS

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17 PROVISIONS AND CONTINGENTS

17.1 PROVISIONS

Provisions are recorded in the notes to the financial statements 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 or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 CONTINGENT LIABILITIES

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is

not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 COMMITMENTS

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 PRINCIPAL-AGENT ARRANGEMENTS

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

25 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 underlying asset is disposed and the related funds are received.

26 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.

27 RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

28 INVENTORIES (EFFECTIVE FROM DATE DETERMINED IN A TREASURY INSTRUCTION)

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29 PUBLIC-PRIVATE PARTNERSHIPS

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

30 EMPLOYEE BENEFITS

[Provisions and Contingents]

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

1

1,1 Annual Appropriation	2018/19			2017/18	
			Funds not		
	Final	Actual Funds	requested/	Final	Appropriation
	Appropriation	Received	not received	Appropriation	Received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	391 945	391 945	-	328 127	328 127
Transport Infrastructure	7 339 038	7 339 038	-	7 351 857	7 351 857
Transport Operations	1 891 303	1 891 303	-	1 510 365	1 510 365
Transport Regulation	890 785	890 785	-	849 640	849 640
Community Based Programme	52 606	52 606	-	34 281	34 281
Total	10 565 677	10 565 677	-	10 074 270	10 074 270

Provide an explanation for funds not requested/not received

	Note	2018/19 R'000	2017/18 R'000
1,2 Conditional grants**			
Total grants received	34	3 009 461	2 880 054

Provincial grants included in Total Grants received

-

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

2 Statutory Appropriation

Actual Statutory Appropriation received

-

		2018/19 R'000	2017/18 R'000
3 Departmental Revenue			
Tax revenue		1 763 535	1 658 031
Sales of goods and services other than capital assets	3,1	105 916	106 378
Fines, penalties and forfeits	3,2	40 353	38 164
Interest, dividends and rent on land	3,3	69	54
Sales of capital assets	3,4	-	5 034
Transactions in financial assets and liabilities	3,5	3 693	25 677
Transfer received	3,6	-	-
Total revenue collected		1 913 566	1 833 338
Less: Own revenue included in appropriation	19	-	-
Departmental revenue collected		1 913 566	1 833 338
Sales of goods and services other than capital assets	3,1		
	3		
Sales of goods and services produced by the department		105 916	106 378
Sales by market establishment		6 110	6 224
Administrative fees		94 574	94 373
Other sales		5 232	5 781
Sales of scrap, waste and other used current goods		-	-
Total		105 916	106 378
Fines, penalties and forfeits	3,2		
	3		
Fines		40 353	38 164
Penalties		-	-
Forfeits		-	-
Total		40 353	38 164
Interest, dividends and rent on land	3,3		
	3		
Interest		16	24
Dividends		34	30
Rent on land		19	-
Total		69	54

		2018/19 R'000	2017/18 R'000
3,4 Sales of capital assets	3		
Tangible assets		-	5 034
Buildings and other fixed structures	31	-	-
Machinery and equipment	29	-	5 034
Heritage assets	29	-	-
Specialised military assets	29	-	-
Land and subsoil assets	31	-	-
Biological assets	29	-	-
Intangible assets		-	-
Software	30	-	-
Mastheads and publishing titles	30	-	-
Patents, licences, copyright, brand names, trademarks	30	-	-
Recipes, formulae, prototypes, designs, models	30	-	-
Services and operating rights	30	-	-
Total		-	5 034
Transactions in financial assets and liabilities	3		
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		20	1
Other Receipts including Recoverable Revenue		3 673	25 676
Gains on GFECRA		-	-
Total		3 693	25 677

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Aid			
4 Assistance			
Opening Balance		17 504	18 631
Prior period error			
As restated		17 504	18 631
Transferred from statement of financial performance		(4 941)	(1 127)
Transferred to/from retained funds		-	-
Paid during the year		-	-
Closing Balance		12 563	17 504
4,1 Analysis of balance by source	4		
Aid assistance from RDP		-	-
Aid assistance from other sources		12 563	17 504
CARA		-	-
Closing Balance		12 563	17 504
4,2 Analysis of balance	4		
Aid assistance receivable		-	-
Aid assistance prepayments (Not expensed)		-	-
Aid assistance unutilised		12 563	17 504
Aid assistance repayable		-	-
Closing balance		12 563	17 504
Aid assistance not requested/not received		-	-

	<i>Note</i>	2018/19 R'000	2017/18 R'000
4,3	Aid assistance expenditure per economic classification		
	Current	-	1 127
	Capital	4 941	-
	Transfers and subsidies	-	-
	Total aid assistance expenditure	4 941	1 127
5	Compensation of Employees		
5,1	Salaries and wages		
	Basic salary	876 714	830 280
	Performance award	25 205	18 848
	Service Based	3 074	2 544
	Compensative/ circumstantial	130 072	132 693
	Periodic payments	21 528	28 703
	Other non-pensionable allowances	178 076	149 762
	Total	1 234 669	1 162 830
5,2	Social Contributions		
	Employer contributions		
	Pension	105 065	99 681
	Medical	87 900	81 806
	UIF	74	7
	Bargaining council	339	320
	Official unions and associations	-	-
	Insurance	249	290
	Total	193 627	182 104
	Total compensation of employees	1 428 296	1 344 934
	Average number of employees	3 966	3 880

