

KWAZULU-NATAL
Department of Transport

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



STRATEGIC PLAN

2003/04 to 2005/06

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1. INTRODUCTION

This Strategic plan is presented in terms of Part 3 of the Treasury Regulations, 2002 and Part III of Chapter 1 of the Public Service Regulations, 2001.

“Each year, the accounting officer of an institution must prepare a strategic plan for the forthcoming MTEF (medium term expenditure framework) period for approval by the relevant executive authority.

The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Public Finance Management Act”

2. THE PRIMARY OBJECTIVE OF THE STRATEGIC PLAN

The main aim of this strategic plan is to guide the business units in planning their activities and enabling the department to effectively and efficiently deliver on its legislative and other legal mandates. The plan will help the department to meet its obligations and deliver an effective, efficient and safe road and public transport system, build capacity and ensure structural economic development and people centred development and to enhance skills development within the units.

PART A

Strategic Overview

3.1 STATEMENT OF POLICY AND COMMITMENT BY THE M.E.C.



KwaZulu-Natal is a gateway province to South Africa and our SADC neighbours to the north. Since 1994, 90% of South Africa's international trade has been dependent on maritime transport. The ports of Durban and Richards Bay handle some 75% (2001) of South Africa's cargo tonnage and account for 80% of the value of exports and imports on the current balance of payments. While Richards Bay handles 55% of total cargo, Durban's 20% comprises the lion's share (60%) of South Africa's container traffic.

As 80% of goods and people in KwaZulu-Natal are transported by road, our road network is of critical importance to the South African economy. Further, our major trading partners are located great distances from South Africa and this does impact on our competitiveness in international markets. It is pertinent to note that in today's global economy, logistics are calculated to make-up some 45% of the overall cost of a product. (Labour 15%).

Our status as a gateway province to the rest of South Africa is further enhanced by the decision to establish the King Shaka Airport and Dube Transport Node on the North Coast. The rationale for this latest development is that cargo flights can carry 20% more cargo weight at sea level than they can at the highveld. It is therefore cost efficient to develop an international cargo transport node at sea level. The Dube Transport Node will have specialist handling facilities and will include an industrial development zone. It is expected to be developed as a logistics platform for airfreight for the whole of South Africa.

The King Shaka Airport and Dube Transport Node will require a complex road and rail network and the department is contributing to the planning process of the key development initiative throughout the planning stage of this development.

Provincial Policy Priorities

In determining the policy priorities for the 2002/3 MTEF budget, the provincial Cabinet identified the following six strategic policy priorities:

- Reducing poverty and inequality;
- Addressing the impact of HIV/AIDS;
- Re-engineering service delivery in government;

- Investing in infrastructure;
- Strengthening of governance; and
- Human capability development.

These provincial policy priorities closely reflect the current priorities of the national government. The Department has taken cognisance of these policy priorities in the formulation of this strategic plan.

A workshop with the Transport Portfolio Committee was held to review and discuss the Department's Strategic Plan and Budget Submission. The Transport Portfolio Committee fully endorsed the Department's Strategic Plan.

DESIRED COMMUNITY OUTCOMES

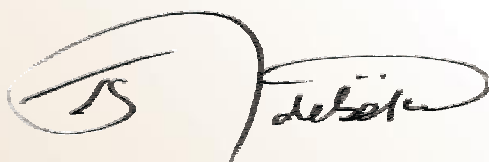
The term **outcomes** is clearly defined in the Guide to Accounting Officers as “the impact of government activity on society”. Outcomes can also be described as the **results** of the efforts and activities of government that can be seen and measured in the communities that those governments serve.

There is common agreement that the departmental efforts should positively impact the communities of KwaZulu-Natal in the manner described by the following outcomes statements.

- An equitable, affordable, safe and well managed transportation system;
- An equitable and economically empowered construction and transportation industry;
- Improved quality of life through increased mobility;
- Good governance; and
- Improved communication.

These departmental outcomes listed above relate directly to our provincial policy priorities referred to earlier.

I concur with my department's strategic plan and the outputs and targets proposed.



MR J. S. NDEBELE
Minister of Transport
KwaZulu-Natal

3.2 OVERVIEW BY THE ACCOUNTING OFFICER

The Departmental strategic planning process was initiated by the assembly of the senior management of the department during June 2002, where the Minister reviewed the political mandate of the department and set out the high level objectives of the department for the forthcoming MTEF period. The management of the department then compiled a strategic plan for the department for the MTEF period based on the mandate of the Minister. Each Chief Directorate and Directorate was then tasked to prepare strategic outputs for their component based on the Departmental strategic plan. Once approved these strategic outputs were converted by the individual directorates into 3-year business plans, specifying the specific deliverables, performance targets and budgetary requirements for the specific component.



In addition to the provincial framework and the legislative mandates that define the activities of the department, and before the departmental strategic outputs could be defined, the Head of Department, after consultation with the MEC, provided further guidelines that would inform the department's critical review of its current strategic plan. In summary, as quoted from the address by the Head of Department, Dr Kwazi Mbanjwa, these guidelines relate specifically to:

- **THE POLITICAL ENVIRONMENT**

Political tensions do impact on the work of the department especially at the District Council and community level. The department is committed to a Programme of ongoing and informed consultation with community leaders that will build civil society and promote co-operative governance.

- **PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY**

The King Shaka Airport and Dube Transport Node will require a complex road and rail network and the department will need to involve itself throughout the planning and implementation of this development.

The agricultural sector represents an important arena to promote Black Economic Empowerment as agriculture is a labour intensive sector. The department's submission to the October 1998 Job Summit, namely The Road to Wealth and Job Creation Initiative : Implementation Strategy to Create Jobs and SMME Opportunities in Rural KwaZulu-Natal through the Provision of Road and Bridge Infrastructure, should be revisited.

- **INTEGRATED TRANSPORT PLANNING**

National Government has laid out an agenda which provinces must follow in developing provincial transport plans and in facilitating inter-modal transport notes. The department must take this agenda into its planning considerations with regard to declaring the provincial road network.

- **THE CHANGING SOUTH AFRICAN ECONOMY**

Since 1994 the Government has made significant progress in shifting the economy from its dependency on minerals to a more robust economy in which manufacturing and tourism are lead sectors. Our provincial road and transport systems do not reflect this shift.

- **BLACK ECONOMIC EMPOWERMENT**

At the 2002 Report Back Summit, Minister Ndebele indicated that a Black Economic Empowerment Act would soon be legislated. The Act would set empowerment targets and the department should familiarise itself with these targets. Clearly the department needs to fully appreciate the barriers to entry and performance that Vukuzakhe Contractors encounter and we must commit budgets that establish an enabling environment to fast-track the normalisation of the construction industry in KwaZulu-Natal.

- **PUBLIC IMAGE**

Minister Ndebele has expressed concern that the department has little visibility throughout the province. He has requested that we be more diligent in erecting information boards that inform the public on our investments and projects.

- **THE RESTRUCTURED KWAZULU-NATAL DEPARTMENT OF TRANSPORT**

The conceptual underpinnings in restructuring the Department were the need to take seriously that the public are our customers who have, through their taxes, pre-paid us for our services.

