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Part A: Strategic Overview

A. PREFACE BY MEC

The current strategic plan is a product of a thorough-going process and is grounded on the key policy priorities as identified by the present government at national, provincial and local spheres of government. Bearing in mind also that as a department we have to make a contribution to the overarching government's priority of Reconstruction and Development which cannot be achieved unless there is a concerted effort from all role players, we must remember that amongst the key departmental policy priorities that this strategic plan is meant to reinforce are the following:

- It is important to emphasise that our principle as a department is to do work ourselves and outsourcing is a tactic which should be exercised with caution
- The IDP forms the cornerstone of development planning in the department. Channels of communication need to be transparent and there should be thorough consultation so that better coordination of these IDP priorities is realized.
- An aggressive program of building capacity in the Department will be undertaken in the next 2 years to incorporate:
 - Establishing a new functional structure,
 - Focus on leadership development
 - Communication strategy
- Focus on our stakeholders as a conscious and continuous process in our business. These stakeholders include:
 - User departments
 - Infrastructure cluster
 - Standing committee
 - Executive council
 - District, Metro and Local Municipalities
- We will focus increasingly on the image of our department and develop a marketing strategy thereof.

The above policy imperatives are the tenets for the implementation of this strategic plan and shall guide the department throughout without tolerance for any deviation. As shall be seen in the pages that ensue, the national, provincial and local priorities inform and are the basis for this strategic plan.

As an Executing Authority for the Department of Roads and Public Works, I hereby present this to the people of the province as a guiding and living instrument towards achieving prosperity for the peoples of this province and further commit the department to ensuring its implementation.

**Signed by the Member of the Executive Council for Roads and Public Works
GC Barry**

Date: _____

1.1 Overview by the accounting officer

The last three financial years have seen the department experiencing extremely shrinking budgets. Literally we have just been holding out there to survive. Operations have been at the lowest minimum. Our budgets were purely personnel budgets.

We are convinced we have completed a curve. Budgets are beginning to look favourable. It goes without saying that the depleted budgets ensured the same for the departmental capacity. This has to be remedied as a matter of urgency. We will, during the current year, endeavour to build the capacity of the department to levels commensurate with the service delivery expectations of the province and our mandated imperatives.

The present Strategic Plan of the department was crafted against the background of shrinking budgets. Incidentally right sizing, a good norm, was translated to mean down-sizing. This inadvertently led to an unguided outsourcing with its attendant unintended consequences. The Strategic Plan of the department will, during the course of this financial year, be reviewed in the light of the emerging favourable budgets.

We are convinced that it is the roads that will build the economy of this province. With this conviction the Department will hold a Roads Indaba to craft a framework against which the departmental strategies will in future be crafted. The framework will inform us in which way development activities of the department should be geared.

It goes without saying that the overall improvement of the departmental management will be pursued. We will ensure that the support services of the department consciously contribute to the achievement of line function strategies.

The Department will highly improve the management and maintenance of immovable state assets. A maintenance Management Plan is being targeted for this financial year.

The Department intends to improve the operations of the Infrastructure Project Management Unit that was set up during the last financial year.

Our Regional/District Directors are to become programme managers with and controlling their own budgets. This will enable them to participate fully and meaningfully in the development of Integrated Development Plans with their counterparts from the local sphere of government.

The year ahead is indeed a challenging one.

1.2 Vision

A public institution that provides high quality Roads and World Class standard Buildings infrastructure in the Eastern Cape

1.3 Mission

To provide and maintain quality provincial roads and state-owned properties thereby contributing to the socio-economic development of the people in the Province.

1.4 Strategic goals

1.4.1 Service delivery goals

- To ensure that all communities in the province are connected and accessible through high quality standard roads
- To provide quality service to all user departments by making available spacious and appropriate accommodation
- To ensure that all government properties are in a good and well maintained condition
- To ensure that all projects are being implemented according to the Community Based Public Works Programme Principles

1.4.2 Organisational goals

- To create and maintain a dynamic and functional organisational structure
- To develop a management component that operates in accordance with corporate governance practices

1.4.3 Financial management goals

- To create and maintain a needs based and data driven revenue and expenditure framework
 - To fully comply with the requirements of the Public Finance Management Act (PFMA)
 - To ensure an expansion of revenue base for operations in the department.
-

1.4.4 Training and learning goals

- To ensure that the Department develops competent, empowered, fully motivated and performance focussed employees
- To ensure that the Departmental restructuring and transformation process is finalised and operational
- To fully comply with the relevant legislations and policy frameworks

1.5 Values

In carrying out its mandate, the Department of Roads and Public Works subscribes to the following set of values:

- Employees' diversity and the continuous development
- Professional and excellent customer service – Batho Pele principles
- Preservation of natural heritage resources
- Development of SMME's
- Affirmative procurement

1.6 Legislative and other mandates

The Department of Roads and Public Works is leading the provision of infrastructure in the province. It derives its existence directly from the Constitution of the Republic of South Africa (Act 108 of 1996 as amended) and the Public Service Act of 1994 (as amended) to enable the Member of the Executive Council to deliver on the strategic policy and service delivery resolutions of the Executive Council of the province. It is thus mandated to perform the following functions:

- Provision and maintenance of provincial roads network
- Provision, maintenance and management of utilization of provincially-owned buildings

In addition to the Constitution and the Public Service Act, other important legislative guidelines include, *inter alia*:

1.6.1 Public Service Act, 1994 (Act No.103 of 1994)

Management and staff of the department are governed by the Public Service Act regarding their appointment, training, assessment, discipline, promotion and termination.

1.6.2 Public Finance Management Amended Act (Act No. 29 of 1999)

The Public Finance Management Act and Treasury Regulations provides for the management of assets, responsibilities of the Executive Authority, responsibilities of the Accounting Officer and procedures to plan, monitor and report. In addition, the department is required to comply with the Division of Revenue Act in accounting for funds transferred from the national departments and those transferred to other institutions from the department.

1.6.3 Labour Relations Act (Act No. 66 of 1995)

The department complies with the provisions of the Labour Relations Act in dealing with conditions of employment, collective bargaining, disciplinary matters, grievance procedures and matters related to freedom of association.

1.6.4 Employment Equity Act (Act No. 55 of 1998)

The department complies with the Employment Equity Act on its dealing with reversing the imbalances of the past at the workplace. These imbalances include discrimination on appointments, promotion, remuneration, placement, discipline and termination on grounds of colour, sex, religion, political affiliation and disability. Reversing the imbalances include positive discriminatory measures in dealing with personnel.

1.6.5 Basic conditions of employment Act (Act No. 75 of 1997)

The Act applies to all workers and employers except members of the National Defence Force, National Intelligence Agency, South African Secret Service and unpaid volunteers working for charities. It regulates working time, leave, job information and payment, termination of employment, prevents child and forced labour and sets parameters for variations to basic conditions of employment. Labour relations and employment conditions within the Department of Roads and Public Works are subject to the Basic Conditions of Employment Act.

1.6.6 Skills development Act (Act 97 of 1998)

The department has embraced in its culture, values and practices the spirit and letter of the Skills Development Act. In training its staff and management, its goals are to improve the quality of life of these workers, their prospects of work and labour mobility. It also seeks to improve the productivity of staff in the workplace.

In addition to the pieces of legislation referred to above, the Provincial Communications Policy and the nationally adopted Development Communication Policy, including the departmental Communications Policy provide a policy framework for departmental communication. These policies place an obligation on government to innovatively establish and sustain methods of ensuring that even the poor are helped to realise their constitutional rights (see S. 32 ss. 1 of Act 108 of 1996)

The Promotion of Access to Information Act of February 2001, places the obligation on government to make information accessible to the public in order for them to realise their constitutional right of access to information. The Provincial Growth and Development Strategy, Batho Pele, the Integrated Sustainable Rural Development Strategy and the Integrated Development Plan documents are among the key overall guidelines used by the Department of Roads and Public Works in its delivery of service plans.