		2018/19 R'000	2017/18 R'000
6 Goods and services			
Administrative fees		3 484	22 738
Advertising		7 732	7 034
Minor assets	6,1	4 689	3 001
Bursaries (employees)		958	618
Catering		5 901	5 857
Communication		29 312	33 180
Computer services	6,2	169 528	107 270
Consultants: Business and advisory services		234 017	304 142
Infrastructure and planning services		375 413	-
Laboratory services		170	271
Scientific and technological services		-	-
Legal services		21 972	14 798
Contractors		2 384 877	2 383 956
Agency and support / outsourced services		4 451	8 438
Entertainment		-	-
Audit cost – external	6,3	27 757	8 022
Fleet services		198 304	159 336
Inventory	6,4	99 503	130 149
Consumables	6,5	34 443	29 478
Housing		-	-
Operating leases		58 123	22 162
Property payments	6,6	176 939	175 757
Rental and hiring		1 197	1 225
Transport provided as part of the departmental activities		395 870	285 554
Travel and subsistence	6,7	72 628	58 939
Venues and facilities		5 141	10 657
Training and development		4 537	11 400
Other operating expenditure	6,8	4 443	4 077
Total		4 321 389	3 788 059

			2018/19 R'000	2017/18 R'000
6,1	Minor assets	Note 6		
	Tangible assets		4 689	3 001
	Buildings and other fixed structures		-	-
	Biological assets		-	-
	Heritage assets		-	-
	Machinery and equipment		4 689	3 001
	Transport assets		-	-
	Specialised military assets		-	-
	Intangible assets		-	-
	Software		-	-
	Mastheads and publishing titles		-	-
	Patents, licences, copyright, brand names, trademarks		-	-
	Recipes, formulae, prototypes, designs, models		-	-
	Services and operating rights		-	-
	Total		4 689	3 001
6,2	Computer services	Note 6		
	SITA computer services		23 429	38 356
	External computer service providers		146 099	68 914
	Total		169 528	107 270
6,3	Audit cost – external	Note 6		
	Regularity audits		8 814	7 251
	Performance audits		-	-
	Investigations		18 052	257
	Environmental audits		-	-
	Computer audits		891	514
	Total		27 757	8 022
6,4	Inventory	Note 6		
	Clothing material and accessories		7 333	7 920
	Farming supplies		-	-
	Food and food supplies		449	1 025
	Fuel, oil and gas		73 835	56 820
	Learning and teaching support material		-	-
	Materials and supplies		17 886	64 384
	Medical supplies		-	-
	Medicine		-	-
	Medsas inventory interface		-	-
	Other supplies	6.4.1	-	-
	Total		99 503	130 149

		2018/19 R'000	2017/18 R'000
6.4.1 Other Supplies			
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Other assets for distribution		-	-
Other		-	-
Total		-	-
6,5 Consumables	6		
Consumable supplies		9 366	7 897
Uniform and clothing		4 921	2 519
Household supplies		2 940	4 036
Building material and supplies		-	-
Communication accessories		-	17
IT consumables		917	958
Other consumables		588	367
Stationery, printing and office supplies		25 077	21 581
Total		34 443	29 478
6,6 Property payments	6		
Municipal services		35 360	39 661
Property management fees		-	-
Property maintenance and repairs		76 712	82 848
Other		64 867	53 248
Total		176 939	175 757
6,7 Travel and subsistence	6		
Local		72 445	58 831
Foreign		183	108
Total		72 628	58 939
6,8 Other operating expenditure	6		
Professional bodies, membership and subscription fees		-	-
Resettlement costs		1 014	475
Other		3 429	3 602
Total		4 443	4 077
7 Interest and Rent on Land			
Interest paid		-	-
Rent on land		-	-
Total		-	-

	<i>Note</i>	2018/19 R'000	2017/18 R'000
8 Payments for financial assets			
Material losses through criminal conduct		1 968	-
Theft	8,4	1 968	-
Other material losses	8,1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	8,2	-	371
Debts written off	8,3	417	766
Forex losses	8,5	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		2 385	1 137
 8,1 Other material losses	 8		
Nature of other material losses			
(Group major categories, but list material items)			
		-	-
		-	-
		-	-
Total		-	-
 8,2 Other material losses written off	 8		
Nature of losses			
(Group major categories, but list material items)			
Claims by the state		-	371
		-	-
		-	-
		-	-
Total		-	371

	<i>Note</i>	2018/19 R'000	2017/18 R'000
8,3 Debts written off	8		
Nature of debts written off			
(Group major categories, but list material items: (debt written off relating to irregular expenditure, debt written off relating to recoverable revenue and other debts written off must be listed.)			
Irregular expenditure written off		-	-
		-	-
		-	-
		-	-
		-	-
Total		-	-
Recoverable revenue written off		-	-
		-	-
		-	-
		-	-
Total		-	-
Other debt written off			
Employee Debt		150	63
		-	-
Zibambebe		267	703
		-	-
		-	-
		-	-
Total		417	766
Total debt written off		417	766

8,4 Details of theft	8		
Nature of theft			
(Group major categories, but list material items)			
Fraudulent payment (2004-2005)		1 968	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total		1 968	-

		2018/19 R'000	2017/18 R'000
9 Transfers and Subsidies			
Provinces and municipalities		6 172	5 898
Departmental agencies and accounts	ANNEXURE 1B	4 564	4 493
Higher education institutions	ANNEXURE 1C	-	-
Foreign governments and international organisations	ANNEXURE 1E	-	-
Public corporations and private enterprises	ANNEXURE 1D	1 390 894	1 112 412
Non-profit institutions	ANNEXURE 1F	-	-
Households	ANNEXURE 1G	15 082	17 440
Total		1 416 712	1 140 243