We therefore restructured the Department on a customer/client/contractor model in which our commitment to one-stop-shops made our services more accessible to the public.

Our commitment to one-stop-shops is that our full range of services be delivered via regional offices.

STRATEGIC DEPARTMENTAL OUTPUTS

The Strategic Departmental **outputs** are understood to be the **products** or the **fruits** of the utilisation of the departments resources created and produced specifically in pursuance of the outcomes statements as listed earlier in this document.

Having reached consensus of the direction that the department should follow, as defined by the outcomes statements, the stated vision and the agreed mission of the department, and with a clear understanding of the possible constraints preventing the achievement of those outcomes, agreement was then reached on the critical departmental strategic outputs.

These agreed strategic outputs at a departmental level would inform the inputs and, in turn, guide the development of the detailed business plans of the various directorates. The strategic outputs were agreed as follows:

STRATEGIC DEPARTMENTAL OUTPUTS

1. Develop Black Economic Empowerment programmes
2. Provide a safe road environment
3. Build, upgrade, rehabilitate, maintain the road network
4. Improve operational and management information & supporting systems
5. Develop and implement a comprehensive communication plan
6. Ensure financial accountability
7. Institute an HR development and management plan
8. Review relevant legislation
9. Review departmental policies and procedures
10. Develop a transport infrastructure plan
11. Develop and co-ordinate an integrated development strategy
12. Develop a provincial land transportation framework

The departmental outcomes and outputs documented above relate directly to the following provincial policy priorities:

1. *To reduce poverty and inequality; and*
2. *To invest in infrastructure;*

In addition the departmental outcomes and outputs documented above relate indirectly to the following provincial policy priorities:

3. *Re-engineering service delivery in government;*
4. *Strengthening of governance;*
5. *Human capability development; and*
6. *Addressing the impact of HIV/AIDS.*

The department's budget allocations reflect the strategy to perform our mandated core functions within the context of promoting clear development goals and outcomes. As a department we are currently under budgeted by $\pm 40\%$ and this leaves us with a massive challenge to raise appropriate budgets to develop a more balanced provincial transport infrastructure and public transportation system and to finance an appropriate public security and road safety investment strategy.



DR K. B. MBANJWA
Head: Transport
KwaZulu-Natal

3.3 VISION

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

“PROSPERITY THROUGH MOBILITY”

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

3.4 MISSION STATEMENT

The mission statement of the KwaZulu-Natal Department of Transport was agreed to read:

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

AND

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

3.5 VALUES

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

3.6 LEGISLATIVE MANDATE AND CORE FUNCTIONS

3.6.1 *Legislative Mandate*

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

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

This responsibility is mandated in terms of the following Acts:

- **KZN Provincial Minibus Taxi Act**

This legislation mandates the department within the Province of KwaZulu-Natal to enact and implement regulatory mechanism for the formalisation of the minibus taxi industry.

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

- **KZN Provincial Roads Act**

This Act amalgamates those parts of the road network previously administered by Natal Provincial Administration, KwaZulu Department of Works, KwaZulu Department of Agriculture and brings all these under the KwaZulu-Natal Department of Transport.

The legislation provides a framework for the development of the provincial road network infrastructure. It defines, within the context of the provincial competencies, the MEC's powers and obligations in determining the various levels of the road network.

The departmental strategic plan draws from the political mandate articulated by the MEC in respect of this act to achieve the provincial objectives and priorities with regard to road infrastructure.

- **KZN Procurement Act**

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

- **KwaZulu-Natal Road Traffic Act (Act 7 of 1997)**

This Provincial Act was promulgated in terms of the requirements of the National Road Traffic Act (93 of 1996) by the KwaZulu-Natal Legislature. This Act enables the KwaZulu-Natal Minister of Transport to make determinations in respect of licensing and traffic matters, where these have been scheduled as Provincial competences. Accordingly the setting of motor vehicle license fees and the issuing of personalized license numbers are performed in terms of this Act.

Other Acts are:

- Preferential Procurement Policy Framework Act
- Public Finance Management Act
- Cross-border Act
- Road Traffic Act (Act 29 of 1989)
- National Road Traffic Act (Act 93 of 1996)
- National Land Transport Transitions Act

3.6.2 Core Functions

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

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

The construction of new roads, maintenance of existing roads and the repair of damaged roads, remain a permanent responsibility of the provincial department.

- **Road Transportation**

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

- **Road Traffic**

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

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

- ~ Human Resource Management and development;
- ~ Financial Management;
- ~ Communication;
- ~ Monitoring and evaluation;
- ~ Procurement; and
- ~ Legal services.

3.7 DESCRIPTION OF STATUS QUO

The planning process for the current financial year was informed by the 2001/02 provincial policy priorities. These policy priorities were:

- To achieve sustainable economic growth;
- To create employment (without increasing government's own salary bill); and
- To promote social and equity development.

In addition to these policy priorities, the provincial Cabinet resolved that departments should give particular attention to public sector infrastructure development and maintenance.

In determining the policy priorities for the 2002/03 MTEF budget, the provincial Cabinet identified the following six strategic policy priorities:

- Reducing poverty and inequality;
- Addressing the impact of HIV/AIDS;
- Re-engineering service delivery in government;
- Investing in infrastructure;
- Strengthening of governance; and
- Human capability development.

3.7.1 *Summary of Service Delivery and Organisational Challenges*

The historical performances and activities of the department have accumulated a learning that now allows the department to recognise that there are certain constraints that may prevent its Mission from being achieved. This would lead to a great activity within the department, but little measurable impact on some or all of the desirable outcomes statements.

With this in mind, the department considered those challenges and agreed the following to have the most impact on the delivery of the department. These challenges are not intended to be a complaints list, but rather a reminder of the various external and internal influences that have to be planned around when considering the strategic departmental outputs.

- The budgetary allocation was insufficient to deal with the provincial infrastructure backlog and an equitable transport system development;
- Capacity constraints within the department relating to:
 - ~ Human resources (people and skills)
 - ~ Physical resources (plant and equipment)
 - ~ Natural resources (raw materials);
- Departmental restructuring was considered to impact negatively on delivery in the short term;
- Untransformed employees or employees who may be resistant to change would impact negatively on delivery;
- HIV/Aids impact on the workforce;
- Functional boundaries between the three tiers of government not always clearly communicated leading to uncoordinated and sometimes duplicate efforts;
- Roles and activities of the department were not clearly understood or communicated internally and externally;
- Co-ordinated planning between the three tiers of government needs to take effect;
- The impact of taxi violence;
- The impact of the rand/dollar exchange rate on the cost of plant and equipment;
- The topography of KwaZulu-Natal;
- The lack of an integrated provincial transport plan; and
- Preventative revenue generation and utilisation (ring fencing) due to legislation.

3.7.2 Information Systems to Monitor Progress

FINANCIAL INFORMATION SYSTEMS

- **Transaction processing systems**

For the management of financial transactions, the production of financial reports and necessary documents both for internal and external use.

- **Accounting Information systems**

Provides records of everything of monetary importance and records each transaction, describing what happened and when it happened. Data analysed will help to meet the demand for management information needs.