1.7 Description of status quo

1.7.1 Summary of service delivery environment and challenges

The Department of Roads and Public Works in the Eastern Cape operates in a predominantly rural area. The province is made up of the merger of the former three administrations operational before 1994, i.e. Transkei, Ciskei and Cape Province. There are glaring disparities with regard to infrastructure accessibility of the communities that live in the province. The former Cape Provincial Administration area was endowed with quality accessibility; Ciskei with medium accessibility while Transkei was endowed with poor and no access whatsoever. There is a huge backlog in infrastructure provision and maintenance in the areas mentioned.

The former Transkei is also characterised by new and weak local government structures that lack resource capability. This makes it very difficult for that sphere of government to effectively complement what the provincial departments are doing in their areas, the problem further becomes acute in the area of infrastructure. There are also high levels of illiteracy and unemployment

1.7.2 Summary of organisational environment and challenges

The department is short staffed while at the same time lacks key plant and equipment essential for it to dispose of its functions expediently. While the above-mentioned resources are a real challenge to the department, there is also a need for the review of the financial resource base for the department. The current one does not enable the department to effectively improve the massive infrastructure backlog.

Having noticed its inability to perform as expected, the department decided to conduct an Organisational Analysis Study, conducted a survey on the Senior Management Service level, held a Provincial Roads Imbizo as well as a comprehensive Strategic Review session. In addition to this, the department also conducted a risk assessment exercise.

The outcomes of these exercises all confirmed the need to realign the work organisational structure and establish a work breakdown structure that will enable the department to perform at optimal levels.

As indicated above, the department operates within the confines of the Public Service Act of 1994 (as amended), the Public Service Regulations of 1999, the Public Finance Management Act of 1999, the National Treasury Regulations and the Eastern Cape Provincial Treasury Regulations. The Executing Authority and the Accounting Officer have respectively delegated powers and duties vested in them down to senior management level.

Monthly line management meetings and quarterly performance reports are means used to monitor and manage such delegations between the levels of the accounting officer and programme managers. The staff complement of the Department of Roads and Public is currently 6038 employees with 1905 posts vacant as against 1455 staff that are provisionally lying under the additional staff. It is expected that the current additional staff will be absorbed. It is also expected that this staff complement will have increased in numbers by the year 2008.

Full implementation of the Performance Management System and Development has commenced for senior management level from 13 upwards. A decision has further been taken that at the beginning of 2002, level 12 and lower shall be included.

The department has established a number of committees that assist in its functioning. Amongst such committees are: Internal Audit Committee, Departmental Transformation Unit and the Procurement Committee. Further to this, the department has setup a Special Programs Unit, which helps the monitor and ensures compliance by the department of the Employment Equity Act, Integrated National Disability Strategy, etc.

Having developed a PFMA implementation-monitoring tool, progress has been recorded in its implementation. This includes risk assessment audit as well as risk combating strategy.

1.7.3 Provincial Priorities as identified at the Budget Indibano

The department seeks to deploy resources allocated to it so as to fulfil the provincial priorities, namely Integrated Rural Development, Social Security Improvement, Transformation and Development of the Public Service, HIV/AIDS, Provincial and Local Integrated Planning and Procurement Reforms and Turnaround Times.

Roads and Public Works takes cognisance of the planned development of a rail link between East London and Umtata. The rail link targets the timber industry development. We will contribute to the rail link by having connecting roads from the forest resources to the railway stations, so as to enable smooth transport of persons and goods from outlying areas to the rail link.

The following projects planned by the department will contribute to the rail project:

- New Road between Ugie and Umtata.
- Roads Infrastructure Development as part of the Mdantsane (East London) and Ngangelizwe (Umtata) Urban Renewal Project.
- Lengthmen System on the maintenance of roads that connect to the rail link and pass through the settlements of rural community settlements.

1.8 Description of strategic planning process

The department has been engaged in various strategic planning exercises, which have resulted in the following documents being produced:

- Department of Roads and Public Works Strategic Plan for the period 1999 to 2004
- Department of Roads and Public Works Strategic Plan and Budget for 2002/3 to 2007/8
- Department of Roads and Public Works Business Plan for 2001/2
- Department of Roads and Public Works Organisational Study Report of April 2001
- Provincial Roads Imbizo of May 2002

Consultation took place over a wide front between senior and middle management in the department to determine issues that should be covered in the business plan document. Outside facilitators were involved in the previous strategic sessions while the current strategic review process was wholly done in-house. The key outputs of this in-house process were, amongst others, *Senior Management Survey Report*, *Organisational Study Report on the Roads Workshops in the regions*, *Strategic Plan for the period 2002/3 to 2007/8*. In undertaking this process, various units were allowed to do their own strategic planning sessions while at the same time they were then allowed to converge as various branches in order to conduct this strategic review. Resources for the current business plan include, key amongst them, the State of the Nation address by the Honourable President of the Republic of South Africa in February 2002, State of the Province address by the Premier at the Opening of the Provincial Legislature in February 2002 as well as the Policy Speech by the Member of the Executive Council for Roads and Public Work in March 2002.

- In addition, national and local planning documents that informed the strategic planning process include inter alia:
 - The Batho Pele White Paper,
 - The African National Congress 1999 Election Manifesto,
 - Integrated Development Plans of the various Municipalities,
 - Provincial Spatial Development Strategy.
-

Table 1: Proposed programme structure for public works

Programme	Sub-programme
1. Corporate Services	Office of MEC Management Services Human Resources
2. Finance	Budget Planning and Control Financial Administration Internal Control
3. Building	Property Development Building Maintenance Property Management
4. Roads	Planning and Design Construction Road Maintenance Mechanical
5. Public Works Programme	
6. Amatole Region	Management Services Building Maintenance Road Maintenance
7. Alfred Nzo Region	Management Services Building Maintenance Road Maintenance
8. Cacadu Region	Management Services Building Maintenance Road Maintenance
9. Chris Hani Region	Management Services Building Maintenance Road Maintenance
10. O.R. Tambo Region	Management Services Building Maintenance Road Maintenance
11. Ukhahlamba Region	Management Services Building Maintenance Road Maintenance

Part B: Programme and sub-programme plans

1.9 Strategic Goals

1.9.1 Service delivery goals

To ensure a safe well developed and maintained Proclaimed Provincial Road Network

Strategic objectives

- Formalise 5year maintenance and upgrade plans within 6 months of the proclamation of the new Provincial road network, prioritising the backlog in the former Transkei.
- Ensure the implementation of SDIP for road maintenance.
- Ensure the implementation of SDIP for road upgrade.
- Review the mechanical workshop function by June 2003 and decentralise to regions by March 2004.
- Establish a partnership policy with District Municipalities by March 2003.
- Prepare an implementation plan for the resolutions of the Roads Indaba by March 2003 and implement by March 2004.

To provide ‘world class’ service to user departments and ensure that all departments have spacious and appropriate accommodation

Strategic objectives

- To develop capacity building programme to implement the entire provincial building development programme by end of 2007.
 - Facilitate the integration of Capex and other accommodation priorities of user departments by June of each financial year.
 - Implement the district infrastructure by the end of 2007.
 - Ensure that 20% of government buildings are accessible to the physically challenged by 2007.
-

- Fire safety to all buildings i.e. fire engineering, fire protection, fire prevention training and development.
- Transfer of capital projects funds from user departments to the department from April 2004

To place all government properties in a good and well maintained condition

Strategic objectives

- Finalise buildings maintenance plan by March 2007.

All departmental infrastructural projects be implemented through the Public Works Programme Principles

Strategic objectives

- Community based Public Works Programme be embedded in the implementation of all departmental infrastructural projects by March 2007.
- Canalise departmental infrastructural programmes to ensure compliance to national, provincial and departmental policies, priorities and targets by March 2007.
- Ensure that all contracts comply with preferential procurement framework Act. Accelerate the awarding of contracts to affirmable business enterprises (ABE's) by a minimum of 45% in the first year and an incremental increase of 7% each year until 2007.
- Implement the Construction Industry Development Programme by March 2007.