10 Expenditure for capital assets

Tangible assets

Buildings and other fixed structures

Heritage assets

Machinery and equipment

Specialised military assets

Land and subsoil assets

Biological assets

Intangible assets

Software

Mastheads and publishing titles

Patents, licences, copyright, brand names, trademarks

Recipes, formulae, prototypes, designs, models

Services and operating rights

Total

	3 126 181	3 530 193
31	2 935 171	3 330 884
29,31	-	-
29	191 010	199 309
29	-	-
31	-	-
29	-	-
30	39 344	19 704
-	-	-
-	-	-
39 344	19 704	
-	-	-
-	-	-
3 165 525	3 549 897	

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

Compensation of employees

Goods and services

Total

-
37 094
37 094
6 482

10,1 Analysis of funds utilised to acquire capital assets - 2018/19

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 121 240	4 941	3 126 181
Buildings and other fixed structures	2 935 171	-	2 935 171
Heritage assets	-	-	-
Machinery and equipment	186 069	4 941	191 010
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	39 344	-	39 344
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	39 344	-	39 344
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	3 160 584	4 941	3 165 525

10,2 Analysis of funds utilised to acquire capital assets - 2017/18

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 530 193	-	3 530 193
Buildings and other fixed structures	3 330 884	-	3 330 884
Heritage assets	-	-	-
Machinery and equipment	199 309	-	199 309
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	19 704	-	19 704
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	19 704	-	19 704
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	3 549 897	-	3 549 897

	<i>Note</i>	2018/19 R'000	2017/18 R'000
11 Cash and Cash Equivalents			
Consolidated Paymaster General Account		366 407	349 702
Cash receipts		2 393	1 586
Disbursements		-	(36)
Cash on hand		28	28
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		368 828	351 280

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use

Indicate any amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; and the amount and nature of restricted cash balances.

	<i>Note</i>	2018/19 R'000	2017/18 R'000
12 Prepayments and Advances			
Staff advances		-	-
Travel and subsistence		836	815
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)		-	-
SOCPEN advances		-	-
Total		836	815

	<i>Note</i>	Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
13 Receivables							
Claims recoverable	13,1	84 024	-	84 024	34 027	33 880	67 907
Trade receivables	13,2	-	-	-	-	-	-
Recoverable expenditure	13,3	9	-	9	66	-	66
Staff debt	13,4	807	4 305	5 112	809	4 197	5 006
Fruitless and wasteful expenditure	13,6	-	-	-	-	-	-
Other receivables	13,5	776	-	776	3 790	1 968	5 758
Total		85 616	4 305	89 921	38 692	40 045	78 737

13,1 Claims recoverable	13	
National departments		11 361
Provincial departments		60 958
Foreign governments		-
Public entities		11 705
Private enterprises		-
Higher education institutions		-
Households and non-profit institutions		-
Local governments		-
Total		84 024

		2018/19 R'000	2017/18 R'000
13,2 Trade receivables	Note		
(Group major categories, but list material items)	13		
		-	-
		-	-
		-	-
Total		-	-

		2018/19 R'000	2017/18 R'000
13,3 Recoverable expenditure (disallowance accounts)	Note		
(Group major categories, but list material items)	13		
Online Travel Account		9	66
		-	-
		-	-
		-	-
		-	-
		-	-
Total		9	66

13,4 Staff debt	Note		
(Group major categories, but list material items)	13		
Breach of Contract		97	17
In-Service Debts		2 160	2 131
Out-of-Service Debts		1 966	1 725
Tax Debt		365	301
Private Entities		524	832
		-	-
		-	-
		-	-
		-	-
		-	-
Total		5 112	5 006

	<i>Note</i>	2018/19 R'000	2017/18 R'000
13,5 Other receivables	13		
(Group major categories, but list material items)			
Dishonoured Cheque		447	172
Disallowance - Fraudulent payment		-	1 968
-		-	-
Other		329	-
Salary ACB Recalls		-	3 618
		-	-
		-	-
Total		776	5 758
 13,6 Impairment of receivables			
Estimate of impairment of receivables		-	1 968
Total		-	1 968

		2018/19 R'000	2017/18 R'000
	<i>Note</i>		
14 Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		250 000	56 006
Prior period error	18,2		-
As restated		250 000	56 006
Transfer from statement of financial performance (as restated)		236 311	250 000
Add: Unauthorised expenditure for current year	11	-	-
Voted funds not requested/not received	1,1	-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures ONLY)	18,1	-	-
Paid during the year		(250 000)	(56 006)
Closing balance		236 311	250 000
15 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		138 877	171 994
Prior period error			-
As restated	19,1	138 877	171 994
Transfer from Statement of Financial Performance (as restated)		1 913 566	1 833 338
Own revenue included in appropriation		-	-
Transfer from aid assistance	4	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	18,1	-	-
Paid during the year		(1 874 744)	(1 866 455)
Closing balance		177 699	138 877

		2018/19 R'000	2017/18 R'000
16 Payables - current	Note		
Amounts owing to other entities		-	-
Advances received	17,1	9 876	9 180
Clearing accounts	17,2	7 418	-
Other payables	17,3	11 958	11 887
Total		29 252	21 067
 16,1 Advances received	 17		
National departments		-	-
Provincial departments		-	-
Public entities		9 876	9 180
Other institutions		-	-
Total		9 876	9 180
 16,2 Clearing accounts	 17		
(Identify major categories, but list material amounts)			
Exchequer Grant Account		7 418	-
		-	-
		-	-
		-	-
		-	-
Total		7 418	-
 16,3 Other payables	 17		
(Identify major categories, but list material amounts)			
-		-	-
Sal: ACB Recalls		8	1 655
Sal: Medical Aid		23	9
Sal: Income Tax		1 188	611
Traffic fines from court incorrectly paid to the department		9 490	9 224
Other		1 249	388
		-	-
		-	-
		-	-
		-	-
Total		11 958	11 887