- **Internal Audit System**

Provides firstly for financial auditing to verify the accuracy of records and activities performed and secondly for operational auditing in order to validate the effectiveness of procedures. Helps to prevent, detect and to correct errors, to achieve productivity from available resources.

OPERATIONAL INFORMATION SYSTEMS

These systems will provide information and support managers on decision making at operational, tactical and strategic levels of management. These systems will *inter alia*:

- Record delivery data as they occur and provide necessary reports;
- Generate results from operational level; and
- Provide top management with the information from the internal and external sources, which will gauge strengths and weaknesses, opportunities and threats.

INFORMATION REPORTING SYSTEMS

These systems access databases on finances and operations to produce information.

- Input System, which provides accounting data, conducts special research projects and gathers information;

- Quarterly review reports, which provide for periodic reporting on progress with regard to department's programmes and to monitor performance of managers and the business units; and
- Geographical Information Systems based reports, which provide relevant information with regard to public infrastructure and population demographics within a specified area of concern.

3.8 THE STRATEGIC PLANNING PROCESS

The main purpose of this strategic plan is to guide the business units in planning their activities and enabling the department to effectively and efficiently deliver on its legislative and other legal mandates. Simply stated, it enables the department to achieve its agreed Mission.

During June 2002, an executive management strategic planning session was held to define the direction of the department during the course of the next three financial years (2003/04 to 2005/06).

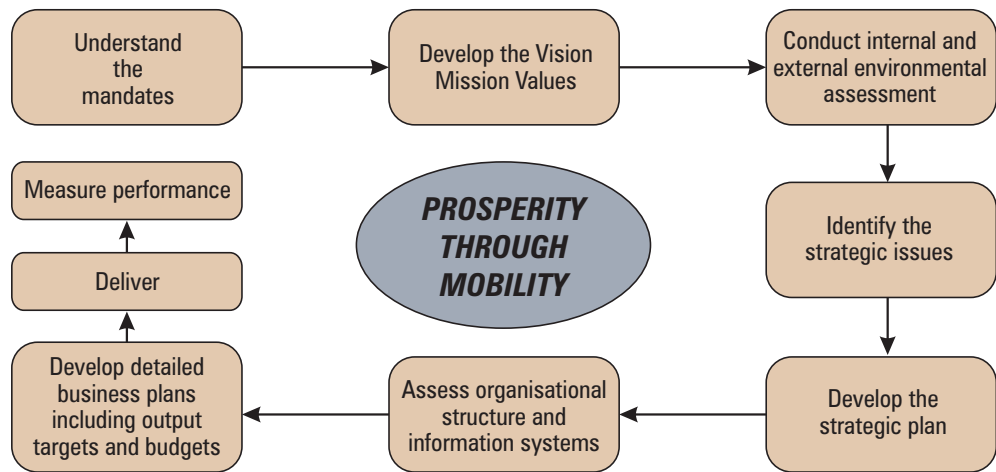
This strategic plan records the agreements reached by the management team with regard to the:

- Desired community outcomes;
- Vision;
- Mission;
- Core challenges facing the department;
- Strategic departmental outputs; and the
- Outputs at a programme and directorate level for the next three years.

Before these MTEF inputs were finalised for submission to the Provincial Treasury, the directorate outputs were agreed and these formed the basis for the detailed business plans of each directorate. This document summarises these efforts. The detail is submitted as part of the MTEF and Operational Plan documents.

This strategic plan will have given effect to any additional inputs by the Provincial and National Treasury and the National Department of Transport.

The annual delivery cycle, from understanding the mandates of the department through to measuring the performance of the department is illustrated below:



PART B

Programme and Sub-Programme Plans

3.9 STRATEGIC OBJECTIVES

3.9.1 Programme 2: ROADS

Surfaced Roads

- Upgrade to surfaced roads (African Renaissance Road Upgrade Programme).
- Perform rehabilitation of surfaced roads
- Maintain surfaced roads

Gravel Roads

- Construct Local Access Roads
- Maintain local roads using the Zibambele system
- Maintain gravel roads

General

- Construction of Causeways and Bridges
- Award contracts to emerging contractors
- Creation of employment opportunities

3.9.2 Programme 3: ROAD TRAFFIC

- To provide a safe road environment through community outreach and development
- Engineering of hazardous locations on the provincial road network
- Promote safe use of public roads
- Contribute to visible policing
- Issue personalised and specific registration numbers

3.9.4 Programme 4: PUBLIC TRANSPORT

- Integrated planning of transport
- Formalisation of the mini-bus taxi industry

3.10 MEASURABLE, OUTPUTS, ACTIVITIES AND SERVICE DELIVERY TARGETS

Refer to Annexure “A” attached, for the department’s measurable outputs, activities and service delivery targets for the MTEF period.



3.11 RECONCILIATION OF BUDGET BY PROGRAMME

TABLE 1 SUMMARY OF EXPENDITURE AND ESTIMATES BY PROGRAMME

Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual change %
1. Administration	66 500	76 387	102 416	54.0%	100 637	109 293	116 680	15.9%
2. Roads	654 539	851 096	877 931	34.1%	1 213 839	1 389 379	1 519 990	25.2%
3. Road Traffic	156 247	158 550	188 131	20.4%	202 100	213 482	225 690	11.7%
4. Public Transport	17 915	19 704	19 778	10.4%	29 461	31 229	33 103	12.4%
5. Auxiliary & Associated Services	10 158	9 088	7 850	-22.7%	8 200	8 752	9 277	13.1%
Sub Total	905 359	1 114 825	1 196 106	32.1%	1 554 237	1 752 135	1 904 740	22.6%
Statutory payment	487	526	526	8.0%	562	562	562	0.0%
TOTAL	905 846	1 115 351	1 196 632	32.1%	1 554 799	1 752 697	1 905 302	22.5%

PROGRAMME 1: ADMINISTRATION

Sub-Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual Change %
Minister	2 426	2 591	2 735	12.7%	2 871	3 001	3 182	10.8%
Administration	64 074	73 796	99 681	55.6%	97 766	106 292	113 498	16.1%
TOTAL	66 500	76 387	102 416	54.0%	100 637	109 293	116 680	15.9%

PROGRAMME 2: ROADS

Sub-Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual Change %
Technical Support Services	25 928	27 156	37 378	44.2%	32 415	34 480	36 549	12.8%
Construction	69 644	95 640	122 391	75.7%	255 603	357 369	421 411	64.9%
Community Access Roads	179 982	182 540	210 502	17.0%	296 026	310 878	326 531	10.3%
Maintenance	309 849	462 631	422 050	36.2%	537 649	588 676	631 884	17.5%
Subsidies	922	600	740	-19.7%	4 320	4 880	4 933	14.2%
Fencing	229	146	400	74.7%	480	540	593	23.5%
Local Authorities	597	334	300	-49.7%	3 800	4 300	4 300	13.2%
High Frequency Accident Spots	56	0	0	-100.0%	0	0	0	0.0%
Maintenance - Main roads	40	120	40	0.0%	40	40	40	0.0%
Mechanical	68 214	82 529	84 870	24.4%	87 826	93 096	98 682	12.4%
TOTAL	654 539	851 096	877 931	34.1%	1 213 839	1 389 379	1 519 990	25.2%