1.9.2 Management/organisational goals

Provide and Develop Competent, empowered and performance focussed employees

Strategic objectives:

- To fill all critical posts by 31 March 2003 and beyond as approved by Treasury.
-

- To support employees with problems that affect work performance on an ongoing basis beginning January 2003.
- Rapid roll-out of the HIV/AIDS programme in the department on an ongoing basis beginning August 2002.
- Facilitate implementation of PMS on an ongoing basis.
- Continue and complete the data collection process by 31 March 2003 (GTRS).
- Reviewal of a functional departmental structure as required.
- To enhance the capacity of the department by means of training and development on an ongoing basis.
- Research and develop a comprehensive, integrated information systems, and communication policy.

Departmental restructuring and transformation process to be finalised and operational

Strategic objectives:

- To fully comply with Resolution 7 of the PSBC with regards to absorption and deployment by June 2003.
- To implement social plan by June 2003.
- Focused and targeted management of the transformation process in the department to be finalized by June 2003.

1.9.3 Financial Management Goals

Migration to the Accrual System of Accounting

- Compliance to Treasury specifications on the Balance Sheet items for the reporting year, starting from 2002/03 financial year.
 - Agreement on the chart of accounts by all national and provincial departments.
 - Phasing out of old accounting systems and introduction of an integrated accounting system.
-

Development and maintenance of a Resource Balance Sheet.

- Valuation of all infrastructural items (roads, bridges, buildings and construction plant).
- Compliance to the national government policy on a fixed asset register for infrastructure.
- Incorporation of infrastructure in the departmental balance sheet.

Re-Engineering of the business processes of the department.

- Conduct a business diagnosis of the department.
 - Design a new business model for an effective and efficient infrastructure development government agency.
 - Develop a long term infrastructure investment plan and strategy.
-

1.10 Measurable objectives, strategies/activities, outputs, measures and monitoring mechanisms

Table 2: Table for reporting objectives, strategies, outputs, measures and monitoring mechanisms

1	2	3	4	5	6	7	8
Programme structure Key objectives	Strategy / Activity	Output	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure	Monitoring mechanism
1. Corporate Services (R78,740m)	To provide administrative support to all departmental programmes						
<i>1.1 Management Services</i>	<i>Provision of communication and physical support services to all departmental programmes</i>						
❖ To maintain secure and readily available documents for the whole department	To establish an effective departmental file management and library facilities	Departmental Registry and Electronic Document Management System	Establishment and Personnel Costs	Strongrooms utilised	Audit Trail	Instant information availability	Internal Control and Auditor General evaluation
❖ To promote maximum departmental communication at minimum costs	To establish a telephone management system for the department	Telephone Bills	Cost per unit	Number of official and private calls	Low costs per unit	Monthly	Analysis of telephone bills
❖ To provide a clean and secure work environment in the provincial public service	To keep government properties in a clean and secure condition	Clean, healthy and safe offices	Personnel and stores costs	Cleaning material	Competitive service	Daily	Supervision
<i>1.2. Human Resources</i>	<i>To provide skilled, motivated and experienced personnel for the department</i>						
❖ To structure the department according to its mandate and core functions	Organisational, functional and systems audit	Organisational structure aligned to departmental strategy	Consulting Fees	Consulting hours	Effective Service Delivery	Annually	Internal Control Committee
❖ To ensure that all departmental employees take full responsibility and accountability for their functions	To implement an effective performance management system at all levels	Performance Reports	Personnel Costs	Reports per quarter/semester/year	Content of reports	Weekly, fortnightly, monthly, quarterly and annually	Management Meetings and Statutory Reporting requirements
❖ To have a globally competitive workforce	Personnel training on World Class Business Practices	Training related work place projects	Course Fees	Work Project Teams	Problem solving solutions	Quarterly	Conditional Certification and Management involvement
<i>1.3 Information Technology</i>	<i>To enable personnel to identify, capture, store and communicate departmental information in a form and timeframe that allows them to fulfil their responsibilities</i>						

1	2	3	4	5	6	7	8
Programme structure Key objectives	Strategy / Activity	Output	Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure	Monitoring mechanism
❖ To ensure that all departmental information is secure from disasters	Establish an effective backup system	In-house and off-site information backup facilities	Data storage hardware and software costs	Storage space utilised	Speed of information recovery	Continuous in-house and daily off-site	Internal Controls
❖ To manage information relevant for effective delivery of services	To implement an integrated information management system	Integrated Construction, Project Management, Procurement, Asset Management, Property Management, Accounting and Performance Management Sub-Systems	Personnel, Consulting Fees, Software, Hardware, Data and Communication Costs	Number of Sub-Systems	Instant and Accurate Reports	Continuous	System Audits and Internal Controls
❖ To facilitate planning, monitoring, decision-making and reporting on core departmental functions using spatial analysis tools	To establish an in-house departmental GIS facility	Spatial Information (GIS Data)	Personnel, Consulting Fees, Data, Software and Hardware Costs	Data sets	Data Standards	Continuous	Membership to Standards bodies and institutions

❖ To enhance internal and external communication of departmental activities	To establish a departmental intranet facility with e-government facilities and departmental web-site	Departmental information	Personnel, software and network costs	Web space utilised	Speed of access and beauty of appearance	Continuous and regular updating	Firewall facilities
2. Office of the MEC (R2,979m)							
<i>To provide research planning and strategy development</i>							
2.1 Special Programmes Unit							
<i>To facilitate and coordinate departmental special projects (HIV/AIDS, disability, gender and youth)</i>							
<i>To have an educated workforce that is sensitive to matters of gender and equity</i>	Conduct awareness workshops around policy issues relating to HIV/AIDS, disability, gender and youth	Compliance to government's legal framework	Workshop, Seminar and Personnel Costs	Number of Workshops	Follow-up questionnaires completed	Monthly	Knowledge Database on the issues
<i>To inform the public about the commitment of the department on matters of gender and equity</i>	To organise events on special days to focus on the above issues	Events on special days	Event organising costs	Agenda topics	Public response	Relevant days	Media coverage
<i>To capacitate the public on their ability to fight HIV/AIDS</i>	To provide training of trainers on HIV/AIDS Counselling	Empowerment	Training Costs	Number of courses	Project Assignments	Quarterly	Accreditation
<i>To align the department so as to adapt to the constantly changing environment</i>	To lead the departmental transformation processes	Working Transformation Units at all levels	Conference and Seminar Costs	Number of transformation units functional	Change Management Principles	Monthly	Management Meetings
2.2 Policy Co-ordination							
<i>To coordinate and monitor the formulation of departmental policies</i>							
<i>To ensure that the department implements fully all existing policies</i>	Conduct research on the implementation status of existing policies	Policy Summary Reports	Personnel Costs and Consulting Fees	Number of reports	Research Methods	Quarterly	Management meetings
<i>To ensure that the department develops and implements policies relevant for its core business under contemporary conditions</i>	Identify best practices on policy development and implementation	Policy Summary Reports	Personnel Costs and Consulting Fees	Number of reports	Benchmarking Techniques	Quarterly	Management meetings
<i>To ensure that departments do not duplicate policy development on common policy issues</i>	Develop a cluster approach to common inter-departmental policy developmental strategies	Cluster Policy Reports	Personnel Costs and Consulting Fees	Number of reports	Provincial priority policy documents	Quarterly	Management meetings