	<i>Note</i>	2018/19 R'000	2017/18 R'000
17 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		2 144 936	2 082 211
Add back non cash/cash movements not deemed operating activities		1 037 727	1 768 917
(Increase)/decrease in receivables		(11 184)	24 008
(Increase)/decrease in prepayments and advances		(21)	1
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		8 185	(3 977)
Proceeds from sale of capital assets		-	(5 034)
Proceeds from sale of investments		(34)	(30)
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		3 165 525	3 676 410
Surrenders to Revenue Fund		(2 124 744)	(1 922 461)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		3 182 663	3 851 128
18 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		366 407	349 702
Fund requisition account		-	-
Cash receipts		2 393	1 586
Disbursements		-	(36)
Cash on hand		28	28
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		368 828	351 280

			2018/19 R'000	2017/18 R'000
19	Contingent liabilities and contingent assets	Note		
19,1	Contingent liabilities			
	Liable to			
	Motor vehicle guarantees		-	-
	Housing loan guarantees	Annex 3A	3	39
	Other guarantees		-	-
	Claims against the department	Annex 3B	235 416	144 877
	Intergovernmental payables (unconfirmed balances)	Annex 4	-	-
	Environmental rehabilitation liability		-	-
	Other		-	-
	Total		235 419	144 916

	<i>Note</i>	2018/19 R'000	2017/18 R'000
20 Commitments			
Current expenditure			
Approved and contracted		4 464 882	3 325 488
Approved but not yet contracted		95 779	3 062 286
		4 560 661	6 387 774
Capital Expenditure			
Approved and contracted		2 142 326	5 103 369
Approved but not yet contracted		-	279 750
		2 142 326	5 383 119
Total Commitments		6 702 987	11 770 893

Indicate whether a commitment is for longer than a year

Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.

21 Accruals and payables not recognised

21,1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	17 101	-	17 101	455 642
Interest and rent on land	-	-	-	-
Transfers and subsidies	16	-	16	75 288
Capital assets	1 198	-	1 198	281 066
Other	-	-	-	-
Total	18 315	-	18 315	811 996

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Listed by programme level			
Administration		38	29 660
Transport Infrastructure		17 477	623 263
Transport Operations		-	116 138
Transport Regulations		624	40 348
Community Based Programme		176	2 587
Total		18 315	811 996

Include reasons for material accruals

21,2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	63 237	14 083	77 320	83 832
Interest and rent on land	-	-	-	-
Transfers and subsidies	329	454	783	22 459
Capital assets	185 039	5 893	190 932	136 047
Other			-	-
Total	248 605	20 430	269 035	242 338
Administration			16 626	11 078
Transport Infrastructure			242 779	191 259
Transport Operations			1 529	37 438
Transport Regulations			1 724	2 563
Community Based Programme			6 377	-
Total			269 035	242 338

Included in the above totals are the following:

Confirmed balances with departments	Annex 5	3 720	6 349
Confirmed balances with other government entities	Annex 5	-	-
Total		3 720	6 349

22 Employee benefits

Leave entitlement	70 979	64 975
Service bonus	34 430	32 451
Performance awards	-	-
Capped leave commitments	75 255	74 888
Other	-	-
Total	180 664	172 314

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23 Lease commitments

23,1 Operating leases

2018/19	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	88	90	466	644
Later than 1 year and not later than 5 years	265	288	-	553
Later than five years	-	-	-	-
Total lease commitments	353	378	466	1 197

2017/18	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	67	2 594	3 950	6 611
Later than 1 year and not later than 5 years	135	-	418	553
Later than five years	-	-	-	-
Total lease commitments	202	2 594	4 368	7 164

Provide a general description of the material leasing arrangements

Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

Rental earned on sub-leased assets	3		-
Total		-	-

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

23,2 Finance leases

2018/19	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 173	1 173
Later than 1 year and not later than 5 years	-	-	301	301
Later than five years	-	-	-	-
Total lease commitments	-	-	1 474	1 474

2017/18	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	4 619	4 619
Later than 1 year and not later than 5 years	-	-	1 056	1 056
Later than five years	-	-	-	-
Total lease commitments	-	-	5 675	5 675

** This note excludes leases relating to public private partnerships as they are separately disclosed to note no. 35.

Provide a general description of the material leasing arrangements

Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

24 Accrued departmental revenue

Tax revenue	-	-
Sales of goods and services other than capital assets	-	-
Fines, penalties and forfeits	36 412	42 710
Interest, dividends and rent on land	-	-
Sale of capital assets	-	-
Transactions in financial assets and liabilities	-	-
Transfers received	-	-
Other	-	-
Total	36 412	42 710

24,1 Analysis of accrued departmental revenue

Opening balance	42 710	48 130
Less: Amounts received	-	-
Add: Amounts recognised	606 883	701 312
Less: Amounts written-off/reversed as irrecoverable	613 181	706 732
Less: Amounts transferred to receivables for recovery	-	-
Closing balance	36 412	42 710

24,2 Accrued department revenue written off

Nature of losses

(Group major categories, but list material items)