PROGRAMME 3: ROAD TRAFFIC

Sub-Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual Change %
Transport Engineering	4 244	6 240	7 248	70.8%	10 331	10 848	11 499	11.3%
Law Enforcement	104 895	82 467	97 955	-6.6%	106 001	110 455	116 482	9.9%
Vehicle Registration & Licensing	43 599	42 238	45 126	3.5%	44 810	48 840	51 770	15.5%
Road Safety Education	3 509	27 605	37 802	977.3%	40 958	43 339	45 939	12.2%
TOTAL	156 247	158 550	188 131	20.4%	202 100	213 482	225 690	11.7%

PROGRAMME 4: PUBLIC TRANSPORTATION

Sub-Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual Change %
Public Transport	17 915	19 704	19 778	10.4%	29 461	31 229	33 103	12.4%
TOTAL	17 915	19 704	19 778	10.4%	29 461	31 229	33 103	12.4%

PROGRAMME 5: AUXILIARY AND ASSOCIATED SERVICES

Sub-Programmes R000	2000-2001 Actual	2001-2002 Actual	2002-2003 Adj. Budget	Bi-Annual Change %	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF	Bi-Annual Change %
Radio Communication Services	1 309	1 759	1 427	9.0%	1 501	1 576	1 671	11.3%
Standard Stock Account	0	0	13	100.0%	4	4	4	0.0%
Provincial Motor Transport	8 849	7 329	6 410	-27.6%	6 695	7 172	7 602	13.5%
TOTAL	10 158	9 088	7 850	-22.7%	8 200	8 752	9 277	13.1%

3.12 MEDIUM TERM REVENUE

3.12.1 Summary of Revenue

The following sources of funding are used for the Vote:

TABLE 2: SUMMARY OF REVENUE

R 000	2000-2001 Actual	2001-2002 Actual	2002-2003 adj. Budget	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF
Equitable share	828 079	1 020 210	1 063 883	1 354 678	1 505 519	1 642 545
Conditional grants	77 767	95 141	132 449	200 121	247 178	262 757
Provisional Infrastructure Grant	45 442	68 179	132 449	200 121	247 178	262 757
Flood Disaster Reconstruction Grant	32 325	26 962	-	-	-	-
Total: Revenue	905 846	1 115 351	1 196 332	1 554 799	1 752 697	1 905 302

3.12.2 Departmental Revenue Collection

The table below gives a summary of the revenue the department is responsible for collecting.

TABLE 3: DEPARTMENTAL REVENUE COLLECTION

R 000	2000-2001 Actual	2001-2002 Actual	2002-2003 adj. Budget	2003-2004 Budget	2004-2005 MTEF	2005-2006 MTEF
Current revenue	376 395	388 291	369 131	408 245	419 397	435 561
Tax revenue	352 965	361 899	350 029	389 000	400 000	415 000
Non Tax revenue	23 430	26 392	19 102	19 245	19 397	20 561
Capital Revenue	10 453	17 248	2 750	3 000	3 250	3 445
Total: Revenue	386 848	405 539	371 881	411 245	422 647	439 006

3.13 CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

3.13.1 Inter-Departmental Linkages

The Department is an active partner in our provincial inter-departmental co-ordination forum for IDPs where medium term planning is progressively being linked across departments. The departmental input into the Provincial Growth and Development Strategy review will contribute, in the medium term to synergy in service delivery.

The linkage with National Department of Transport is ongoing through MINCOM (Ministerial Committee of Minister of Transport and MECs) and its Sub-committees, including COTO (Committee of Transport Officials) and this influences the department's activities on an ongoing basis.

3.13.2 Local Government Linkages

The Department's business plans, especially with regard to the provision of road infrastructure and public safety, are linked to local government priorities at a district and regional community level through joint planning workshops with Rural Road Transport Forums and Community Road Safety Councils.

The KwaZulu-Natal Provincial Roads Act (Act 4 of 2001) recognises that the current declared Provincial Road Network and the current allocation of status to roads is a reflection of past government policy directives and priorities and is neither equitable nor just. The Act therefore provides for a two year window in which to review all provincial roads and to declare the Provincial Road Network.

The Department's programme to review the KwaZulu-Natal Provincial Road Network has made considerable progress. It has developed a uniform prioritisation methodology that defines the status of roads. The prioritisation methodology is both scientifically robust and transparent. It does allow the Department, as the road authority, to defend its priority lists in circumstances where social need overwhelmingly exceeds financial resources. The Provincial Road Network, which will soon be declared, will enable the Department to finally break with the past and to reflect our future as a province. It will play a critical role in integrating our society, which was so brutally separated by apartheid and separate development, into the global village.

Rural Road Transport Forums, Community Road Safety Councils, Local Government and Traditional Leaders are all actively involved in the review process to declare our Provincial Road Network. The identification of the Provincial Road Network will allow the Department to budget for and plan, more holistically, the development of a balanced road network which accommodates intermodal transport systems and promotes safe and affordable public transport.

The product of these plans is further aligned in the Provincial IDP forum at which the Department participates. Further, in the medium term, the department's contribution to infrastructure planning in the Urban Renewal Programme (upgrading of P577 to link Inanda to inner city, upgrading of the M4 North Coast Road, upgrading of John Ross Highway to link Empangeni and Richards Bay) and the Integrated Rural Development Strategy (seven ARRUP road upgrading projects) is anchored by our key involvement in planning with the relevant district councils and the Unicity in the province.

3.14 FINANCIAL MANAGEMENT

3.14.1 *Strategies to Address Audit Queries*

All material audit queries raised by the Auditor-General during the audit for year ending 31 March 2002, have been addressed and no further outstanding issues are to be carried over to future financial years.

3.14.2 *Implementation of the PFMA*

The department periodically reviews its compliance with the PFMA and is currently engaged in the implementation of the Provincial Treasury Practice Notes. These Practice Notes suggest best practice in the execution of various financial functions, and ensure compliance with the PFMA and Treasury Regulations in the every day transactions undertaken by the Department.

PART C

Background Information

3.15 ANALYSIS OF SERVICE DELIVERY ENVIRONMENT

3.15.1 *Policy Changes and Trends*

This year has been characterised by a provincial review of the KwaZulu-Natal Growth and Development Strategy. The review arises out of a concern that, since the publication of the document in 1996, the KwaZulu-Natal provincial economy has not performed to expectations. So much so that, despite some growth, KwaZulu-Natal's share of the South African economy has declined. Further, economic growth has, in itself, failed to address both the root causes and symptoms of poverty in the province.

The Department's submission to the Provincial Growth and Development Strategy has drawn attention to the fact that KwaZulu-Natal is considered to have a strong comparative advantage over all other provinces in the agricultural, manufacturing, tourism and transport sectors. It is axiomatic therefore that the performance of these sectors will undoubtedly impact on the sustainability of programmes designed to find meaningful solutions to poverty and equitable development. In this context it is therefore alarming to note the weak performance of the manufacturing sector in KwaZulu-Natal over the past several years.