2.3 Communications Office	To manage the implementation of the departmental communication strategies						
	To develop the departmental communication strategy	Communication Framework and Guide	Personnel Costs and Consulting Fees	Elements of the communication strategy	Communication Standards	Annually	Strategic Session Presentations and inputs
	To use all available media resources so as to project a positive image for the department	Media Articles	Advertising Costs	Number of articles advertised	Editing Standards	Weekly	Weekly Editorial Committee meetings
	To inform the public on successes of the department in the delivery of services	Publications	Printing Costs	Number of publications issued	Public Image of Editors	Monthly	Monthly Editorial Committee meetings
3. Finance (R14,368m)	To provide financial management support to all departmental programmes						
3.1 Budget Planning and Control	To facilitate costing and performance budgeting support to all sub-programmes of the department.						
❖ Facilitate the development of a budget which is linked to the strategic plan and provincial and national priorities annually.	Facilitate the review of the departmental strategy and the development of the annual business plan.	Strategic Plan	Personnel and Facilitation Costs	Elements of Strategic Plan Template	Compliance to National and Provincial Government Priorities	Annually	Budget Committee Hearings
❖ To allocate resources to all departmental activities by 31 July 2003.	Facilitate financial planning by departmental sub-programmes.	Budget	Personnel and Facilitation Costs	Completed EC forms	Compliance to Performance Budgeting	Annually	Budget Committee Hearings
❖ To capture cost information for all departmental sub-programmes and perform analysis by 31 October 2003.	Facilitate financial planning by departmental sub-programmes.	Budget	Personnel and Facilitation Costs	GFS Format Budget	Activity-Based Budget	Annually	Budget Committee Hearings

❖ Perform performance evaluation of all departmental sub-programmes against budgets every 7 th of the month with effect from 1 April 2004.	Develop and implement the In-Year framework for the department.	Monthly Expenditure Reports	Personnel Costs	In-Year Monitoring Reports and Variance Explanations	Reconciliation with Accounting Records	Monthly	Management Meetings
❖ Provide internal monthly management reports to sub-programme managers for operational improvements.	Conduct performance evaluation of sub-programmes	Monthly Service Delivery Reports	Personnel Costs	Exception reports and explanations	Reconciliations with performance targets	Monthly	Management Meetings
3.2 Financial Administration							
To provide financial administration support to all departmental programmes.							
❖ To support all sub-programme managers to account fully for their payroll by 30 June 2003.	Facilitate regular payroll certification.	Monthly Certified Payrolls.	Personnel Costs	Signatures	Reconciliation with Accounting Records	Monthly	CFO Certification
❖ To provide monthly management reports for the department according to GRAP by 30 June 2003.	Produce monthly accounting reports for departmental top management.	Monthly Financial Reports.	Personnel Costs	Elements of financial statements	Compliance with GRAP guidelines on reporting	Monthly	CFO Certification
❖ To produce financial statements with an unqualified audit report by 31 July 2003.	Prepare and submit annual financial statements to Auditor-General.	Audited Financial Statements.	Personnel Costs	Elements of financial statements	Compliance with GRAP guidelines on reporting	Annually	CFO Certification
❖ To have a complete departmental balance sheet based on an accrual accounting system by 31 March 2004	Clear all audit queries regularly.	Management Report.	Audit Fees	Number of items on Management Letter	Unqualified Audit Report	Annually	Internal Control
	Capture all departmental assets and liabilities on the approved chart of accounts.	Asset Register.	Personnel Costs	List and cost measures of assets	Items on the register	Monthly updates	Certification by Director: Finance
3.3.Provisioning							
To provide support to all sub-programmes in the areas of procurement and asset management							

❖ To provide for a cycle of not less than 30 days from receipt to payment for goods and pay within 30 days from receipt of invoice/certificate for services by 30 June 2003.	Plan procurement processes according to resource requirements.	Procurement Plan.	Personnel and Workshop Costs	Items scheduled for procurement in the calendar	Reconciliation with budget	Annually and monthly	CFO Certification
❖ To provide for stock levels that will meet minimum requirements at the lowest cost of stock holdings by 30 September 2003.	Maintain adequate stock levels according to lead schedules, optimum stock levels and minimum order levels.	Stock Sheets.	Personnel Costs	Inventory Items	Reconciliation with accounting records	Monthly	Certification by Director: Finance
❖ To have a register of all fixed assets by 31 December 2003.	Perform regular updates of the departmental fixed asset register.	Resource Balance Sheet.	Personnel Costs	Balance Sheet Items	Regular checks	Monthly	CFO Certification
❖ Participate on behalf of the department in the Fleet Management PPP.	Administer fleet services within the department.	Fleet Requisitions and Subsidised Vehicles.	Personnel Costs	Pool Vehicles and Subsidised Vehicles	Regular reporting	Monthly	Certification by Director: Finance
3.4 Internal Control	To facilitate internal control and risk management to all departmental sub-programmes						
❖ To perform the annual review of the departmental risk management system by 30 June 2003.	Perform reviews of the risk management and internal control strategies.	Revised Internal Control and Risk Management Standards and Framework	Personnel Costs and Consulting Fees	Elements of the Risk Management Framework	Internal Control and Risk Management Standards	Annually	Departmental Strategy Sessions
❖ To provide the summary report of the departmental control environment by 30 September 2003.	Perform risk assessments of the internal control environment.	Summary Report of the Internal Control Environment	Personnel Costs and Consulting Fees	Elements of the summary report	Internal Control Standards	Annually	Internal Control Committee
❖ To facilitate the risk management processes of the departmental sub-programmes by 30 December 2003.	Monitor risk management at the level of departmental sub-programmes.	Summary Risk Management Report	Personnel Costs	Elements of the Summary Report	Risk Management Standards	Monthly	Internal Control Committee
❖ To facilitate the evaluation of the effectiveness of internal controls for the applications by 31 March 2004.	Evaluate the effectiveness of basic application controls.	Summary Internal Control Reports	Personnel Costs	Elements of Summary Report	Internal Control Standards	Weekly	Internal Control Unit

	Monitor compliance with disciplinary controls.	Summary Internal Control Reports	Personnel Costs	Elements of Summary Report	Internal Control Standards	Weekly	Internal Control Unit
4. Buildings (R340,176m)							
<i>4.1 Property Development</i>							
❖ Completion of renovations to Education Department Head Office building at Zwelitsha by 31 March 2004.	Planning and Design.	Sufficient office space.	Costs per square metre	Square metres	Building Standards	31 March 2004	Retention moneys and regular inspections
❖ Complete at least 20% of District Development (in support of Property Management) by 31 March 2004.	Tender and procurement of services.	Planned percentage of office space.	Costs per square metre	Square metres	Building Standards	31 March 2004	Retention moneys and regular inspections
❖ Complete all additions to Chris Hani Regional Offices by 31 March 2004.	Monitoring and evaluation up to completion.	Partial operations of cluster development.	Costs per square metre	Square metres	Building Standards	31 March 2004	Retention moneys and regular inspections
	Retention management						
<i>4.2. Building Maintenance</i>							
To eliminate maintenance backlogs and retain government buildings as investments							
❖ A complete survey report of condition of state buildings by 31 March 2004 (including rented and leased properties internal defects).	Planning and Quantities	Maintenance Bill of Quantities	Consulting fees and personnel costs	Elements of the Statement of Work	Maintenance Standards on Buildings	31 March 2004	Management Reports and Meetings
❖ Renovate, demolish and dispose all government buildings that are in bad state of repairs by 31 March 2004.	Actual maintenance as per contractor procedure	Clear indication for disposal and renovation of "each" building.	Costs per property	Number and value of properties	Management decisions	31 March 2004	Monthly proposals and appointment of disposal boards
❖ Keep all properties that have a marker related rentals in good state.	Monitoring and evaluation to completion	Monitoring system in place as regards to state of repairs to buildings.	Maintenance costs per property	Capital expenditure	Maintenance Standards on properties	Monthly	Management reports and routine inspections