	-	-
Traffic Fines	613 181	706 732
	-	-
	-	-
Total	613 181	706 732

24,3 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue

	-	-
Total	-	-

25 Irregular expenditure

25,1 Reconciliation of irregular expenditure

Opening balance	10 704 267	5 309 766
Prior period error		1 188 703
As restated	10 704 267	6 498 469
Add: Irregular expenditure - relating to prior year		220 565
Add: Irregular expenditure - relating to current year	3 403 705	3 985 233
Less: Prior year amounts condoned		-
Less: Current year amounts condoned		-
Less: Amounts not condoned and recoverable		-
Less: Amounts not condoned and not recoverable		-
Irregular expenditure awaiting condonation	14 107 972	10 704 267
Analysis of awaiting condonation per age classification		
Current year	3 403 705	4 205 798
Prior years	10 704 267	6 498 469
Total	14 107 972	10 704 267

25,2 Details of irregular expenditure – added current year (relating to current and prior years)

R'000

Incident	Disciplinary steps taken/ criminal proceedings
Competitive bidding process not followed	1165459
Expired contracts	692107
SCM Process - Evaluation	425811
SCM Process - Contracts Management	561849
SCM Process not followed	72955
Bids not adjudicated by BAC	258735
Plant hire	96269
Acceptable tenders unfairly disqualified	0
Bid Committees not complied with	11296
Three quotes not requested	7423
Not advertised in tender bulletin	35453
Delegations not adhered to	14648
Deviations not justifiable	18577

Partnerships	9850
PPPFA not applied	8448
Other	24825

Total	3 403 705
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25.3	Prior period error	Note	2017/18 R'000
	Nature of prior period error		
	Relating to 2017/18 (affecting the opening balance)		1 188 703
			1 188 703
			-
	Relating to 2017/18		-
	Total		1 188 703

		2018/19 R'000
25.4	Details of the non-compliance where an institution was not represented in a bid committee for contracts arranged by other institutions	
	Incident	
	Total	-

26 Fruitless and wasteful expenditure

27,1 Reconciliation of fruitless and wasteful expenditure

Opening balance	19	-
Prior period error		-
As restated	19	-
Fruitless and wasteful expenditure – relating to prior year	-	-
Fruitless and wasteful expenditure – relating to current year	900	19
Less: Amounts resolved	-	-
Less: Amounts transferred to receivables for recovery	15,6	-
Closing balance	919	19

26,2 Analysis of awaiting resolution per economic classification

Current	-
Capital	-
Transfers and subsidies	-
Total	-

26,3 Analysis of Current year's (relating to current & prior years) fruitless and wasteful expenditure

		2018/19
Incident	Disciplinary steps taken/ criminal proceedings	R'000
Accommodation no shows		6
Annual Report reprint		160
Construction of P318 (Phase 2)		734
		-
		-
Total		900

		2018/19 R'000	2017/18 R'000
27 Key management personnel	No. of Individuals		
Political office bearers (provide detail below)	1	1 978	1 978
Officials:			-
Level 15 to 16	5	8 458	6 907
Level 14 (incl CFO if at a lower level)	8	10 783	10 693
		-	-
Family members of key management personnel	5	1 718	1 515
Total		22 937	21 093

	<i>Note</i>	2018/19 R'000	2017/18 R'000
28 Provisions			
<i>Claims Against the State</i>		91 248	28
<i>Retention on Infrastructure Projects</i>		-	24 690
			-
			-
Total		91 248	24 718

Reconciliation of movement in provisions
28,1 - 2018/19

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	28	24 690	-	-	24 718
Increase in provision	-	91 248	-	-	91 248
Settlement of provision	(28)	(24 690)	-	-	(24 718)
Unused amount reversed	-	-	-	-	-
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-	-
Closing balance	-	91 248	-	-	91 248

Reconciliation of movement in provisions
- 2017/18

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	77	136 983	-	-	137 060
Increase in provision	28	-	-	-	28
Settlement of provision	(77)	(112 293)	-	-	(112 370)
Unused amount reversed	-	-	-	-	-
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-	-
Closing balance	28	24 690	-	-	24 718

Provide a brief description of the nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential.

Provide a description of the uncertainties/estimates applied in each of the provision. Where necessary, provide information on the major assumptions made concerning future events.

29 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value ad- justments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	1 361 119	-	185 150	12 362	1 533 907
Transport assets	843 612	-	80 803	-	924 415
Computer equipment	69 928	-	8 603	7 205	71 326
Furniture and office equipment	58 237	-	10 122	189	68 170
Other machinery and equipment	389 342	-	85 622	4 968	469 996
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 361 119	-	185 150	12 362	1 533 907

Include discussion here where deemed relevant

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		
Machinery and equipment	47	5 514
Specialised military assets		
Biological assets		

Assets are under investigation due to theft or loss. Loss Control cases opened.

Additions

29.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-cash	(Capital work-in- progress current costs and fi- nance lease payments)	Received current, not paid (Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	188 842	-	-	(3 692)	185 150
Transport assets	85 177	-	-	(4 374)	80 803
Computer equipment	7 850	-	-	753	8 603
Furniture and office equipment	10 416	-	-	(294)	10 122
Other machinery and equipment	85 399	-	-	223	85 622
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	188 842	-	-	(3 692)	185 150

Include discussion here where deemed relevant

Disposals

29,2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	241	12 121	12 362	48
Transport assets	-	-	-	-
Computer equipment	13	7 192	7 205	5
Furniture and office equipment	-	189	189	-
Other machinery and equipment	228	4 740	4 968	43

SPECIALISED MILITARY ASSETS

Specialised military assets

-	-	-	-
-	-	-	-

BIOLOGICAL ASSETS

Biological assets

-	-	-	-
-	-	-	-

TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS

241	12 121	12 362	48
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Include discussion here where deemed relevant