In as much as the backward and forward linkages associated with agricultural production have a disproportionate impact on economic performance relative to the agricultural sector's contribution to the Gross Domestic Product (GDP), the weak performance of the manufacturing sector can be linked to the performance of the agricultural sector. It is well documented that while agriculture contributes only some 4% to the GDP of South Africa, more than 30% of the total job opportunities in manufacturing concern agricultural products and represent 25% of manufacturing's contribution to the GDP.

Also of concern is the fact that despite the lifting of sanctions and despite our undoubted beach, entertainment and wildlife tourist attractions, KwaZulu-Natal's share of foreign tourists has dropped from 32% in January 1995 to 19% in January 2001. This significant decline in market share has undoubtedly impacted negatively on the growth of downstream opportunities for the poor (eco and cultural tourism, handcrafts, food and beverages, tour guides, transport).

In this Strategic Plan we have drawn attention to the fact that our provincial road and transport systems do not yet reflect the changing South African economy in which manufacturing and tourism are promoted as lead sectors.

Further, it is a national priority to promote a value added export led economy which is supported by an efficient freight transport system.

The positioning of KwaZulu-Natal as a gateway province for South Africa and our northern neighbours is based on the fact that 90% of South Africa's international trade is conducted through maritime transport and that the KwaZulu-Natal ports of Durban and Richards Bay handle:

- 78% of South Africa's cargo tonnage; and
- 80% of the value of exports and imports on the current balance of payments

Our role as a gateway province has received significant impetus by South Africa's impressive performance on global markets and our entering into international agreements that have removed trade barriers.

Our growing status as a gateway province can be used to maximise our comparative advantage, particularly in the manufacturing, agricultural, tourism and transport sectors. Not only is KwaZulu-Natal a critical route in South Africa's global supply chain our comparative advantage lies in the fact that our own supply routes are so much shorter than is the case in the other provinces. In today's global economy logistics rather than comparative labour costs are the primary measure that determines relative competitiveness. So much so that the costs associated with logistics are now calculated to account for 45% of final product costs. This contrasts sharply with direct labour costs which are calculated to be 15% of final product costs.

KwaZulu-Natal's comparative advantage lies in the fact that we are a small province with a large population (7,6% of the land area of South Africa, 20% of South Africa's population). Indeed, if we include our major domestic trading partner, namely Gauteng, then together we occupy only 9% of South Africa's land mass, play host to some 39% of South Africa's population and collectively share more than 50% of South Africa's GDP. Little wonder therefore that the band of roads along the N2 and N3, linking our ports to Gauteng, is the busiest import/export route in South Africa.

In our review of the Provincial Growth and Development Strategy we have drawn attention to the need to address strategic national and provincial priorities by allocating appropriate budgets to secure the development of

appropriate transport infrastructure as a necessary condition for the development of an efficient freight transport system.

Further, a commitment to make higher order investments in KwaZulu-Natal's road and rail networks must acknowledge our performance as a Department in creating sustainable poverty alleviation, job creation and business opportunities for the poor. Our Road to Wealth and Job Creation Initiative, particularly our Vukuzakhe and Zibambele programmes, have an acknowledged record for creating new work opportunities and new wealth opportunities within poor communities.

3.15.2 ENVIRONMENTAL FACTORS AND EMERGING CHALLENGES

3.15.2.1 Demographic profile of the Province

KwaZulu-Natal has a population of some 9 million people, the majority of whom live in poverty. In terms of racial distribution about 82,5% of the population is Black, 9,1% are Asians, 6,9% are White and 1,4% are Coloured. Although 39% of KwaZulu-Natal's population live in the Durban Metro Unicity, the population is predominantly rural and rural communities have a disproportionate share of KwaZulu-Natal's poor.

3.15.2.2 Employment, income and other relevant information

High levels of poverty are linked, among other factors, to high levels of unemployment. South Africa's expanded unemployment rate is 41,5% (this includes discouraged job seekers who want to work but have given up looking for employment). Our official national unemployment rate is 29,5%. This rate measures only those jobless who are not only willing to work but who have actively looked for work within four weeks of the unemployment survey. KwaZulu-Natal's official unemployment rate is calculated as 33,5%. This means that, as with poverty levels, KwaZulu-Natal has a higher share of South Africa's unemployed than most other provinces.

Further, although KwaZulu-Natal's Human Development Index (HDI) has improved over the past several years, it is still considerably below that of South Africa as a whole. Our provincial HDI should not mask the fact that one third of the districts in KwaZulu-Natal have an HDI rating equal to or below 0,30 which is a strong indication that more than 90% of households in these districts will fall below the Minimum Living Level. Variable HDI

measurements reflect that KwaZulu-Natal is characterised by deep rooted and structured inequalities. This is again reflected in our GINI Co-efficient which confirms that KwaZulu- Natal has the highest level of inequality in the distribution of income and wealth in the country.

	Gini coefficient per provinces 1996 and 2001		Percentage change	Human development index per province, 1996 and 2001		Percentage change
	1996	2001		1996	2001	
Eastern Cape	0.60	0.63	5.66	0.50	0.53	5.10
Free State	0.59	0.62	5.16	0.54	0.56	3.50
Gauteng	0.58	0.61	4.22	0.68	0.70	2.59
KwaZulu-Natal	0.60	0.63	5.86	0.53	0.56	5.66
Mpumalanga	0.59	0.62	4.92	0.51	0.55	6.60
Northern Cape	0.58	0.60	2.90	0.55	0.57	3.54
Northern Province	0.58	0.62	7.26	0.46	0.51	10.16
North-West	0.55	0.58	4.88	0.51	0.53	4.91
Western Cape	0.55	0.58	4.99	0.67	0.68	1.20
South Africa	0.60	0.63	5.00	0.57	0.59	3.51

Any programme, which seeks to eradicate poverty and provide greater equity in the provision of services, must necessarily be founded on creating local opportunities where poor people are concentrated. In KwaZulu-Natal a variety of studies have drawn attention to the fact that 75% of KwaZulu-Natal's poor and 80% of KwaZulu-Natal's ultra poor live in rural communities. Clearly KwaZulu-Natal requires a rural solution to impact on poverty and to simultaneously create new conditions for sustainable economic growth. It is common cause that KwaZulu-Natal's rural economy has experienced decades of economic stagnation. It cannot possibly now grow without significant government intervention and investment.

KwaZulu-Natal's disproportionate share of South Africa's population, poverty rates, unemployment and inequalities has required of all portfolio ministers that they perform their core functions to:

- reverse the spatial inequalities associated with apartheid and separate development;
- catalyse social and economic integration;
- redistribute services to achieve equity; and
- promote social and economic development.

and they are expected, in the process of achieving these broad planning objectives, to:

- consult communities and stakeholders to strengthen participatory democracy at all levels of South African society;

- create new and sustainable jobs;
- create economic opportunities for new market entrants;
- facilitate the transfer of skills; and
- alleviate poverty.

There can be little doubt that the transport portfolio in KwaZulu-Natal has been used to:

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

3.15.3 Evaluation of Current Implementation Performance

It is common cause that transport portfolios throughout South Africa are significantly under budgeted. This is reflected in the fact that economic services in South Africa are allocated only 10% of the overall budget. This compares unfavourably with budget allocations in other parts of the developing world. Thus, for example, East Asia allocates 25% of its overall budget to economic services, South Asia allocates 30% and Sub-Saharan African allocates 22%. Currently the transport portfolio in KwaZulu-Natal is allocated less than 5% of the overall provincial budget.