❖ Establish private training partnership to capacitate in-house maintenance teams as an on-going process.	Routine inspection as regards to quality control.	Motivated, professional and efficient teams/officials.	Training costs	Maintenance Teams	Tender Proposals by In-house Teams	31 March 2004	Tender Adjudication processes and regular inspections
4.3. Property Management	To provide accommodation to government departments at all levels and accommodation to business and residential tenants						
❖ To put all residential state properties in a habitable state by 31 March 2004	Prioritise repair state of all government properties.	Market related rental revenue	Repair costs	Market Value of property	Tenant complaints	Monthly	Management Reports
❖ Vesting all state properties by 20% on 31 March 2004.	Identify and obtain title to all public land and properties in the province	Proven state ownership of properties.	Travel costs and costs of title deeds	Number of title deeds	Specifics as regards ownership and transfer	Monthly	Management Reports
❖ To complete at least 20% of "District Development" by 31 March 2004.	Provide planning and quantifying to property development regarding district development.	One-stop shop government offices	Construction costs per district office	Number of district offices completed and work in progress	Building Standards	Monthly	Management Reports and regular inspections
❖ Dispose all redundant land that is not required by government by 31 March 2004.	Establish boards of survey for disposal of all redundant properties.	Generation of revenue.	Auctioneer costs	Number and values of property disposed	Amount of revenue	Quarterly	Management Reports and Boards of Survey
5. Roads (R1,186,999)	To provide an effective roads network for the province						
5.1 Planning and Design	To design all roads maintenance and construction projects	Project Plans, Tender Specifications and Design Drawings	Personnel Costs and Professional Fees	Number of Project Plans and Designs	Design Standards	Monthly	Management Reports
5.2. Roads Maintenance	Provide a safe and effective road network						
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Resealing of surface roads	Tarred Roads	Cost per km	Kilometres	Maintenance Standards	3200km per annum	Quarterly Infrastructure Reports
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Minor road rehabilitation	Tarred Roads	Cost per km	Kilometres	Maintenance Standards	3200km per annum	Quarterly Infrastructure Reports

❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Low cost surfacing	Tarred Roads	Cost per km	Kilometres	Maintenance Standards	3200km annum	per	Quarterly Reports	Infrastructure
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Fence maintenance and replacement	Fenced Surface Roads	Cost per km	Kilometres	Maintenance Standards	3200km annum	per	Quarterly Reports	Infrastructure
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Road signs maintenance & replacement	Visible Road Signs	Professional Fees	Material and Labour Costs	Guarantees	3200km annum	per	Quarterly Reports	Infrastructure
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	District Municipality Areas	Provincial Roads within District Municipality areas	Funds Transfers	Kilometres	Service Level Agreements	Annually		Quarterly Reports	Infrastructure
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Regravelling	Gravel Roads	Costs per km	Kilometres	Maintenance Standards	Quarterly		Quarterly Report	Infrastructure
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Patching and cleaning of surface roads	Tarred Roads	Costs per km	Kilometres	Maintenance Standards	Monthly		Monthly Reports	
❖ Address maintenance backlogs – reduce maintenance backlog by 3200km by 31 March 2004.	Grading and cleaning of gravel roads	Gravel Roads	Costs per km	Kilometres	Maintenance Standards	Monthly		Monthly Reports	
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Routine Maintenance surfaced	Tarred Roads	Costs per km	Kilometres	Maintenance Standards	Monthly		Management Reports	
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Routine Maintenance gravel	Gravel Roads	Costs per km	Kilometres	Maintenance Standards	Monthly		Management Reports	

❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Fencing	Fenced Roads	Costs per km	Kilometres	Maintenance Standards	Monthly	Management Reports
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Road signs	Road Signs	Professional Fees	Material and Labour Costs	Maintenance Standards	Monthly	Management Reports
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	MTAB'S	Municipal Transfers	Transfer Costs	Kilometres	Maintenance Standards	Monthly	Management Reports
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Bridge Maintenance	Bridges	Costs per bridge	Number of bridges and work in progress	Maintenance Standards	Monthly	Management Reports
❖ Undertake normal routine maintenance – provide 15000km routine maintenance from 1 April 2003 to 31 March 2004.	Small contractor programme (SMME's, PDI)	Local Labour	Professional Fees	PDI Project Share	Maintenance Standards	Monthly	Management Reports
5.3 Roads Construction	To perform the construction and reconstruction of major provincial roads						
Continue with the existing 5 year paving of 8 Trunk Road Upgrading Projects	Trunk Road Upgrade to paved	8 Projects	Professional Service Fees	Kilometres and percentage completion	Construction Standards	5 years	Quarterly Infrastructure Reports
Continue with the existing 5 year Trunk Road Rehabilitation of 27 Projects	Trunk Road Rehabilitation	27 Projects	Professional Service Fees	Kilometres and percentage completion	Construction Standards	5 years	Quarterly Infrastructure Reports
Continue with the existing 5 year Main Road Upgrading of 12 Projects	Main Road Upgrade to surfaced	12 Projects	Professional Service Fees	Kilometres and percentage completion	Construction Standards	5 years	Quarterly Infrastructure Reports

Continue with the existing 5 year rehabilitation of 11 Main Roads	Main Road Rehabilitation	11 Projects	Professional Service Fees	Kilometres and percentage completion	Construction Standards	5 years	Quarterly Infrastructure Reports
Continue with the 5 year project on the construction of 13 Bridges	Bridges	13 Projects	Professional Service Fees	Number of bridges and percentage completion	Construction Standards	5 years	Quarterly Infrastructure Reports
5.4 Roads Mechanical	To provide and maintain roads plant for construction and maintenance						
❖ To provide 45% availability of plant to construction and maintenance by 31 March 2004.	Preventative plant maintenance	Running Construction Equipment and Vehicles	Maintenance Costs, Personnel Costs and Stores	Number of vehicles on site	Idle Time	Monthly	Management Reports
❖ To provide 45% availability of plant to construction and maintenance by 31 March 2004.	Major plant repairs	Running Construction Equipment and Vehicles	Maintenance Costs, Personnel Costs and Stores	Number of vehicles on site	Idle Time	Monthly	Management Reports
❖ To provide 45% availability of plant to construction and maintenance by 31 March 2004.	New plant purchases	Running Construction Equipment and Vehicles	Construction Equipment Costs	Number of vehicles on site	Idle Time	Monthly	Management Reports
❖ To provide 45% availability of plant to construction and maintenance by 31 March 2004.	Existing plant rebuilding	Running Construction Equipment and Vehicles	Maintenance Costs, Personnel Costs and Stores	Number of vehicles on site	Idle Time	Monthly	Management Reports
❖ To provide 45% availability of plant to construction and maintenance by 31 March 2004.	Registration and licensing of vehicles	Running Construction Equipment and Vehicles	Registration and Licence Fees	Number of vehicles on site	Idle Time	Monthly	Management Reports
❖ To provide radio network for road construction and maintenance – 100% connectivity.	Provision of radio network	Two way radios and communication stations	Communication Equipment and Radios	Number of calls logged	Call Centre Reports	Monthly	Management Reports
6. Public Works Programme	Monitor project development and implementation according to Provincial and National Priorities (R64,683m)						

❖ Implement four pilot poverty alleviation projects through the lengthmen system of roads maintenance	Implement preventative maintenance of roads using the rural poor as contractors (preference being women households)	Roads in Amathole, Chris Hani, Alfred Nzo and O.R. Tambo regions costing R18m for the first year	Monthly contract payments to lengthmen	Kilometres per road per lengthman	Road Maintenance Standards	Monthly	Management Reports
❖ Contribute to Integrated Sustainable Rural Development and Poverty Eradication in the rural District Municipality areas	Integrate IDP's and corresponding Business Plans as applicable to Roads and Public Works responsibilities and incorporate them in departmental priorities	Mandates of the department in Alfred Nzo, O.R. Tambo, Ukhahlamba and Chris Hani district municipal areas IDPs	Facilitation Costs	Number of projects identified	Projected impact on socio-economic development	Annually	Strategic Planning Processes
❖ Contribute to the Urban Renewal projects in provincial townships	Using labour intensive methods to provide road infrastructure in selected townships	Roads Infrastructure in Mdantsane (East London), Ngangelizwe (Umtata) and Motherwell (Port Elizabeth)	Construction Professional Fees	Kilometres of roads rehabilitated	Roads Construction and Maintenance Standards	Quarterly	Infrastructure Reports
❖ Ensure maximum community participation prior to, during and after the departmental projects implementation	Social facilitation of all departmental infra structural projects	Infrastructure Cluster Forum minutes of meetings	Meeting and Personnel Costs	Number of meetings	Reconciliation with IDP's and corresponding Business Plans	Monthly	Management Reports
❖ Canalise departmental programmes in order to ensure compliance to departmental and provincial policies, priorities and targets.	Tracking of infra structural projects compliance.	Exception Reports	Personnel Costs	Number of exceptions	Compliance to Provincial Priorities	Monthly	Management Exception Reporting
❖ Ensure that Professional Services on core departmental deliverables are distributed amongst the Service Providers in a fair, equitable and empowering manner	Management of the departmental Professional Service Providers Roster	Consultant appointments	Consulting Fees and Web space	Number of consultants appointed and value of their projects	Economic Empowerment point system	Monthly	Management Reports

<p>❖ Ensure that all Programmes implement their projects according to principles laid down under the Construction Industry Development Programme (CIDP), Economic Empowerment of PDI's and Provincial Priorities</p>	<p>Monitoring and Evaluation of departmental projects through the relevant database</p>	<p>Project Reports</p>	<p>Personnel Costs</p>	<p>Project Distribution Reports</p>	<p>Gender, PDI, Disability Criteria compliance</p>	<p>Quarterly</p>	<p>Departmental Projects Fact Report</p>
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1.11 Medium-term revenues and expenditures

1.11.1 Summary of revenue

Table 3: Summary of revenue: Department of Roads and Public Works

R'000	2000/01 Actual	2001/02 Est	2002/03 MTREF	2003/04 MTREF	2004/05 MTREF	2005/06 MTREF
Treasury funding						
Equitable share	530,207	659,336	1,222,256	1,021,195	1,072,168	1,120,507
Conditional grants		277,275	356,107	456,673	535,646	569,409
Finance supplementary	12,662	12,275				
Roll overs		117,244	42,345			
Reallocated Treasury Reserve	193,392	169,887	80,463			
Total Treasury funding	736,261	1,236,017	1,701,441	1,477,868	1,607,814	1,689,916
Own revenue						
Current revenue						
- Tax revenue						
- Non-tax revenue	5,438	2,464	2,341	13,502	13,772	14,392
Capital revenue						
- (Building Maintenance)						
Total own revenue	5,438	2,464	2,341	13,502	13,772	14,392
Total Revenue	741,699	1,238,481	1,703,782	1,491,370	1,621,586	1,704,308

1.12 Revenue Plan

1.12.1 VISION

To be an effective and efficient provider of office and residential accommodation to Provincial Government departments and its officials.

1.12.2 MISSION

To provide accommodation to Provincial Government departments and their officials by using public facilities and leasing on behalf of these departments.

1.12.3 OBJECTIVES

OBJECTIVE 1: To increase rentals of government houses from 4% of salary or R200 to market related rates.	
The department currently charges an average rental tariff of R102 per month per property. This amount generates about R4m per annum. The department can generate an average of R1000 per property per month. The new rental can generate an estimated annual revenue of R13,824m.	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none">• Clearing maintenance backlogs.• Establish and maintain a Tenants Administration System.• Implement a Tenants Billing and Collection System.	Tenant complaints. Tenants database. Rental Revenue.

OBJECTIVE 2: To dispose all redundant plant	
The department currently incurs a lot of expenditure in providing security and maintenance to unproductive plant. We need to sell such plant items to realise annual revenues not less than R2m from such sales.	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Plant asset register. • Policy on plant disposal. • Plant maintenance budget. 	Value of plant items Criteria for disposal Cost benefit analysis on plant maintenance versus disposal

OBJECTIVE 3: To sell all government buildings not suitable for rental.	
The department is required to maintain properties that are long overdue for disposal at costs equivalent to those for renovations. Some of these properties need major renovations while the costs of such renovations cannot be recovered from future rentals. It is necessary for such properties to be disposed on cost recovery terms.	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Valuation of properties. • Property ownership. • Policy on property disposal. 	Valuation certificates. Duplicate Title Deeds. Criteria for disposal of properties.

OBJECTIVE 4: To collect all rentals from commercial tenants.	
There are reports indicating commercial tenants not paying rent or paying low rentals than market related rates. It is necessary that the department maximises rental income from commercial properties.	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Updated rental tariffs. • Establish and maintain a Tenants Administration System. • Implement a Tenants Billing and Collection System. 	Rental income. Tenants database. Rental Revenue

OBJECTIVE 5: To recover all costs incurred in maintenance of buildings on behalf of other government departments.

The department currently spends hundreds of millions of rands in maintaining properties that are utilised by other government departments. The costs of such maintenance is not recovered from the client departments. The department has to either make the departments bear the maintenance costs of such buildings or recover the maintenance costs.

Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Capacity to maintain. • Maintenance budget from client departments. • Agreement between the Department of Roads and Public Works and Client Departments. • Billing and collection system. 	<p>In-house maintenance teams or outsourcing. Maintenance component of provincial infrastructure budget.</p> <p>Service Level Agreements.</p> <p>Legal mandate and tariffs.</p>

OBJECTIVE 6: To recover all rentals incurred to landlords on behalf of other government departments.

The mandate of the Department of Roads and Public Works is to provide accommodation to other government departments using government properties. Any additional requirements stretch the resources of the department beyond government property portfolio. Such additional requirements should therefore be billed from the client departments till the relevant government accommodation is available.

Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • District Development (One Stop Stations). • Rental budgets at client departments. • Cross-departmental Billing System. • Relevant clauses in Service Level Agreements. 	<p>Government One Stop Stations</p> <p>Rental items in MTEF of client departments.</p> <p>Inter-departmental regular payments.</p> <p>Cooperation from client departments.</p>

1.13 Expenditure summary by programme

Table 4: Summary of expenditure and estimates: Department of Roads and Public Works

R'000	2000/01 Actual	2001/02 Est	2002/03 MTREF	2003/04 MTREF	2004/05 MTREF	2005/06 MTREF
1. Administration	35,424	113,926	115,123	80,570	87,901	92,739
2. Buildings	40,199	148,699	138,594	196,737	212,354	221,760
3. Roads	288,213	664,989	1,282,896	1,016,999	1,118,523	1,168,904
4. Public Works Program	5,096	6,358	6,793	64,683	70,550	74,415
5. Risk Management	9,949	13,704	11,787	13,942	15,495	16,341
6. Supernumeraries	253,580					
7. Property Management	94,631	93,980	148,589	118,439	116,763	130,149
Total by program	727,092	1,041,656	1,703,782	1,491,370	1,621,586	1,704,308

1.14 Co-ordination, co-operation and outsourcing plans

1.14.1 Interdepartmental linkages

The department is part of the provincial infrastructure cluster, which includes the Department of Housing and Local Government, the Department of Education, the Department of Health and the Department of Education. The Provincial Treasury performs oversight functions over the finances of our department. The Premier's office provides Internal Audit functions as a shared service on behalf of our department.

We have service level agreements with the department of Education, Health and Welfare concerning the provision and maintenance of their properties. We have service level agreements with some district municipalities on infrastructure delivery. These agreements were inherited from those between the provincial administration and regional services councils prior to 1994.

The department has Transfer Payments to Metropolitan Councils. We are currently refining our Service Level Agreements and Transfer Payments into one set of agreements that will comply with the provisions of the Tender Board and Division of Revenue Act. We have empowered regional offices to become programmes so as to include IDP's into departmental priorities.

1.14.2 Public, private partnerships, outsourcing etc

Memoranda of Understanding with Transportek (CSIR) and Protekon (TRANSNET) exist with the Department of Roads and Public Works. The department has established partnership with NGO's in order to deal with HIV/AIDS problem. For capacity building, the department and Eastern Cape Technikon have an Memorandum Of Understanding on skills development.

Transportek will assist the department on the use of new technologies such as labour-intensive methods, low cost surfacing, materials investigations and specifications. Protekon will work together with in-house construction units to enhance productivity.

1.15 Conditional Grant Funding

The department will use conditional grants for Trunk Road Upgrade, Trunk Road Rehabilitation, Main Road upgrade to surfaced, Main Road Rehabilitation and Maintenance Backlogs. The distribution of the use of these funds is projected as follows:

Trunk Road Upgrade

Maclear Mt Fletcher Phase 1
R30,814m

Maclear Mt Fletcher Phase 2
R44,350m

Maclear Mt Fletcher Phase 3
R36,393m

Cala to Elliot
R10,000m

Lady Frere Cala Phase 1
R28,250m

Lady Frere Cala Phase 2
R22,000m

Sterkspruit Tele Bridge
R40,000m

Total

Trunk Roads Rehabilitation

Fontein Kloof to Nanara
R6,500m

E L to Lilyvale
R30,000m

Alexandria to Port Alfred
R9,500m

Alice Town & Kuntselamanzi
R10,000m

Ndabakazi to Tsomo
R30,700m

Mt Fletcher to Matatiele
R45,000m

Perseverance to Dispatch
R5,000m

Total

Main Road upgrade to surfaced

Bambisananani Hospital access
R3,000m

N2 to Kei Mouth I
R29,000m

N2 to Kei Mouth II
R15,000m

Total

Main Road rehabilitation

Uitenhage to Witklip (N2)
R30,000m

Total

Maintenance Backlogs

Disaster Reconstruction
R23,000m

Total

The total amount to be spent on the above projects is R449,007m. Inflationary pressures including the impact of the rand exchange rates and fuel prices will definitely push the figures far higher than the current projections.

1.16 Financial Management:

1.16.1 Strategies to address audit queries

1.16.2 VISION

To be a Provincial Department that maintains an effective system of internal controls and fully accountable to the public on its utilisation of funds

1.16.3 MISSION

To deliver on roads and building infrastructure in an efficient and cost effective fashion

1.16.4 OBJECTIVES

<p>OBJECTIVE 1: To recruit all suitable financial personnel relevant for the implementation of Internal Controls</p> <p>The department currently experiences an acute shortage of accounting and financial management personnel. We need to recruit competent personnel that will drive the transition to an accrual system of accounting while at the same time strengthening internal controls.</p>	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Adequate personnel budget • On the job training • Improved remuneration 	<p>Filled organogram</p> <p>Quality service</p> <p>Competent staff and management</p>

<p>OBJECTIVE 2: To include AG recommendations in Performance Agreements of relevant personnel.</p> <p>AG Recommendations do not enjoy the priority they deserve, especially amongst non-financial personnel. We will need to revise Performance Agreements of personnel affected by these recommendations to include these recommendations.</p>	
Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Senior and Top Management Support. • Regular monitoring and evaluation of progress by the Internal Control / Audit Steering Committee. • A functioning Internal Control Unit. 	<p>Action Plans and Delegations in Performance Agreements.</p> <p>Minutes of Internal Control/Audit Steering Committee meetings.</p> <p>Corrections to control weaknesses</p>

OBJECTIVE 3: To implement Risk Management activities as an important driver of the department's strategy, operations and functions.

The strategy of the department is influenced by the needs of stakeholders and the resources at the disposal of the department. Risk analyses and Risk Management Plans do not influence the strategy of the department. We need to implement Risk Management activities that will drive strategic planning, operations and functions of the department.

Critical Success Factors (CSF's)	Key Performance Indicators
<ul style="list-style-type: none"> • Implementation of a comprehensive Risk Management Plan. • Management Support. • Risk Management Model and System. 	<p>A Risk Management Plan that covers one to three years.</p> <p>Minutes of Senior and Top Management meetings.</p> <p>Risk Management Templates and Software Tools.</p>

1.16.5 Implementation of PFMA

PFMA implementation started with the inclusion of the PFMA responsibilities in the contract between the Accounting Officer and the Executing Authority. The Chief Financial Officer was appointed as part of PFMA implementation. Financial Delegations were documented and communicated to the relevant officers.

The department is beginning to implement a system of internal control by first developing a standards framework for internal control and risk management. This will be followed by the development of working papers and an implementation guide. Monitoring and evaluation will take place by the Internal Control Unit, Internal Audit Shared Service and Auditor-General.

The department is developing a process to implement performance budgeting based on activity based costing. Service delivery aspects are being introduced into the in-year monitoring reporting processes.

The management of revenue, expenditure, assets and liabilities (REAL) is being capacitated to enable the department to carry out pre-audit functions. The department is preparing itself for readiness to implement an accrual accounting system. The development, implementation and monitoring of disciplinary and basic application controls in these areas (REAL) will take place not later than June 2003.

The department is finalising its readiness to receive the delegations currently exercised by the Provincial Tender Board.

Part C: Background information

1.17 The environment in which the department operates

The Department of Roads & Public Works deals with the infrastructure provisioning in the province of the Eastern Cape.

- Provision and maintenance of provincial roads network
- Provision, maintenance and management of utilization of provincially owned buildings.

Political / legal environment

The Department has to perform the functions mentioned above in compliance with the constitution of the Republic of South Africa (Act 108 of 1996), which provides that the public must be served in an unbiased and impartial way.

Social environment

Socially the department operates in an environment where issues such as AIDS, population growth and health services have to be addressed.

Economic environment

When drawing up the budget, provision should be made for the general interest of the community as well as for setting priorities for the use of public funds.

Technological environment

The department has to be aware of technological advances so that it can easily take advantage of those that could assist in its service delivery.

1.18 External factors that have already or are likely to impact on the demand for services

- Population growth and urbanization and housing
- Health services
- Natural disasters.

Population growth and urbanisation and housing

The population of South Africa grows by about 5 million people every 3.6 years. The census results also showed that South Africa's population was more urbanized than previously thought (Central Statistical Services, July 1997). It is estimated that by the year 2010 about 69% of the Black population will be urbanized. The population is being urbanized at an estimate of 750 000 people per housing. What all this means is that the Public Works Programme has to develop more young and women contractors in order to meet the housing requirements of all these people.

Health services

A lack of infrastructure, such as too few clinics and hospitals in rural areas represent an additional burden on the department.

Natural disasters

Disasters that no one has control over impact on the demand for the department's services e.g. when floods and storms come, school, hospitals, clinics and bridges are damaged.

1.19 External factors that have already or are likely to impact on ability to deliver

AIDS

The number of AIDS cases doubles every 8.5 months. Approximately 4½ million people will be HIV positive by the year 2005 and 2½ million people will already have died of AIDS by that time. The rate of death due to AIDS has effects such as:

- Loss of Human Resources
- Implications for the recruitment and training of new staff
- Loss of labour productivity
- Loss of effectiveness and efficiency
- Direct and indirect health costs
- Interruption of production process
- Higher costs of employee benefits

Political indifferences

Sometimes when the department is delivering services other political parties other than the ruling party sabotage the project accusing the ruling party of canvassing for the elections.

Poor remuneration packages

The department must be able to attract people's expertise through benefits that match those of the private sector.

1.20 Policy changes and trends

1.20.1 The budget

It is steep from the next financial year plus the three coming years, which means more projects will have to be delivered to prevent the underspending which is already taking place. The department has to have more ready contractors.

1.20.2 Eastern Cape Roads Bill, 2001

It proclaims the unproclaimed roads, which reduces roads from municipalities, increasing them for the department.

Such changes can be accommodated in the strategic plan by being sure of the department's capacity to deliver in terms of equipment resources and quality of roads.

1.20.3 Resolution 7

- Is about utilization of Human Resources
- Provides for employee training
- Involves costs for redeployment and severance packages

1.21 The Eastern Cape demographic profile

The population in the Eastern Cape stands at 6 302 525. Out of that number 3 394 469 are females which constitutes 52% of the population, 2 908 056 are males which constitutes 48% of the population.

Africans stand at 5 448 495 making up for 86% of the population, coloureds stand at 468 532 making up 7% of the population, Indians standing at 1 956 constitute 0.3%, while Whites who stand at 330 294 consume 5.2% of the population pie.

27% what is 1 529 245 of the Eastern Cape population is economically active of which 768 818 is employed and 742 427 is unemployed (Statistics South Africa, 1996 Census). The department must develop more black women contractors to counter what is happening at present, where more contractors are white males. The department must have more women managers.

1.21.1 Employment, income and other relevant info

According to the Persal records as at July 2002, the Eastern Cape Provincial Administration employs 1 239 of the economically active population of which:

- 78 132 (64.4%) are females
- 43 107 (35.6%) are males
- 105 ((0.08%) are people with disabilities
- 105 030 (86.6%) are Africans
- 8 703 (7.2%) are Coloureds
- 559 (0.4%) are Indians, and
- 6 961 (5.7%) are Whites

1.22 Environmental factors and emerging challenges

In the case of Education, Health, Welfare, and Sports departments where the regional offices are being dissolved and new district offices are being built. The department's property management division is in charge of developing these district offices but has no complete control over the entire process. It expands, renovate old buildings and lease where there is no space.

Department's Human Resources division has to develop policies for mentorship and internship for young engineers who cannot be registered because they do not have the required practical training after obtaining their qualifications. When the department is outsourcing there has to be a clause that provides that those registered engineers must train those who are in internship when they are doing the government jobs.

1.23 Evaluation of current implementation performance

The performance is promising except for few areas such as:

- Road maintenance capacity since the responsibility of maintaining these roads has shifted from the district councils and reverted to this department.
- Performance in the area of property management especially asset register development need to be improved
- Communication within the department
- The overall communication system not yet up to standard

1.24 Impact

- Underspending
 - Not meeting deadlines
 - Demotivation
-

1.25 Adjustments to be made

- The department needs to implement an aggressive recruitment campaign for vacant, professional, technical and supervisory staff and lobby for a significant improvement in remuneration package.
 - Early allocation of adjustments, estimates and more secure MTEF figures based on a 5 year development programme.
 - Improve the procurement processes which are stale and non-responsive.
 - Improve the motivation of existing personnel which is lacking due to non-supportive internal processes.
 - Rationalise old redundant items.
-

1.26 Maintenance backlogs

REGION	ESTIMATED ASSET VALUE (Known assets by Maintenance Section)	Maintenance backlog 4% per year	Planned maintenance 1.5% per year	Unplanned Maintenance 0.5% Per year	Total Annual amount	Total 5 years	Average Condition
Head Office	R 203,150,000.00	R 8,126,000.00	R 3,047,250.00	R 1,015,750.00	R 12,189,000.00	R 60,945,000.00	Medium
Cacadu	R 423,161,950.00	R 16,926,478.00	R 6,347,429.25	R 2,115,809.75	R 25,389,717.00	R 126,948,585.00	Reasonable Condition
Amathole	R 82,974,000.00	R 3,318,960.00	R 1,244,610.00	R 414,870.00	R 4,978,440.00	R 24,892,200.00	Medium
Chris Hani	R 86,490,000.00	R 3,459,600.00	R 1,297,350.00	R 432,450.00	R 5,189,400.00	R 25,947,000.00	Medium
Alfred Nzo	R 86,700,000.00	R 3,468,000.00	R 1,300,500.00	R 433,500.00	R 5,202,000.00	R 26,010,000.00	Medium
OR Tambo	R 185,550,000.00	R 7,422,000.00	R 2,783,250.00	R 927,750.00	R 11,133,000.00	R 55,665,000.00	Bad
Total	R 1,068,025,950.00	R 42,721,038.00	R 16,020,389.25	R 5,340,129.75	R 64,081,557.00	R 320,407,785.00	

NB. Once the backlogs are dealt with, the amounts per year will reduce to cater for only planned & unplanned maintenance.

1.27 New Works

	New Works	Rehab/maintenance	In Progress	Total
Public Works	R 57,600.00			R 57,600.00
Hospitals	R 750,000.00	R 354,060,693.00		R 354,810,693.00
Clinics	R 3,000,000.00			R 3,000,000.00
Education	R 84,299,351.20	R 24,330,155.16		R 108,629,506.36
Agriculture		R 65,734,000.00		R 65,734,000.00
Sports	R 50,600,000.00			R 50,600,000.00
Housing, Local Government & Traditional Affairs	R 193,341,835,000.00		R 745,390,071,000.00	R 938,731,906,000.00
Roads		R 109,999,800.00		R 109,999,800.00
Buildings (Public Works?)	R 43,684,000.00			R 43,684,000.00
Welfare				R 0.00
Economic Affairs, Tourism, Environment	R 8,756,022.24	R 15,865,089.95		R 24,621,112.19
	R 193,532,981,973.44	R 569,989,738.11	R 745,390,071,000.00	R 939,493,042,711.55

1.28 Maintenance Work



Security fencing-ECDC Bldg.	Ensure security to the entire building	487619	418767.27	83%	85.88	12 can
Roof repairs and Painting-ECDC	Maintaining the bldg	191998	191367.43	83%	99.67	12 can
Fire damage and upgrading of the building-ECDC	Maintaining the bldg	229312	241456.58	83%	105.3	12 can
Repairs to block 1 and 3-ECLA		398000	315401.66	83%	79.25	12 can
Repairs to block 4 and 5-ECLA		3136.28	10627.22	83%	338.85	12 can
Roof repairs and Painting-ECLA		461182	542420.51	83%	117.62	12 can
Alterations to safety & Security building		171654	154837.41	83%	90.2	12 can
Repairs and Renovations to Govt.Houses	Left with 15 more houses this financial year.	2731586	2477774	83%	90.71	12 can
Fencing-Ministerial Houses	Ensure security to the complex	396312.56	495625.45	83%	125.06	12 can
Garden store	Secure landscaping items in a safe place	142225.8	123675.39	83%	86.96	12 can

Water proofing to courtyard-Public Works Bldg		181297	169045.13	83%	93.24	12 ca n
Other emergency works	Unforeseen incidents,act of God etc.	388379.36	342000	83%	88.06	12 ca n
Pool maintenance	Maintain State house,Ministerial complex and Premier's residence pools	10000	8463	83%	84.63	12 ca n
Electrical Services	Extending the life span of airconditioning and refrigeration units and comply with statutory requirements	550000	445000	83%	80.91	12 ca n
Lifts	Upgrading and normal servicing.Improved efficiency,extending life span of the units and comply with statutory requirements	1315000	1264292	83%	96.14	12 ca n
Consultants fees	For various projects	827298	818296	83%	98.91	12 ca n
Maintenance of Plant and Landscaping	Ensure that the surroundings around Govt.premises are well kept so that it gives good looking and approach to the establishment	120000	105061.15	83%	87.55	12 ca n
TOTAL		17165538	19219971.7		111.97	

1.29 DEFINITION OF ACRONYMS

ABE's	AFFIRMABLE BUSINESS ENTERPRISES
AG	AUDITOR GENERAL
CAPEX	CAPITAL EXPENDITURE
CSF's	CRITICAL SUCCESS FACTORS
EU	EUROPEAN UNION
GTRS	GET THE RECORD STRAIGHT
IDP	INTEGRATED DEVELOPMENT PLAN
MTEF	MEDIUM-TERM EXPENDITURE FRAMEWORK
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PMS	PERFORMANCE MANAGEMENT SYSTEM
PSBC	PUBLIC SERVICE BARGAINING COUNCIL
SDIP	SERVICE DELIVERY IMPROVEMENT PLAN
SMME's	SMALL MEDIUM MICRO ENTERPRISES
MOU	MEMORANDUM OF UNDERSTANDING