29,3 Movement for 2017/18

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	1 219 219	(23 860)	199 817	34 057	1 361 119
Transport assets	788 774	(22 265)	109 437	32 334	843 612
Computer equipment	61 747	(340)	9 228	707	69 928
Furniture and office equipment	53 669	(82)	4 684	34	58 237
Other machinery and equipment	315 029	(1 173)	76 468	982	389 342
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 219 219	(23 860)	199 817	34 057	1 361 119

29.3.1 Prior period error

Note

2017/18
R'000

Nature of prior period error

Disposals Relating to 2017/18

(23 860)

(23 860)

Relating to 2017/18

(23 860)

29,4

Total

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	46 448	-	46 448
Value adjustments				-		-
Addi- tions				2 660		2 660
Dispos- als				1 422		1 422
TOTAL MINOR ASSETS	-	-	-	47 686	-	47 686

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						-
Number of minor assets at cost						-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

**Minor Capital Assets under
investigation**

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Specialised military assets		
Intangible assets		
Heritage assets		
Machinery and equipment	87	50
Biological assets		

Assets are under investigation due to theft or loss. Loss Control cases opened.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	46 448	-	46 448
Prior period error	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	-	-	46 448	-	46 448

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

29,5 Movable assets written off

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH
2019**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Assets written off				672		672
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	672	-	672

30 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-		-	-	-
MASTHEADS AND PUBLISHING TITLES	-		-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	56 993		39 344	-	96 337
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-		-	-	-
SERVICES AND OPERATING RIGHTS	41		-	-	41
TOTAL INTANGIBLE CAPITAL ASSETS	57 034	-	39 344	-	96 378

Include discussion here where deemed relevant

Intangible Capital Assets under investigation

	Number	Value
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		R'000
Software		
Mastheads and publishing titles		
Patents, licences, copyright, brand names, trademarks		
Recipes, formulae, prototypes, designs, models		
Services and operating rights		

Provide reasons why assets are under investigation and actions being taken to resolve matters

30,1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-cash	(Develop- ment work- in-progress current costs)	Received current, not paid (Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE					-
MASTHEADS AND PUBLISHING TITLES					-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	39 344				39 344
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					-
SERVICES AND OPERATING RIGHTS					-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	39 344	-	-	-	39 344

Include discussion here where deemed relevant

Disposals

30,2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
SOFTWARE			-	
MASTHEADS AND PUBLISHING TITLES			-	
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS			-	
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS			-	
SERVICES AND OPERATING RIGHTS			-	
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

**Movement for
2017/18**

30,3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	37 289	-	19 704	-	56 993
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	4	37	-	-	41
TOTAL INTANGIBLE CAPITAL ASSETS	37 293	37	19 704	-	57 034

30.3.1	Prior period error	Note	2017/18 R'000
	Nature of prior period error		
	Relating to 2017/18 (affecting the opening balance)		37
	Recognition of expropriated and private property ad deemed cost		37
	Relating to 2017/18		-
	Total		37

31 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	54 037 055	-	2 314 759	-	56 351 814
Dwellings	-	-	-	-	-
Non-residential buildings	58 634	-	-	-	58 634
Other fixed structures	53 978 421	-	2 314 759	-	56 293 180
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	116 356	-	116 356
Land	-	-	116 356	-	116 356
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	54 037 055	-	2 431 115	-	56 468 170

Include discussion here where deemed relevant

Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:		
Buildings and other fixed structures	-	-
Heritage assets	-	-
Land and subsoil assets	-	-

Provide reasons why assets are under investigation and actions being taken to resolve matters

Additions

31,1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
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BUILDINGS AND OTHER FIXED STRUCTURES

	2 935 171	-	(620 412)	-	2 314 759
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	2 935 171	-	(620 412)	-	2 314 759

HERITAGE ASSETS

	-	-	-	-	-
Heritage assets	-	-	-	-	-

LAND AND SUBSOIL ASSETS

	-	116 356	-	-	116 356
Land	-	116 356	-	-	116 356
Mineral and similar non-regenerative resources	-	-	-	-	-

TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS

2 935 171	116 356	(620 412)	-	2 431 115
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Include discussion here where deemed relevant

Movement for 2017/18

31,2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	31 519 275	21 942 479	575 301	-	54 037 055
Dwellings	-	-	-	-	-
Non-residential buildings	-	58 634	-	-	58 634
Other fixed structures	31 519 275	21 883 845	575 301	-	53 978 421
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-

**TOTAL IMMOVABLE TANGIBLE CAPITAL
ASSETS**

31 519 275 21 942 479 575 301 - 54 037 055

31,2.1	Prior period error	Note	2017/18 R'000
	Nature of prior period error		
	Relating to 2016/17 (affecting the opening balance)		21 942 479
	The department had not recognised the entire road network in prior years		21 883 845
	Buildings not recognised in prior the year		58 634
			-
	Relating to 2017/18		-
			-
			-
	Total		21 942 479

Capital Work-in-progress

31,3 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note	Opening Balance 1 April 2018 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2019 R'000
	Annexure 7				
Heritage assets		-	-	-	-
Buildings and other fixed structures		6 615 382	2 935 171	2 314 759	7 235 794
Machinery and equipment		-	-	-	-
Intangible assets		-	-	-	-
TOTAL		6 615 382	2 935 171	2 314 759	7 235 794

Age analysis on ongoing projects

	Number of projects		2018/19 Total R'000
	Planned, construction not started	Planned, construction started	
0 to 1 year	101	110	1 066 198
1 to 3 year(s)	281	282	5 624 813
3 to 5 years	12	22	544 782
Longer than 5 years	-	-	-
Total	394	414	7 235 793