The under spending on road transportation over the past fifteen years (since the removal of the dedicated fuel levy in 1988) has resulted in the vast majority of both national and provincial road networks being in a poor condition. It can be argued that the road network in KwaZulu-Natal has been under more pressure than that of other provinces. This can be attributed to our role as a gateway province and the fact that twelve of South Africa's thirty road tolls are located within KwaZulu-Natal's borders. Heavy duty vehicles use the provincial road network, which is not tolled, in preference to the heavily tolled national roads.

Under these circumstances it is critical that the transport portfolio be tightly managed and with considerable innovation. Since 1994 we have systematically increased the percentage of budget spent on actual services to the public. So much so that the proportion of our transport budget spent on personnel in the 2001/2002 financial year was only 25,9%. This is expected to reduce further this financial year.

Some 75% of our budget is allocated towards the development of the Provincial Road Network. We have adopted a data driven approach to drive our road management systems. Significant studies include:

- CARNS (Community Access Roads Needs Study) (1997) which focussed on local road needs in rural communities. The study identified the need to construct 11 414 kilometres of local roads to meet the priority access needs of communities. Road access is considered critical for the social and economic development of communities. A component in CARNS therefore was to establish a priority order for road investments which would have the most effect on rural social and economic upliftment. The CARNS study provided cross tabulations of population, development potential, Human Development Index and accessibility to establish a recommended priority order for budget allocations **between districts** and a rank order of access roads **within districts**. Development potential was weighted more heavily than other indices in the belief that the potential for local wealth creation would result in more stable communities and population levels.

The CARNS prioritisation methodology accommodated a strong community consultation process which led to the establishment of Rural Road Transport Forums (RRTFs) throughout KwaZulu-Natal. In establishing the RRTFs the Department committed itself to a process that effectively moved social analysis and community consultation upstream in project recognition and design.

The local roads budget - which is divided into baskets for access, causeways, gravelling and development - caters for between 500 and 600 road projects per annum. This is expected to result in reducing access road backlogs by some 500 kilometres, regravelling 300 kilometres, blading 10 000 kilometres and constructing 80 causeways per annum.

- The Road to Wealth and Job Creation Initiative was adopted nationally at the October 1998 Job Summit as an important strategy to place the rural economy in South Africa on a labour absorptive growth path. This initiative was also used to extend the consultation programme with RRTFs from local roads to the Provincial Road Network. A series of workshops were held with RRTFs to facilitate in depth consultation on the construction and maintenance activities on roads as well as implementation options.

RRTFs have assisted the Department for several years now in prioritising road development on a project by project basis. Road project priorities are formalised in annual business plans and are also reflected in the

Department's MTEF projections. In essence this means that some 75% of the Department's budget is allocated, managed and monitored on a project basis. Monitoring of the roads budget and the impact of projects on the social and economic well being of beneficiary communities is carried out by both the Department and by RRTFs.

The Road to Wealth and Job Creation Initiative has proved critical in sustaining the growth and development of the Department's poverty alleviation programme - Zibambele - and its empowerment programme for emerging contractors - Vukuzakhe.

- A Roads Needs Assessment Study (1999) was completed of all main, district and local roads in the province as part of the Department's Road to Wealth and Job Creation Initiative. The study identified an amalgamated road network (formerly administered by the Natal Provincial Administration, the KwaZulu Department of Works and the KwaZulu Department of Agriculture) of which:
 - ~ 24 306 kilometres (6 728 kms blacktop, 17 578 kms gravel) were still in a maintainable condition
 - ~ 17 719 kilometres of road were in a bad state of repair and must be urgently upgraded to create a minimal condition of transport equity in our province.

The study found the condition of the KwaZulu-Natal Provincial Road Network to be as follows:

	POOR	FAIR	GOOD
Surfaced roads (blacktop)	63,5%	29,0%	7,5%
Unsurfaced roads	62%	23%	15%

The Roads Needs Assessment Study resulted in a Plan to Conserve the Provincial Road Network. Under an ideal funding regime this would allow the Department to achieve the following road infrastructure upgrading and maintenance goals:

- ~ Reseal blacktop roads in fair condition (7 year programme).
- ~ Rehabilitate blacktop roads rated as poor condition (11 year programme).
- ~ Upgrade gravel roads carrying in excess of 500 vehicles per day to a blacktop standard (7 year programme). This is now known as our African Renaissance Road Upgrading Programme (ARRUP). Thereafter upgrade gravel roads carrying more than 300 vehicles per day to blacktop standard.

- ~ Gravel/regravel the roads within the gravel road network that are rated as being in a poor condition (6 year programme).
- ~ Provide isolated rural communities, schools, clinics and public facilities with all weather local road access (7 year programme)
- ~ Implement a cost efficient and appropriate maintenance programme

Although the Department has yet to receive its ideal budget allocation, dedicated budgets have been allocated to conserve the asset value of our current road network and, at the same time, address known backlogs in accordance with the Plan to Conserve the Provincial Road Network. This strategy is reflected in this Strategic Plan.

Here special attention must be drawn to the implementation of our African Renaissance Road Upgrading Programme (ARRUP) which has only become possible since the introduction of the MTEF. This programme targets the upgrading of major rural transport corridors from gravel to blacktop surfaces. ARRUP projects are integral to Integrated Sustainable Rural Development Programme (ISRDP) and are managed along the principles of spatial development initiatives (SDI).

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

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

Project Liaison Committees (PLCs) are established on all ARRUP projects. PLCs include representatives from RRTFs, CRSCs, tribal authorities, local government, Department of Agriculture, KwaZulu-Natal Wildlife, local business, emerging contractors and public transport. Over and above their role during the construction phase of ARRUP (ensuring local suppliers, emerging contractors and local labour receive maximum advantage), PLCs are also involved in identifying local investment opportunities that could result from a more favourable transport market. The KwaZulu-Natal Department of Transport assists the PLCs in the development of appropriate business plans and to access other government departments and programmes that specifically target the social and economic empowerment of poor people.

POVERTY ALLEVIATION AND BLACK ECONOMIC EMPOWERMENT

Both our Community Access Roads and ARRUP programmes have been used to create a wide variety of work and entrepreneurial opportunities in resource poor communities and for new market entrants. Our flagship programmes in this regard are Zibambeke and Vukuzakhe.

Zibambeke

Zibambeke is a programme whereby the maintenance of rural roads by labour intensive methods is contracted to destitute rural households. Women headed households are specifically targeted. Currently some 98% of Zibambeke contracts are awarded to women headed households. A total of 14 800 contracts (original target 14 000 contracts during 2002/03) have been awarded this financial year. The KwaZulu-Natal Department of Transport anticipates increasing the number of Zibambeke contracts available by approximately 4 000 contracts on an annual basis.

Zibambeke was awarded the prestigious Impumelelo prize for the most innovative and effective programme dedicated to the upliftment of poor people in South Africa.