Include discussion on projects longer than 5 years in capital work in progress

	2018/19	2017/18
	R'000	R'000
Accruals and payables not recognised relating to Capital WIP		-
		-
Total	-	-

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

	<i>Note</i>	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2018
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Buildings and other fixed structures		110 477	4 510 941	3 447 902	(1 453 938)	6 615 382
Machinery and equipment		-	-	-	-	-
Intangible assets		-	-	-	-	-
TOTAL		110 477	4 510 941	3 447 902	(1 453 938)	6 615 382

Age analysis on ongoing projects

	Number of projects		2017/18
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	83	156	732 631
1 to 3 year(s)	241	212	5 618 226
3 to 5 years	8	8	264 525
Longer than 5 years	-	-	-
Total	332	376	6 615 382

Include discussion on projects longer than 5 years in capital work in progress

Prior period errors

	Note	Amount bef error correc- tion	Prior period error R'000	Restated amount R'000
32,1 Correction of prior period errors				
Revenue				-
				-
				-
				-
Net effect			-	-
<i>Provide a description of the nature of the prior period error as well as why the correction was required</i>				
Expenditure:				-
Goods and Services	6	3 661 546	126 513	3 788 059
Expenditure for Capital Assets	10	3 676 410	(126 513)	3 549 897
				-
				-
				-
				-
				-
Net effect		7 337 956	-	7 337 956
<i>Provide a description of the nature of the prior period error as well as why the correction was required</i>				
Assets:				-
Immovable Assets	41	32 094 516	21 942 479	54 037 055
				-
				-
				-
				-
				-
Net effect		32 094 576	21 942 479	54 037 055

Provide a description of the nature of the prior period error as well as why the correction was required

Liabilities:

	-
	-
	-
	-

Net effect

-	-
---	---

Provide a description of the nature of the prior period error as well as why the correction was required

Other:

Irregular Expenditure

31	9 961 721	844 573	10 806 294
			-
			-
			-

Net effect

9 961 721	844 573	10 806 294
-----------	---------	------------

Provide a description of the nature of the prior period error as well as why the correction was required

INVENTORIES

(Effective from date determined in a Treasury instruction)

33

Inventories for the year ended 31 March

33,1 2019

	Insert major category	Insert major category	Insert major category	Total
Note	R'000	R'000	R'000	R'000
<i>Annex-ure 6</i>				
Opening balance	32 004			32 004
Add/(Less): Adjustments to prior year balances	-			-
Add: Additions/Purchases - Cash	71 764			71 764
Add: Additions - Non-cash	-			-
(Less): Disposals	-			-
(Less): Issues	(71 354)			(71 354)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-			-
Add/(Less): Adjustments	(289)			(289)
Closing balance	32 125	-	-	32 125

Include discussion here where deemed relevant

Inventories for the year ended 31 March 2018

	Note	Insert major category R'000	Insert major category R'000	Insert major category R'000	Total R'000
	<i>Annex- ure 6</i>				
Opening balance		29 451	-	-	-
Add/(Less): Adjustments to prior year balances		-	-	-	-
Add: Additions/Purchases - Cash		57 914	-	-	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(55 361)	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		32 004	-	-	-

Include discussion here where deemed relevant

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

	GRANT ALLOCATION					SPENT				2017/18	
NAME OF GRANT	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Ad-justments	Other Ad-justments	Total Available	Amount received by department	Amount spent by department	Under / (over-spending)	% of avail-able funds spent by dept	Division of Revenue Act	Amount spent by de-partment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Roads Maintenance Grant	1 826 745	-	-	-	1 826 745	1 826 745	1 826 745	-	100%	1 925 378	1 925 378
Public Transport Operations Grant	1 106 154	-	-	-	1 106 154	1 106 154	1 106 154	-	100%	1 011 045	1 011 045
EPWP Incentive Grant	76 562	-	-	-	76 562	76 562	74 093	2 469	97%	56 055	56 055
	3 009 461	-	-	-	3 009 461	3 009 461	3 006 992	2 469		2 992 478	2 992 478

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
Construction CETA	4 478	-	-	4 478	4 564	102%	5 699
Safety and Security CETA	-	-	-	-	-	-	-
Total	4 478	-	-	4 478	4 564		5 699

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private enterprises									
Subsidies	1 105 154	-	-	1 105 154	1 390 894	125,9%	-	-	1 011 045
Public Transport Operations Grant	1 105 154	-	-	1 105 154	1 390 894	125,9%	-	-	1 011 045
Sub total: Private enterprises	1 105 154	-	-	1 105 154	1 390 894	125,9%	-	-	1 011 045
TOTAL	1 105 154	-	-	1 105 154	1 390 894	125,9%	-	-	1 011 045

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Employee Benefits: Injury on Duty	2 000	-	-	2 000	2 802	140%	2 000
Employee Benefits: Leave Gratuity	2 000	-	-	2 000	4 994	250%	2 000
Claims Against the State - Cash	6 889	-	-	6 889	3 891	56%	7 710
Refund & Rem-Act	2 000	-	-	2 000	3 200	160%	2 000
Donations & Gifts	1 000	-	-	1 000	12	1%	1 000
Bursaries (non employee)	2 000	-	-	2 000	183	9%	2 000
	15 889	-	-	15 889	15 082		16 710
Total	15 889	-	-	15 889	15 082		16 710

ANNEXURE 1D

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/ BY 31 MAR	CLOSING BALANCE
Received in cash		R'000	R'000	R'000	R'000	R'000
Ethekwini Municipality	Provincial Public Transport Infrastructure	241	-	-	-	241
RTMC	Road Safety Improvement Programme	17 263	-	4 940	-	12 323
TOTAL		17 504	-	4 940	-	12 564

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 - LOCAL									
GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2018	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2019	Guaranteed interest for year ended 31 March 2019	Realised losses not recoverable i.e. claims paid out
	Housing	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old Mutual (Nedbank/ Permanent Bank	Housing	-	24	-	21	-	3	-	-
	Subtotal	-	24	-	21	-	3	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

NATURE OF LIABILITY	Opening balance 1 April 2018 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 March 2019 R'000
Claims against the department					
Potholes	34 006	5 815	8 052	916	30 853
Accidents	8 556	317	(21)	691	8 203
Civil	102 315	75 523	(20 752)	2 230	196 360
Subtotal	144 877	81 655	(12 721)	3 837	235 416
TOTAL	144 877	81 655	(12 721)	3 837	235 416

ANNEXURE 3						
CLAIMS RECOVERABLE						
GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
DEPARTMENTS	R'000	R'000	R'000	R'000	R'000	R'000
National Departments						
Correctional Services	-	-	212	557	-	-
Justice	-	-	11 426	11 402	212	557
National Transport	-	-	-	-	11 426	11 402
Other	-	-	54	115	-	-
Unallocated Credits	-	-	(331)	(329)	54	115
					(331)	(329)
KZN Provincial Departments						
Agriculture	-	-	1 305	2 890	-	-
Economic Development	-	-	240	876	1 305	2 890
Education	1 262	-	8 162	18 278	240	876
Health	9 514	-	24 352	15 490	9 424	18 278
Human Settlement	-	-	31	989	33 866	15 490
Provincial Legislature	-	-	186	194	31	989
Office of the Premier	1 798	-	56	152	186	194
Provincial Treasury	-	-	10	4	1 854	152
Royal Household	-	-	1 679	1 700	10	4
Co-Operative Gov & Traditional Affairs	1 993	-	4 324	3 314	1 679	1 700
Social Welfare	-	-	3 981	3 713	6 317	3 314
Sport	-	-	10	33	3 981	3 713
Art & Culture	370	-	692	1 970	10	33
Community Safety and Liaison	-	-	672	1 020	1 062	1 970
Works	-	-	193	290	672	1 020
SASSA	-	-	127	294	193	290
					127	294

Unallocated Credits	-	-	(100)	-	(100)
Other	-	-	450	-	450
Private Entity					
RBM	-	-	6 288	-	6 288
Public Entities					
National Public Entities	-	11 705	11 305	11 705	11 305
Total	14 937	69 086	80 895	84 023	80 895

ANNEXURE 4							
INTER-GOVERNMENT PAYABLES							
	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	
GOVERNMENT ENTITY							
DEPARTMENTS							
Current							
Provincial Departments							
Works	3 379	5 217	-	-	3 379	5 217	
Provincial Treasury	-	1 132	-	-	-	1 132	
Office of the Premier	18	-	-	-	18	-	
Government Printing Works	323				323		
Subtotal	3 720	6 349	-	-	3 720	6 349	
TOTAL INTERGOVERNMENTAL	3 720	6 349	-	-	3 720	6 349	

ANNEXURE 5

INVENTORIES	Note	2018/19		2017/18	
		Quantity	R'000	Quantity	R'000
Inventories					
Opening balance		-	31 004	-	29 451
Add/(Less): Adjustments to prior year balances		-	-	-	-
Add: Additions/Purchases - Cash		-	71 764	-	57 914
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	(71 354)	-	(56 361)
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-	-
Add/(Less): Adjustments		-	(289)	-	-
Closing balance		-	31 125	-	31 004

ANNEXURE 6

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance		Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	6 615 382		2 935 171	(2 314 759)	7 235 794
Dwellings	-		-	-	-
Non-residential buildings	-		-	-	-
Other fixed structures	6 615 382		2 935 171	(2 314 759)	7 235 794
TOTAL	6 615 382		2 935 171	(2 314 759)	7 235 794

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	110 477	4 510 941	3 447 902	(1 453 938)	6 615 382
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	110 477	4 510 941	3 447 902	(1 453 938)	6 615 382
TOTAL	110 477	4 510 941	3 447 902	(1 453 938)	6 615 382

ANNEXURE 7

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding			Unconfirmed balance outstanding			Total	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	
PUBLIC ENTITIES								
Current								
RTMC Levies	9 876	9 180	-	-	-	9 876	9 180	-
Subtotal	9 876	9 180	-	-	-	9 876	9 180	-
TOTAL								
Current	9 876	9 180	-	-	-	9 876	9 180	-
Non-current	-	-	-	-	-	-	-	-

ANNEXURE 8	
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE	
	Refer to the <i>Illustrative Guidance for Immovable Asset Additional Disclosure</i> 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
	<i>The detail for note 41.7 should be included in this annexure.</i>
	<i>In addition to the detail for note 41.7 the department should address the information regarding</i>
	<ol style="list-style-type: none"> <i>1. Surveyed but unregistered land parcels and</i> <i>2. Contingent assets.</i>

This image shows a full-page view of a notebook or document template. At the top, there is a dark grey header bar with the word "NOTES" written in white, bold, sans-serif capital letters. To the left of this header is a vertical orange bar. The main body of the page is white and filled with horizontal blue lines, providing space for writing. The lines are evenly spaced and extend across the width of the page.



transport

Department:
Transport

PROVINCE OF KWAZULU-NATAL





**KwaZulu-Natal
Department of Transport**

ANNUAL REPORT

2018/2019

COMPILED BY:

Communication Support, Department of Transport

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