Zibambeke was independently assessed by SALDRU (University of Cape Town) as performing well both as a cost efficient road maintenance system and as an effective poverty alleviation programme. SALDRU found that in 2001/2002, 73 cents of every rand spent within the programme accrued to Zibambeke contractors. They calculate that with economies of scale in 2002/2003 the awarding of 14 000 Zibambeke contracts will result in 83 cents in every rand spent accruing to contractors. This will place Zibambeke

among the top poverty alleviation programmes internationally. The Department has begun to organise Zibambele contractors into savings clubs to facilitate cost efficient supervision and training. It is anticipated that Zibambele savings clubs will become an important “point of contact” for other government departments and programmes that target gender and the poor.

Vukuzakhe

Vukuzakhe is the KwaZulu-Natal Department of Transport’s emerging contractor programme. It is a staged advancement programme in which contractors receive training, mentorship and other supports to assist them to advance through the contract stages which are designed to prepare them to compete on the open market. Each stage in the Vukuzakhe emerging contractor programme is characterised by higher values and increased risk, plant and managements skills. In 2001/2002 the Department awarded 726 Vukuzakhe contracts. The annual target of R200 million in contract values will now increase with the allocation of increased budget levels to ARRUP. ARRUP projects have set a target of 70% of the value of all contracts being awarded to emerging contractors and merchants. Vukuzakhe contractors have been assisted to form associations. It is anticipated that Vukuzakhe Associations will provide a forum to focus the Department’s training and mentorship programmes. It is further anticipated that the formation of a Provincial Vukuzakhe Association will provide for a more powerful emerging contractor voice to remove those barriers that still inhibit the performance and profit taking of contractors.

This year the Department has partnered CETA to provide 100 learnerships to Vukuzakhe contractors. Negotiations with a major financial institution are in the process of being finalised. It is anticipated that the establishment of a dedicated technical, financial and management support programme for Stage 2 to Stage 4 Vukuzakhe contractors will go a long way to removing persistent barriers that still constrain the performance and profit taking of the emerging contractor sector. These include credit worthiness and the procurement of supplies and plant.

The Vukuzakhe emerging contractor programme has developed a growing reputation, within rural communities, as a source of hope for work, entrepreneurial and wealth development opportunities. This is readily evident in the rapid growth in numbers of contractors registered on the Department’s database.

After several years of consolidation in which all contractors on the database were screened and audited to ensure that they complied with the Department's black economic empowerment criteria, the Vukuzakhe database was reopened to the public in April 2001. At that time the "cleaned" database numbered 1 504 contractors. In less than two years, since reopening registration, more than 17 500 contractors have registered with the Department. It is perhaps worth noting that there are approximately eight times as many contractors registered on the KwaZulu-Natal Department of Transport's Vukuzakhe database than there are contractors registered on the National Department of Public Works database.

An analysis of the Vukuzakhe database shows a disproportionately high number of contractors registered at the Stage 1 level. This suggests that many contractors have registered more with the hope of work rather than with the intention of graduating through the ranks of the Staged Advancement programme. Further, the high numbers now registered on the database raise the spectre of alienation as the Department will not be in a position to provide more than 1 500 Vukuzakhe opportunities in terms of the current programme arrangements and budgets.

Clearly the Department is now required to protect its Staged Advancement programme from the potential discontent of those majority applicants who will not be awarded contracts. A potential solution to this problem is to rework the way Stage 1 contracts are awarded.

The Department is currently upgrading its labour intensive road construction initiative. The intention now is to establish several large labour intensive road construction projects which will recruit Stage 1 contractors on an ongoing basis rather than labourers. It is anticipated that this programme will absorb very large numbers of Stage 1 contractors. This will have the added advantage of providing the Department with the mechanism that screens Stage 1 contractors into contractors who are looking for work from contractors who have the necessary aptitude to advance through the Staged Advancement programme.

The proposed Stage 1 contractor labour intensive road construction programme will run in conjunction with a poverty alleviation "task based" labour intensive road construction programme.

It should be further noted that Vukuzakhe contractors are no longer confined to working on local roads. The Roads for Rural Development programme and the Road to Wealth and Job Creation Initiative have been extended to include the upgrading of major rural transport corridors from

gravel to blacktop surface. The upgrading of major rural transport corridors falls under the African Renaissance Road Upgrading Programme (ARRUP) umbrella, 70% of the value of contract work on ARRUP roads is reserved for Vukuzakhe contractors.

This is an important development as it creates synergies in supply and demand within the Vukuzakhe Staged Advancement programme. Local roads act as the “emerging contractor college” to graduate contractors to work on ARRUP roads. The logic here is that local roads have low traffic volumes and “contract failure” does not carry with it the real possibility of public liability. As such they provide an ideal training facility to graduate Vukuzakhe contractors through their stages.

The extension of the Vukuzakhe programme to higher order roads is reflected in the revised contract values which now stand at:

Stage 1A	R 50 000
Stage 1B	R 200 000
Stage 2	R 500 000
Stage 3	R 1 000 000
Stage 4	R 5 000 000
Stage 4 JV's	> R 5 000 000

An additional budget will be allocated to support the proposed Staged Advancement labour intensive road construction programme.

The KwaZulu-Natal Department of Transport's flagship road infrastructure programmes - Roads for Rural Development, the Road to Wealth and Job Creation Initiative, Zibambele and Vukuzakhe - have all been independently evaluated and found to have overwhelming public support and to have considerable impact on the social and economic upliftment of resource poor communities.

Rural Suppliers

The Department is increasingly giving critical attention to the involvement of rural suppliers in support of its road construction and maintenance projects. Emerging merchants, who have previously received preferential treatment in the supply of tools under the Zibambele road maintenance contract system, are now being organised, under ARRUP, to jointly tender to supply items and materials in bulk. Some 150 rural suppliers have now registered on the Department's database. They are being assisted to register on the Provincial Suppliers database and to become tax compliant.

In terms of the Provincial Fleet Management Contract, 80% of all vehicle repair work is to be performed by SMME contractors.

Cargo Bicycles and Tricycles

Prototype cargo bicycles and tricycles have been engineered in conjunction with Afribike. A pilot programme has been developed on four ARRUP project sites and it is likely that the pilot programme will be extended to include all ARRUP projects. The objective of the pilot is to test the engineering efficiency of the design as well as community response. Should there be sufficient demand at a community level, appropriate franchise systems will be set up for the distribution and maintenance of cargo bicycles and tricycles. It is anticipated that there will be a high demand for certain models and the Department has set up a task team to review the feasibility of establishing a manufacturing and assembly plant in KwaZulu-Natal.

Road Safety

Asiphephe has established Community Road Safety Councils throughout KwaZulu-Natal to assist the Department in prioritising budgets and programmes at a community level in accordance with the Road to Safety Strategy 2001 - 2005. We have targeted more than 60% of our road safety budget (other than for enforcement) to be allocated, managed and monitored on a project by project basis. Increasingly the Road Safety Directorate is committed to introducing "Zibambele like" contracts into those road safety initiatives and programmes which can be most cost efficiently and cost effectively administered by local communities.

Minibus Taxi Industry

The fact that the minibus taxi industry is 99% owned and managed by Black South Africans makes it a critical pillar of our Black Economic Empowerment Strategy. The democratisation process within the taxi industry has now been completed and a fully representative Provincial Taxi Council has been elected. This will now enable us to facilitate the growth and development of the minibus taxi industry in KwaZulu-Natal in such a way that it can diversify its investment and income interests. The further empowerment of the minibus taxi industry at a provincial level is necessarily dependent on the nationally driven recapitalisation of the minibus taxi industry in South Africa.

Public Transport

We have almost completed the conversion of bus contracts to tendered contracts with the exception of the Durban area. This has considerably improved the extent of Black ownership and management in the public transport sector.

3.16 ORGANISATIONAL INFORMATION AND THE INSTITUTIONAL ENVIRONMENT

3.16.1 Organisational Design

A summary of the top management structure and the current allocated functional responsibilities is reflected as Annexure B.

3.16.2 Delegations

In terms of the Public Finance Management Act, Act 1 of 1999 (PFMA), the Accounting Officer has issued General Delegations of Authority. The department issued revised delegations during October 2002, bringing the delegations in line with the revised Treasury Regulations issued during May 2002.

3.16.3 Capital Investment, Maintenance and Asset Management Plan

Road infrastructure

The capital investment, maintenance and management plan for the provincial road network is more fully detailed in paragraph 3.15.3, above.

Other Assets

The department is currently in the process of developing a comprehensive asset management framework for the department. This asset management framework aims to consolidate all existing asset management plans and to ensure that the department's asset management policies comply with all relevant legislation.

3.16.4 IT Systems

The department is in the process of developing a IT Strategic Plan, which will provide the department with a co-ordinated plan for the management and development of the IT systems in the department.

3.16.5 Performance Management System

The department has in place a performance management framework for Senior Managers, in line with the guidelines set by the Department of Public Service and Administration, with clear deliverables and time frames for each Strategic Key Result Area. The assessment of performance takes place on a quarterly basis, with the final evaluation taking place at the end of the financial year. The department is currently in the process of developing a performance monitoring system, in consultation with organised labour, to be cascaded down to all other levels of staff.

3.16.6 Audit Queries

All material audit queries raised by the Auditor-General during the audit for the year ending 31 March 2002, have been addressed and no further outstanding issues are to be carried over to future financial years.

3.16.7 Internal Audit

The KwaZulu-Natal Provincial Government has a centralised Internal Audit function, reporting to a Provincial Audit Committee.

PROGRAMME OUTPUTS

Following on from the executive management strategic planning session, each chief directorate determined those objectives and outputs relevant to them in terms of the stated direction of the department.

The objectives and outputs of the relevant core delivery components are listed in the following tables. They are summarised per programme within the department. Explanatory notes regarding these tables are as follows:

Outputs The products of the directorates resources in order to achieve the stated objectives.

Activities A broad description of the activities required to create the outputs

Measures What performance measure can be used to determine the effectiveness of the activities. These may relate to quality, quantity, time or cost.

Target The total value of delivery, per year, for each year of the MTEF period.



PROGRAMME 2: ROADS

Programme Budget: 887 931 1 213 839 1 389 379 1 519 990

Outputs	Activites	Measures (Quantity, Quality, Timeliness)	2002/03 Est. Actual	2003/04 Estimate	2004/05 Estimate	2005/06 Estimate
SURFACED ROADS						
1. Upgrade to Surfaced Roads (ARRUP)	Construct ARRUP Roads	Kilometers constructed	36	63	83	103
2. Perform Rehabilitation of Surfaced Roads	Light Rehabilitation Heavy Rehabilitation	Square meters Square meters	163 320 321 136	173 050 265 600	175 000 282 000	175 000 270 000
3. Maintain Surfaced Roads	Reseal Tarred Roads Perform Blacktop Patching	Square meters Square meters patched	577 900 68 000	425 000 61 600	494 700 67 900	480 000 71 900
GRAVEL ROADS						
4. Construct Local Access Roads	Construction of Local Roads	Kilometers constructed	410	340	380	400
5. Maintain Local Roads using Zibambebe	Zibambebe Maintenance Programme	Number of workers	14 800	17 390	20 390	23 390
6. Maintain Gravel Roads	Blade Roads Regravel Roads	Kilometers of bladed Kilometers regaveled	44 220 498	51 250 1 200	52 500 1 250	53 000 1 237
GENERAL						
7. Construction of Causeways and Bridges	Construct Causeways Construct Bridges (span >2m)	Number Number	68 3	58 3	65 3	70 2
8. Award Contracts to Emerging Contractors	Award contracts to Vukzake Contractors	Number of contract - Stage 1 - Stage 2 - Stage 3 - Stage 4	480 144 78 15	418 217 123 7	550 200 130 16	680 230 140 23
9. Creation of Employment Opportunities	Number of Opportunities	Person days	110 000	115 000	131 000	153 000



PROGRAMME 3: ROADS TRAFFIC

Programme Budget: 188 131 202 100 213 482 225 691

Outputs	Activites	Measures (Quantity, Quality, Timeliness)	2002/03 Est. Actual	2003/04 Estimate	2004/05 Estimate	2005/06 Estimate
1. Provide a safe road environment through community aoutreach and development	Events management.	Number of events	20	20	20	20
	Development and training of CRSC's	Total number of CRSC's	35	35	35	35
2. Engineering of hazardous locations	High incendent location remediation	Number of minor remediations	9	8	10	9
		Number of major remediations	1	2	1	2
3. Promote safe use of public roads	Effective enforcement	Road side checks	500 000	580 000	620 000	640 000
		Govt. vehicle inspections	8 000	10 000	10 000	10 000
		Breath tests RBT	300 000	200 000	200 000	200 000
		Perform speed timeing exercises	5 000 000	6 000 000	6 000 000	6 000 000
		Vehicles weighed	180 000	200 000	220 000	250 000
4. Contribut to visible policing	Patrol all roads in the Province	Kms patrolled	2 600 000	2 750 000	2 700 000	2650 000
5. Issue personalise and specific numbers	Sale of registration numbers	Personalised numbers sold	1 000	1 400	1 500	1 500



PROGRAMME 4: PUBLIC TRANSPORT

Programme Budget: 19 778 29 461 31 229 33 103

Outputs	Activites	Measures (Quantity, Quality, Timeliness)	2002/03 Est. Actual	2003/04 Estimate	2004/05 Estimate	2005/06 Estimate
1. Integrated planning of transport	Provincial Transport Framework		legislative review	Consult and draft guidelines	Consult and publish	refine
	Provide support and monitor municipalities prepare Public Transport Plans		regional transport plans	provincial PTP guidelines	municipal PTP	update PTP
	Transport Authorities prepare Integrated Transport Plans		-	prepare guidelines	eThekwini ITP	eThekwini and PMB IPT
2. Formalisation of mini-bus taxi industry	Through KWANATACO ensure the development of a sustainable business	Implementation of a 3 year business plan	Approval of business plan	implement business plan	implement business plan	implement business plan





THE ORGANISATIONAL STRUCTURE

A summary of the top management structure and the current allocated functional responsibilities is reflected below:

