

**NORTHERN CAPE PROVINCE**

**DEPARTMENT OF TRANSPORT,  
ROADS AND PUBLIC WORKS**

**DRAFT  
STRATEGIC PLAN  
2005/06 – 2009/10**

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# PART: A STRATEGIC OVERVIEW

## FOREWORD BY MEC

The overwhelming renewal of the electoral mandate of the ANC government, by the people of South Africa, made a clear statement that the people of this country is confident and have greater trust on our ability to create jobs and fight poverty.

We committed ourselves to ensure that, we shall grow the economy, make it possible for sustainable livelihoods, ensure greater access to services, continue with comprehensive social security programmes in our fight against poverty, and consolidate our democracy through constitutional rights and good governance.

The strategic plans of the past two years set out major issues relating to the future of the department of Transport, Roads and Public Works. The plans were prepared in consultation with various stakeholders and are seen as a basis on which the department will build its objectives for the next few years.

It was also accepted that the implementation of issues in the strategic plans will not be possible during the first few years due to commitments in the existing three-year budgets and implementation will have to be done over a time-period of about three to five years.

The Department of Transport, Roads and Public Works plays an important role in the development of the Northern Cape, being the major institution in providing transport networks, road infrastructure, and traffic management for the economic needs of the people, and on the other hand also ensuring that government departments are provided with building and office space.

Political directives and oversight must guide the department in fulfilling its responsibility within National Government policy and Provincial Government's commitments to the public. The Ministry will therefore evaluate all national policies on an ongoing basis to formulate provincial goals that are in line with the development needs of the country, and will ensure that political objectives determine spending priorities in the department's budgets for the next three years.

The following political outcomes have been set:

- Improvement of the mobility of people;
- Optimize the development and maintenance of transport systems;
- Support communities to ensure sustainable empowerment and development;
- Manage provincial assets according to acceptable standards;
- Ensure effective communication with the public, provincial departments, and all officials in the department;
- Creation of sustainable jobs and wealth; through Expanded Public Works Programs

As the Strategic Plan will show, we have refocused the departments strategic thrust on six priorities targeted at enabling the department to improve its services, whilst simultaneously creating job opportunities for the youth, women and people with disabilities.

We have also ensured that in our efforts to better the lives of our people we take them along by forming partnerships with them, and also empowering them through progressive black economic procurement policies that will bring them into the mainstream of the economy.

Commitment by management as well as all personnel in the department and the utilization of the expertise, skills and talents of all officials is necessary to meet these outcomes in the development of the province. The department sees itself as a trendsetter in service delivery and is therefore not necessarily bound to old ideas. Excellence in performance must start at management level, and the necessary changes to meet the new challenges must be initiated from management. The rest of the officials must be drawn into this new way of thinking.

As MEC, I commit myself to these strategic objectives that were used as activities in preparing the 2005, 2006, and 2007 budget inputs.

**FRED A WYNGAARD**  
**MEC: TRANSPORT, ROADS & PUBLIC WORKS**

# 1 OVERVIEW BY THE HEAD OF THE DEPARTMENT AS ACCOUNTING OFFICER

As a department we have ahead of us the challenge that we cannot fail the citizens of the Northern Cape in particular and the nation in general. The core function of this department is to ensure the provision of a safe transport system, provide accommodation solutions to provincial departments and optimize the department's managerial processes. Implicit in the national and provincial programme on sustainable rural development and urban renewal is a call for our department to respond accordingly.

In responding we must effectively address the following needs of our people:

- Rural Land Transport;
- Accessibility of communities;
- Empowerment of the historically disadvantaged;
- Improving the public transport services provided by the taxi and bus industries;
- Supporting private entities in terms of infrastructure for provincial economic development;
- Ensuring interaction with stakeholders.

Our responsibility in delivery with regard to the scourge of HIV/AIDS, promoting gender equity, providing employment to the disabled and ensuring that the youth is catered for in job creation projects to keep them away from the streets which are fertile grounds for the nurturing of criminal behavior, cannot be over-emphasized. It is of course obvious that the above is impossible if not underpinned by an impeccable work ethic, which is a product of an organization driven by sound values.

***My responsibility therefore is to ensure that this department:***

- *delivers the services expected by its clients.*
- *lives its vision of "trendsetters through excellence in service delivery";*
- *makes vigorous efforts in the training and development of personnel;*
- *recognizes performance through a structured system; and*
- *has visionary and transformational leadership in allowing managers to manage;*

As a department we will improve on customer orientation and service delivery through establishing provincial coordination structures to involve stakeholders in decision-making processes, as the department is responsible for not only spending and controlling its own budget but also responsible for spending funds on building projects budgeted by other provincial departments. The next three years are regarded as the period aimed at confirming the department as one of the best performers in both the provincial and national spheres.

The emphasis in preparing the 2005 Strategic Plan was on meeting the political directives, ensuring compliance with National and Provincial Treasury directives, involvement of managers and other officials in formulating strategic objectives and identifying targets for the MTEF period, and preparing budgets based on the these targets as a process of integrating strategic planning with budgeting.

As the Head of the Department, I would like to acknowledge the work that officials did in this regard as it was for many of us a new exercise and challenge and took many additional hours and effort from all.

**ME SELEMELA**

**HOD: TRANSPORT, ROADS & PUBLIC WORKS**

## 2. VISION

**The VISION** of the Department of Transport, Roads and Works is:

*to be trendsetters through excellence in service delivery.*

## 3. MISSION

The following single mission statement will support the VISION:

**MISSION: Provide in the mobility and accommodation needs of clients**

The Vision and Mission will be promoted through mission statements per programme.

The department evaluated the National Treasury proposals on standardizing within the Transport/Roads/Public Works sector and as a result extended its five programmes of the past few years into six programme, by splitting the Transport and Traffic responsibilities.

Six **mission statements** were therefore identified for the 2004 MTEF period to support each programme.

1. Optimise the department's managerial processes;
2. Meet the accommodation and other specific needs of the provincial departments;
3. Provide and maintain integrated road infrastructure that is safe and functional to support social and economic development;
4. Promote the mobility of people;
5. Effective traffic management in the province.
6. Alleviate poverty and create job opportunities;

## 4 VALUES

The **values** that the department will strive towards to meet these strategic goals are:

- Integrity;
- Equity;
- “Ubuntu”;
- Accountability;
- Commitment;
- Communication;
- Customer orientation;
- Work ethic;
- Punctuality;
- Transparency;
- Human resource development.



## 5 SECTORIAL SITUATION ANALYSIS

The National Treasury proposed standardization of budget structures in the Transport/Roads/Public Works sector. Although the proposals are only guidelines the department decided to revise its budget structure within the Basic Accounting System (BAS) in line with the proposals.

Various proposals were however not applicable to the situation in Northern Cape and the structure was adjusted to relate specifically to the circumstances experienced in practice.

The following examples illustrates the above:

- Budget allocations for buildings and accommodation are within the functional departments (i.e Education, Health, Social Development, etc.) and the Department of Transport, Roads and Public Works fulfills a supportive role in providing technical support (Architectural, Quantity Surveying, etc) to the departments on an agency basis. The departmental budget structure is therefore not set out per Department as our officials support more than one Department. Project information is however kept per department;
- The department does not pay taxes on buildings and land and no provision has been made for such an activity in the budget as the function is still handled at national level;
- Separate provision has not been made in the Roads Programme for planning and design of roads. The professional services in planning roads and designing roads are done by the same officials and/or consultants and budget a separate sub-programme and not as an activity as proposed by the National Treasury. Strategic objectives/activities for the systems are therefore highlighted in the departmental strategic plan;
- The budget for EPWP are a programme within our infrastructure projects.
- Other smaller adjustments were also made in other programme due to the situation in the province.

The Forum for Chief Financial Officers in the sector has met recently and various proposals on standardization were discussed and accepted.

This Strategic Plan for 2005 incorporates such changes.

## 5.1 SUMMARY OF SERVICE DELIVERY ENVIRONMENT AND CHALLENGES

The major issues at stake are:

- The department commissioned various studies such as the usage of airport and air travel in the province to support tourism, a toll road strategy to determine the feasibility of toll roads, a study to develop a deep sea harbour in Port Nolloth, and a study to determine the cost of building a office block for government departments instead of leasing from the private sector. The recommendations of these studies will now be examined for feasibility and relevance and those found to be desirable, be implemented;
- The roads programme focuses mainly on maintenance. Insufficient funds are available to meet the challenges and needs for road construction as indicated in the 5-year roads plan;
- Various construction and rehabilitation projects were however completed or initiated under the Departmental and District Municipal Capital Works Programmes;
- The privatization of weighing bridges is being considered and two business plans were presented to the department by private companies;
- Implementation of the National Land Transport Transitional Act, Act 22 of 2000 has commenced;
- The taxi co-operative is to be investigated to ensure that it remains functional;
- The taxi democratization and Be Legal Campaign have been finalized;
- Transport projects such as the Rural Mobility Study, the Transport Authority pilot Project, and the Provincial Land Transport Framework have commenced;
- The policy on the Emerging Contractors Development Programme (ECDP) has been approved, about 110 applications were received from contractors, implementation of the programme has started, and help desks have been opened in Upington and Kimberley;
- More than 80% of maintenance work on buildings was awarded to SMME's;
- The Community Based Public Works Programme continues to create jobs and reduce poverty through infrastructure development;
- Improvements were initiated in the collection of license fees;
- The Road Traffic Quality System was implemented;
- Mobile speed devices have been installed in vehicles to improve road safety;
- An integrated radio communication system has been installed;

- The road condition management system has been improved

Various challenges however still exist:

- Securing more funds for maintaining the 5633 kilometres of surfaced roads and 22183 kilometres of gravel roads and additional funds for construction purposes;
- Initiating projects to assist and empower persons under the Expanded Public Works Programme (EPWP) and the Emerging Contactors Development Programme (ECDP) in order to alleviate poverty and create sustainable jobs;
- Establishing provincial coordination structures to improve communication with client departments and the public;
- The implementation of the Efficiency Service's Report of the Premier's Office on the Department's restructuring must be implemented but limited funds will delay the process and result in finalizing the recommendations over a period of time;
- Communication with client departments to ensure that the Department is informed timeously of the funds on their budgets and on which projects it is to be spent, to ensure that projects can be completed within the relevant financial years;
- Improvement of the managerial processes such as, budgeting, strategic planning, internal control manuals, control of movable assets and implementation of bar-coding, asset registers, filling of vacant posts, etc;
- Establishing a performance environment in the department through performance contracts, delegations, job descriptions, reporting, performance targets per person, and evaluation of performance of each official against the targets;
- Introducing the management concept (Envisaged by the PFMA) in the Department of allowing managers to manage, and be more available for planning, control, and measuring performance, than in the execution of projects and the delivery of outputs;
- The implementation of Broad Base Black Economic Empowerment Policy;
- The establishment of Supply Chain Management

## **5.2 SUMMARY OF ORGANIZATIONAL ENVIRONMENT AND CHALLENGES**

The various issues that have been identified are:

- Positive reports were received from the Budget Council and the Portfolio Committee;
- Employment equity was addressed;
- Training programmes were instituted;
- A training center for lower graded road workers was established and capabilities and promotability of various workers were upgraded;
- The Adult Basic Education and Training Programme (ABET) for lower level workers was introduced and level 1 and level 2 training are functional;
- A Human Resources Unit was established, an HR Plan was put in place, and an HR strategy is being developed;
- The Auditor-General's report highlighted various problem areas and a special effort will be made to improve the department's performance in the areas reported;
- An investigation was completed into the restructuring of the department to ensure effective, efficient and transparent processes and optimal utilization of resources. A new organizational structure was approved and 141 posts were abolished. Most of these posts were not funded and relate to functions and responsibilities as were taken over from other departments during the establishment of the province;
- The filling of the existing vacancies and the additional posts as well as provision for the necessary funds in the next MTEF budgets, will be a major challenge to the department. This aspect will be addressed every year in the department's strategic plan and in its budget requests to the Provincial Government. Without the posts filled the department will not be able to perform fully against its targets;
- Consideration is being given to the consolidation of all road matters under a single Roads Agency;
- Alternative service delivery strategies for the maintenance of roads and partnerships with the province in upgrading the road standards are being investigated.

Various aspects in the department are however still a concern and are regarded as challenges for the next year such as:

- The political mandate of the MEC for providing infrastructure to the citizens of the province and the creation of work opportunities has not fully realized due to a lack of funds but will be enhanced over the MTEF period and in the strategic plans for the next financial years, within the available funds;
- The assignment of full responsibilities to line managers for the management of all their resources, integration of strategic planning with budgets, preparing and controlling budgets, and regular reporting on performance measures, has been instituted but must further be supported through implementation plans and by training programs in the next MTEF cycle to ensure full accountability;
- Following a structured program during 2004 for revising and prioritization of strategic objectives and outputs, preparing the 2005 strategic plan, preparing budget inputs, motivating needs to the provincial budget council, and integrating the planning with final budget allocations through, need to be followed and monitored accurately. The program listing all the actions, with target dates, that must be taken in terms of the PFMA, has already been compiled as indicated on page 30;
- The performance and staff development system is not yet fully functional;
- Internal control measures in the department have not been fully formalized;
- The implementation of the PFMA and training with regard to the requirements has taken place at certain levels but needs to be extended to other officials;
- The Provincial Treasury has not assigned all responsibilities to the department in order to comply with the requirements of the PFMA in terms of accountability;
- Commitments in the MTEF-budgets relating to existing projects affect the full integration of the strategic plan with the budgets. The 2004 to 2006 MTEF-budget inputs therefore do not yet reflect major expenditure changes. The intention is however to integrate planning and budgeting in more detail between July and December 2004 in finalizing the budgets for the next budget cycle for 2005/06;
- Better control over agencies to ensure compliance with the PFMA and value for money in the control and execution of functions on behalf of the department.

## **6. LEGISLATIVE AND OTHER MANDATES.**

In terms of the Constitution, 1996, Schedules 4 and 5 provincial governing bodies have been mandated with both concurrent and exclusive legislative competencies for specific functional areas.

The Department is responsible for traffic control, public transport, roads, and public works in the Northern Cape Province.

Various national legislative directives guide the functions of the department:

- The Public Finance Management Act, Act 1 of 1999. The PFMA promotes the principles of efficiency, effectiveness, economy and transparency in departmental management as well as strategic planning and performance measures as basic requirements for service delivery and the preparation of budgets;
- The Public Service Act, Act 103 of 1994 and regulations require strategic planning, statement of core objectives and the publication of a Service Delivery Improvement Plan which indicates the level of services to be rendered and procedures for communication with clients and the public;
- The Preferential Procurement Policy Framework Act, Act 5 of 2000, providing specific guidelines in allocating tenders to historically disadvantaged individuals and entities;
- The National Land Transport Transitional Act, Act 22 of 2000, ensuring the annual updating of the National Land Transport Strategic Framework by the National Department of Transport to form the basis for provincial land transport strategies;
- The Skills Development Act, Act 97 of 1998, providing for training and committing departments to the spending of prescribed amounts on training of personnel;
- The Labour Relations Act, Act 66 of 1995, ensuring sound labour practices within departments;
- The Basic Conditions of Employment Act, Act 75 of 1997, ensures sound principles in the management of personnel in terms of opportunities, working conditions, time management, etc;
- The Employment Equity Act, Act 55 of 1998, promoting non-discrimination in the workplace;
- Various other national legislation and other strategies on Urban Renewal, Rural Development, Poverty Alleviation, HIV/Aids, Community Based Public Works Programme, etc. guide the department in determining objectives, outputs and spending preferences;
- Promotion of Access to Information Act, Act 2 of 2000;
- Promotion of Administrative Justice Act, Act 31 of 2000.

The department also evaluated the MEDIUM TERM BUDGET POLICY STATEMENT, 2002, of the Minister of Finance to ensure compliance with national directives in the allocation of its funds to the

various programme. In this regard the following aspects, relating to the responsibilities of the department, were taken into account:

- Improvement of service delivery and transformation;
- Strategic plans must form the basis for reporting in annual plans which will be used for reviewing progress in service delivery and accessing priorities and spending pressures;
- Measurable objectives, outputs, procurement management, and institutional oversight, must be refined and will form the basis for reporting on performance and outcomes in the annual reports;
- The Public Finance Management Act principles will be extended to local governments;
- Planning, budgeting and reporting processes must be integrated and accountability, and the quality of financial reporting in terms of general recognized accounting practices, must be improved;
- Priority must be given to job creation, infrastructure investment, and addressing poverty and inequality;
- Additional allocations will be made to provinces to broaden emergency relief for food shortage and food price rises;
- Investment in hospital buildings, schools, clinics, and provincial road networks will be enhanced; and
- Allocations to local governments must focus on municipal infrastructure.

**The mandate** of the department is further derived from the Provincial Strategic Plan and the legislation accepted by the Northern Cape Government for assigning powers to the department.

The department has committed itself to the Five Year Strategic Programme of the Northern Cape Provincial Government, which identified the provincial strategies as:

- Job Creation;
- Investment Creation;
- Rural/Urban Development;
- Infrastructure Development;
- Marketing the Province;
- Combating Crime;
- Skills Development;
- HIV Aids;
- Target Groups for Development:
  - Youth;
  - Women;
  - Disabled
- Information Technology;
- Role of the State/Governance
- Poverty alleviation.

The department's strategic plan must therefore provide for the implementation of these provincial strategies.

The department's existence is governed by specific **legislation** for execution of these provincial objectives:

- Northern Cape Road Traffic Act (Act No. 3 of 1997);
- Northern Cape Land Transport Act, Act 3 of 2003;

Certain legislation and ordinances are also applicable from the previous dispensation:

- advertising Along Roads And Ribbon Development Act, Act 21 of 1940 allows for Road co ordinance no 19 of 1976, allows for the proclamation of roads and the standards of road reserves, for fencing, motor gates, appropriation and purchase of land for roads, municipal subsidies, etc;
- Controlling access to roads, advertisements, etc.

The following legislation is envisaged:

- Northern Cape Road Agency Bill, allowing for a Road Agency to be established which would arrange all the rural road building and maintenance operations;
- Northern Cape Roads Bill if the concept of a Roads Agency is not acceptable.

Various departmental policy documents have been prepared to ensure economic, effective, efficient and transparent management as required in terms of the Public Finance Management Act, and the Public Service Act and Regulations. These policies are on:

- Standby allowance;
- Official journeys;
- Special leave;
- Resettlement costs;
- Uniforms and protective clothing;
- Termination of services;
- Working hours and overtime;
- Redeployment;
- Recruitment and selection;
- Job description;
- Job evaluation;
- Performance management and development;
- Training;
- Bursaries;
- Disciplinary and grievance procedures;
- Code of conduct;
- Departmental delegations.

Various other manuals relating to the functional work of the department have also been prepared, such as:

- A manual for municipalities regarding what they can expect from the department;
- A manual on road accesses;



- A manual on advertisements;
- A guideline document on project management;
- A manual on road proclamation procedures;

## **7. BROAD POLICIES, PRIORITIES AND STRATEGIC GOALS.**

The broad policy statements of the national government and that of the province were also used in determining priorities for spending pressures and discussions were held at political and departmental levels to ensure understanding of the meaning of policy documents.

The existing strategic priorities (Themes) of the province relating to the work of this department are seen as:

- Job creation through access roads construction and labour based road maintenance projects;
- Infrastructure development involving buildings, rehabilitation and maintenance of facilities and roads;
- Skills development through human capacity development, training and implementation of the Community Based Public Works Program, and Emerging Contractors Development Program;
- Combating the impact of HIV/AIDS through information and awareness campaigns;
- Information technology development in the department and in the execution of projects;
- Poverty alleviation through infrastructure development

The departmental budget has therefore been re-allocated to projects supporting the above policy initiatives.

### **STRATEGIC GOALS**

The six programme specific mission statements of the department will be promoted through specific **strategic goals** for each sub-programme.

The Strategic Goals are broad in line with the National Treasury proposals for the sector and were formulated relating specifically to the situation in the Northern Cape.

The expenditure for management was also divided and shifted to the various programme budgets by establishing new sub-directorates in each programme for the budgets of the Programme Managers.

The expenditure of the Head of the Department remains in the sub-programme Management.

The political outcomes identified by the MEC will have to be interpreted not only in terms of departmental outputs and performance measures but also in terms of the risks associated with the outcomes.

Overall departmental performance measures were set identifying at the level of the Head of Department, outcomes, outputs, indicators, and risks. These can be regarded as the performance measures of the HOD.

The **departmental outcomes** are seen as the outcomes as indicated by the MEC.

The **departmental outputs** were set by the Accounting Officer as:

- Meet the requirements of the Vision, Mission, and political outcomes over a three-year period;
- Develop economic, effective, efficient and transparent departmental administration procedures and managerial processes;
- Establish an environment for managers to be more available for management purposes and promote participative management;
- Promote a good internal and external communication strategy and coordinating structures;
- Develop a sound process for setting departmental priorities;
- Allocate resources according to political, provincial, and departmental priorities;
- Ensure the implementation of a compliance system in terms of all legislation;
- Development of a well-designed training programme.

Measurable **departmental performance indicators** must be used to evaluate and monitor the outputs. The indicators for the MTEF period that are set up-front and which will be reported on in the annual reports are envisaged as:

- An unqualified external audit report will be received for the 2005/06 financial year;
- Positive reports tabled in the legislature by the Parliamentary Committees (SCOPA and the Portfolio Committee);
- Satisfactory regular internal audit reports and proposals as well as corrective steps recommended by the Internal Audit Committee are implemented;
- Valid complaints by the public and clients are successfully and satisfactorily managed;
- A good communication strategy with personnel and clients exists;
- A participative management strategy and structures have been put in place for the participation of personnel in decision-making;
- An environment in terms of sound departmental processes for fraud prevention, zero tolerance in misconduct, effective disciplinary steps, and efficient control procedures has been established;
- Written delegations exist, with job descriptions and performance contracts;
- Performance will be measured on a quarterly basis;
- Regular personnel audits indicate a motivated and positive workforce;
- All officials at the various levels within the department have been subjected to training.

The outputs and performance indicators are however subject to the following **departmental risks**:

- The existence of un-funded mandates from politicians;
- Lack of information from clients;
- Limitations on the departmental budget to meet all needs;
- Filling of vacancies with incompetent personnel;

- Availability of officials for training without disrupting departmental processes;
- Lack of development of technology for communication purposes due to the vast rural areas in the province;
- Establishment of an environment of control measures, departmental processes and procedures for implementation;
- Agreements with Labour Unions and stake holders on the implementation of policies;
- The acceptance by personnel of work ethics;
- Cooperation by the public in the execution of projects.

The department prepared a **detailed risk management strategy** that provides information as a basis for preparing internal audit programme and priorities.

Table 1 illustrates the relation between the Vision, Mission and Programme Missions.

**TABLE 1**

VISION	MISSION	PROGRAMME MISSIONS
To be trendsetters through excellence in service delivery	Provide in the mobility and accommodation needs of clients	Programme 1: Administration 1. Optimize the department's managerial processes
		Programme 2: Public Works 2. Meet the accommodation and other specific needs of the provincial departments
		Programme 3: Road Infrastructure 3. Provide and maintain integrated road infrastructure that is safe and functional to support social and economic development
		Programme 4: Public Transport 4. Promote the mobility of people
		Programme 5: Traffic Management 5. Effective traffic management in the province
		Programme 6: Community Based Programme 6. Alleviate poverty and create job opportunities

**Each strategic goal for a sub-programme** is executed through detailed **strategic objectives** as indicated in **Table 3**.

The strategic objectives have also been brought in line with the proposals of the National Treasury for standardization of the budget structures in the Transport/Roads/Public Works sector.

The strategic objectives are also used as the activities for preparing the 2005/06, 2006/07, 2008/09, 2009/10 and 2010/11 budget inputs for the relating financial years.

For each strategic objective (Activity) a budget for the standard items, compensation for personnel, goods and services, interest and rent on land, financial transactions in assets and liabilities, transfers and subsidies, and payments for capital assets, was compiled.

The budgets of the various Strategic Objectives (Activities) form the total budgets of the Strategic Goals (Sub-programme).

On the same basis the total budgets of the Strategic Goals (Sub-programme) form the total budgets of a Mission Statement (Programme).

The total budgets of the six Mission Statements represent the budget to meet the overall Mission and Vision (Department Budget).

It was expected of each programme manager to prepare budgets for each strategic objective/activity as the detailed exercise by which the budget was integrated with the strategic plan.

## **8 INFORMATION SYSTEMS TO MONITOR PROGRESS**

The Department developed various information systems to monitor progress with projects, finances, auditing and reporting on progress.

The department is specifically concentrating on the requirements of the Public Finance Management Act (PFMA) requirements and developed a detailed Operational Plan with quarterly targets and a reporting system to ensure that progress is on a quarterly basis provided to the management and MEC.

The Operation Plan is therefore the major monitoring mechanism of the department to meet the targets set as performance indicators.

## 9 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The department must in terms of Regulation 5 of the Public Finance Management Act (PFMA) prepare a strategic plan, for approval by the executive authority (MEC) and which must be tabled in the Legislature within 15 working days after the MEC of Finance has tabled the annual budget.

The strategic plan must:

- Cover a period of three years and be consistent with the medium term expenditure estimates (MTEF);
- Include measurable objectives and outcomes per programme of the department;
- Include details of proposed acquisitions of fixed and movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- Include details of proposed acquisition of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- Include multi-year projections of income and projected receipts from the sale of assets;
- Include details of the Service Delivery Improvement Plan (Batho Pele);
- Include details of proposed information technology acquisition or expansion in reference to an information technology plan that supports the information plan; and
- Include requirements of Chapter 1, Part 111 B of the Public Service Regulations.

The strategic plan must also form the basis for the annual report of accounting officers as required by section 40(1)(d) and (e) of the PFMA. The National Treasury issued for this purpose on 7 December 2000 a document indicating guidelines for annual reporting.

The strategic plan must be revised and updated annually by June in terms of the PFMA Regulations.

In terms of Section 27 (4) of the PFMA measurable objectives for each programme of the department must be submitted to the legislature on the same day when the budget speech of the MEC Finance takes place.

Procedures must in terms of Regulation 5.3 of the PFMA be established for quarterly reporting to the executive authority (MEC) to facilitate effective performance monitoring, evaluation and corrective actions.

The format of the strategic plan has therefore been structured to ensure compliance with the PFMA requirements and with the guidelines for annual reporting as well as the circular of the National Treasury for provincial budget formats and strategic plans that was issued during May 2003.

The department embarked on the following **process to prepare the strategic plan**:

- The 2003 strategic plan was used as a basis as well as the first quarterly report on progress with the targets set for 2004/05 in terms of performance indicators;
- Managers of all programme and sub-programme were requested to prepare their own strategic plans as inputs to the 2005 strategic plan;
- Training sessions on determining objectives, outputs, performance measures and on the requirements of the National Treasury's Generic Format for strategic planning were held;
- The Chief Financial Officer's office assisted managers between May 2004 and August 2004 in various work-sessions with the preparation of the strategic plans and operational plans;
- The Evaluation Reports and comments of the National Treasury and the Department of Transport on other provincial strategic plans for 2004 were used to improve the quality of the strategic plan and to determine what other provincial departments had identified as objectives, outputs and performance measures;
- Discussions were held with the National Treasury on budget formats/structures for the sector Transport/Roads/Public Works. The existing Basic Accounting Budget Structure of the department was then changed to be inline with the requirements as seen by the National Treasury;
- The proposed budget structure items were then accepted to form the basis of the activities within the department and the programmes and sub-programmes were changed accordingly;
- The proposed budget structure items were therefore used as activities for budgeting purposes and as strategic objectives for strategic planning purposes;
- For each strategic objective, various outputs were identified, performance measures set, and targets determined for each of the three MTEF financial years between 2005/06 and 2007/08;
- The Draft 2005 Strategic Plan was finalized during further meetings of the departmental management and in consultation with the MEC.

### **Implementation of the strategic plan**

The management of the department established a special **Implementation Task Team** to be chaired by the CFO and consisting of 6 functional middle managers (One from each directorate) as well as external expertise to assist the team in implementing the 2006 Strategic Plan.

The Provincial Treasury was invited to nominate a representative or attend the meetings on a regular basis.

An implementation plan was developed with target dates and responsibilities assigned to various officials at all levels in the department.

The team meets on a monthly basis and the CFO reports also monthly to the management.

Quarterly reports on progress are submitted to the MEC, indicating successes as well as problem areas.

The December Quarterly Report on the 2005 Operational Plan targets was used in finalizing the 2005 Strategic Plan.

The Task Team has already developed a structured program for implementation during 2004 to ensure compliance with the Public Finance Management Act, drafting of the 2005 strategic plan, and timeous submission of 2005-MTEF budget inputs.

The program consists of the following:

April 2005	Prepare the Fourth Quarter Report on performance for 2004
	Prepare Operational Plan with quarterly targets for 2005
	Finalize a Monthly Reporting System (Early Warning) for 2005
May 2005	Evaluate government and provincial policies
	Finalize the organizational structure
	Finalize Financial Statements for 2004/05 and present to the Auditor-General
	Prepare a Draft Annual Plan for 2004/05 based on Fourth Quarter Report on performance for 2004
	Obtain political outcomes for 2006 MTEF from MEC
	Revise aspects in the 2005 Strategic Plan for the 2006 Strategic Plan
June 2005	Finalize a Draft Strategic Plans for 2006
	Finalize a Budget Model for preparing the 2006 MTEF Budgets
July 2005	Prepare the First Quarter Report for 2005/06 on performance
July 2005	Prepare budget inputs for 2006
	Publish the Draft Strategic Plan for 2006 for comments from stakeholders
	Obtain Audit Report for 2004/05
August 2005	Evaluation of budget inputs by a Budget Committee.
	Finalize and table the Annual Plan for 2004/05
	Prepare Budget Council presentation
September 2005	Budget Council meeting



October 2004	Second Quarter Report for 2005 on performance
	Obtain and evaluate new Medium Term Budget Policy Statement
November 2005	Receive and evaluate inputs on Draft Strategic Plan for 2006
December 2005	Revise budget inputs for 2005 MTEF based on expenditure in first 8 months of 2005/06, discussions with Treasury, and policy changes
January 2006	Third Quarter Report for 2005 on performance
	Finalize budgets for 2006 MTEF based on final allocations
February 2006	Adjust Draft Strategic Plan and targets for 2006 MTEF in line with final allocations
March 2006	Table Strategic Plan for 2006 MTEF
April 2006	Prepare Operational Plan for 2006
	Fourth Quarter Report for 2005 on performance
	Start of new cycle for 2006 financial year and preparing the 2007 MTEF

## PART B: BUDGET PROGRAMME AND SUB-PROGRAMME PLANS

### 10 Overall Programme Structure

Table 1: Programme Structure

Programme	Sub-programme
<b>1. Administration</b>	1.1. Office of the MEC
	1.2. Management
	1.3. Programme support
	1.4. Corporate Support
<b>2. Public works</b>	2.1. Programme support
	2.Y. Other infrastructure
	2.Z. Property Management
<b>3. Road Infrastructure</b>	3.1. Programme support
	3.2. Planning
	3.3. Design
	3.4. Construction
	3.5. Maintenance
	3.6. Financial Assistance
<b>4. Transport</b>	4.1. Programme support
	4.2. Planning
	4.3. Infrastructure
	4.4. Empowerment and institutional management
	4.5. Operator Safety and compliance
	4.6. Regulation and Control
<b>5. Community Based Programmes</b>	5.1. Programme support
	5.2. Training programmes
	5.3. Empowerment impact assessment
	5.4. Community development
	5.5. Emerging contractor development

# **11 PROGRAMME 1: ADMINISTRATION**

Ensure the effective and efficient management of the department by the provisioning of the administrative and financial support through the implementation of sound financial practices and internal controls.

## **11.1 SITUATION ANALYSIS**

The core function of Programme 1 : Administration is to optimize the department's managerial processes through the following strategic goals:

- ❖ Commitment by the ministry and department to national and provincial policies
- ❖ Manage the department effectively
- ❖ Develop a competent workforce and continuously benchmark the internal functions and performance outputs against best practices.
- ❖ Manage the directorate corporate support and finance effectively

In addition, Programme 1: Administration renders an indirect support in terms of the organizational environment and towards the achievement of the objectives of the entire Department. These administrative and financial functions are guided amongst others by the Public Finance Management Act and the Public Service Management Framework.

Overall, the department is geared to tackle its challenges as presented in the strategic plan 2005/06 – 2009/10. Certain issues such as EPWP implementation present ongoing challenges with reference to the availability of funds, vastness of the province, illiteracy, infrastructure and HIV/AIDS. These factors also have an impact on goals like skills development.

## 11.2 POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES

The following table indicates the strategic objectives for Programme 1: Administration: Strategic Objectives for Programme 1: Administration

Strategic Goals		Strategic Objectives	
1.1	OFFICE OF THE MEC Commitment by the Ministry and Department to national and provincial policies	1.1.1	Ensure payment of Statutory obligations
		1.1.2	Provide an efficient and effective support to the MEC
		1.1.3	Improve the management of the discretionary fund
1.2	MANAGEMENT Manage the Department effectively	1.2.1	Promote accountability at all managerial levels and devolve responsibilities to the most appropriate levels.
1.3	CORPORATE SUPPORT Develop a competent workforce and continuously benchmark the internal functions and performance outputs against best practices.	1.3.1	Manage Human Resources in the Department
		1.3.2	Co-ordination and integration of training programmes undertaken within the department in accordance with legal requirements as well as reporting requirements.
		1.3.3	Implement transformation policies
		1.3.4	Introduce sound financial accounting processes
		1.3.5	Implement financial management procedures to ensure compliance with the Public Finance Management Act (PFMA) and other relevant financial prescripts
		1.3.6	Manage Loss Control effectively
		1.3.7	Provide for an inspectorate function to promote financial control
		1.3.8	Introduce sound systems for information management
		1.3.9	Provide in the IT requirements of the Department
		1.3.10	Provide legal advice
		1.3.11	Manage Labour Relations
		1.3.12	Develop departmental compliance policies
		1.3.13	Implement sound planning and co-ordination processes for Strategic Planning, monitoring, research and development
		1.3.14	Develop an external communication strategy with the public and client departments
		1.3.15	Ensure effective records management
		1.3.16	Support Provincial Programmes on Youth, Disabled, Women, Children, HIV/AIDS and others
		1.3.17	Introduce Supply Chain Management for Asset Management and Control
		1.3.18	Implement effective provisioning procedures and policies
		1.3.19	Ensure compliance to Procurement policies and the Preferential Procurement Policy Framework Act (PPPFA)
1.4	PROGRAMME SUPPORT OFFICE Manage the Directorate Corporate Support effectively	1.4.1	Implement economic, efficient, effective and transparent managerial processes in the Directorate Corporate Support.

### 11.3 ANALYSIS OF CONSTRAINTS AND MEASURES PLANNED TO OVERCOME THEM

IT systems and services are one of the major constraints due to shortcomings in functionality as well as a shortage of skills and personnel. Problems are with e-mail connectivity and servers which are not sufficiently functional. Information Systems imposed by National Government on Provincial Government are a serious constraint. These systems are not efficient, user friendly, do not complying with the relevant regulations or providing sufficiently for decision making and reporting purposes and therefore hampers service delivery. Some of these systems include BAS, PERSAL and the absence of an adequate asset register.

Due to a lack of documented financial and administrative policies and procedures there is a duplication in the formulation of policies and procedures by the various national/provincial departments which leads to inefficient and unproductive utilization of resources.

The lack of retaining professional and scarce skills, the continuous development of the human potential, to reinforce competency in order to ensure a higher and effective productivity rate results into a financial loss for the department.

### 11.4 DESCRIPTION OF PLANNED QUALITY IMPROVEMENT MEASURES

The implementation of the award system in order to motivate staff and enhance the retention of professional and scarce skills. This ultimately will improve the quality of services rendered by this Department.

### 11.5 RECONCILIATION OF BUDGET WITH PLAN

<b>Programme 1: Administration</b>	<b>Year-2 (actual)</b>	<b>Year-1 (actual)</b>	<b>Base year (estimate)</b>	<b>Nominal average annual change (%)</b>	<b>Year 1 (budget)</b>	<b>Year 2 (MTEF projection)</b>	<b>Year 3 (MTEF projection)</b>	<b>Nominal average annual change (%)</b>
1.1 Office of the MEC	2,745	3,449	2,717		2,975	3,196	3,391	
1.2 Management	3,704	4,944	3,228		2,648	3,047	3,399	
1.3 Corporate Support	28,757	18,539	20,818		20,417	22,867	23,643	
1.4 Programme Support			1,503		2,654	2,813	2,954	
	<b>35,206</b>	<b>26,932</b>	<b>28,266</b>		<b>28,694</b>	<b>31,923</b>	<b>33,387</b>	

## 12 PROGRAMME 2: PUBLIC WORKS

Meet the accommodation and other specific needs of the provincial departments

### 12.1 SITUATION ANALYSIS

- *The size of the existing portfolio of state and leased properties managed by the department;*
- *The state of the existing portfolio of state and leased properties managed by the department*
- *The new demand for space by each of the departments.*

The following tables indicates how this information should be structured.

**Table 2: The Province's Property Portfolio by Department**

State Owned Portfolio	Land				Buildings	
	Number of properties	Number vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square Meters of building
Health Department	27					
Education Department	151	5				
Social Development Department	5					
Unutilised		39			7	

**Table 3: The Province's Leased Portfolio by Department**

Leased Portfolio	Land		Buildings	Cost to government
	Number of properties leased	Number of buildings	Square Meters of building	
Health Department	36	24	5952.59	
Education Department	9	6	4699.50	
Social Development Department	37	28	5936.48	
Other clients combined	70	34	28042.82	R12 021 441.72
Unutilised		1		

**Table 4: The condition of government buildings by department**

	Condition of State Owned Buildings (Number and Percentage)									Total	
	Very Good		Good		Fair		Poor		Very Poor		
Health Department			25	80%			10	50%			35
Education Department					30	70%	17	50%			47
Social Development Department					7	60%					7
Other clients combined					350	60%	18	50%			365
Unutilised											3

**Table 5: The demand of new space by department**

New Demand for Space	Number	Number of square metres	Planned Capital Expenditure		
			Budget	MTEF 1	MTEF 2
New Demand for Space	Number	Number of square metres	Planned Capital Expenditure		
			Budget	MTEF 1	MTEF 2
○ Hospitals (specify by name)	Upington		R200m	R75m	R125m
	De-Aar		R200m	R50m	R150m
○ Clinics (give number)	Barkly-west.		R30m		
○ Other	6				
Other clients combined	100	± 1665	R639	R703	R773
○ Dept. Safety & Liason			360	296	625.60

- Key challenges over the strategic performance plan period,

Appointment of Consultants.

Client department delaying with issuing the accommodation needs.

Contractors performance and cash – flow.

Site identification.

- discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

## 12.2 POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES

Strategic Goals		Strategic Objectives	
2.1	PROGRAMME SUPPORT OFFICE Manage the Directorate Public Works effectively	2.1.1	Implement economic, efficient, effective and transparent processes in the Directorate Public Works
2.2	OTHER INFRASTRUCTURE Provide and maintain functional and accessible: <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Facilities and</li> <li>• Office accommodation</li> </ul> according to the identified needs of provincial departments through planning, design and maintenance of safe and cost effective projects and buildings.	2.2.1	Erect /Construct /Lease buildings, facilities and Office Accommodation to meet the needs of Provincial Departments
		2.2.2	Upgrade/Refurbish fixed assets
		2.2.3	Maintain and renovate buildings to client needs
		2.2.4	Develop and implement a pro-active building maintenance management system (BMMS)
		2.2.5	Develop and implement a project monitoring system
2.3	PROPERTY MANAGEMENT Manage, control and safeguard provincial land and buildings in accordance with national and provincial norms	2.3.1	Buy and sell property
		2.3.2	Provide accommodation to officials and political office bearers at market related rates in managing state houses.
		2.3.3	Pay all rentals
		2.3.4	Provide for security facilities
		2.3.5	Effective payment of municipal services.
		2.3.6	Ensure effective cleaning services
		2.3.7	Provide for gardening services
		2.3.8	To vest land in the province
		2.3.9	Ensure effective management of State property
		2.3.10	Administration and maintenance of office and housing accommodation
		2.3.11	Establish asset register

## 12.3 ANALYSIS OF CONSTRAINTS AND MEASURES PLANNED TO OVERCOME THEM

Appointment of Consultants – Roster system to be used to speed up appointments.

Client department delaying with issuing the accommodation needs – Implementation of the service level agreement.

Contractors performance and cash – flow – Budget to be transferred to the department.

Site identification – Municipal IDP to be used.



### **Description of planned quality improvement measures**

The measures discussed will take into consideration National policies on procurement, job creation and batho pelo principles.

### **Preventative building maintenance program**

The implementation of a preventative maintenance program is of great importance to indicate the most effective ways of utilizing funds for maintenance. Due to budget cuts and cost containment measures the provision of such a program to ensure that buildings are kept in good condition, implementation was not possible. Therefore in the next financial year this intervention becomes crucial.

### **Tender procedures and appointment of contractors**

The time that lapsed from the advertisement stage to the appointment of contractors on site is not acceptable all stakeholders. Therefore this process must be reviewed and stumbling blocks removed to streamline the process. The policy on which procurement was based and the involvement of the tender board in this process shall be reviewed. The proposed policy and procedures shall take into account the supply chain management system to improve the process as a whole.

### **Quality of services to client departments**

The service rendered to clients to be improved by the provision of service level agreements. Other steps to be taken will include a project monitoring system to be used by the project leader. Other measures must also be investigated to improve the service by moving away from the fixed hierarchy of the organogram and the implementation of team forming under a leader to address problems at an early stage for specific projects.

### **Year contracts**

The importance of year contracts for some of our institutions to ensure that systems of mechanical, electrical and electronic nature is kept in a state of good running order, in stead of waiting till a breakdown occurs. Central air conditioning systems, fire fighting equipment, two way radio systems and access control systems forms part of this category.

### **Sub-programme 2.Z: Property management**

As the Province never Property Management as a core function, the management of state owned property was entrusted to a range of administrators. The asset register in place was incomplete, inaccurate and most of the property was not registered in the name of the Province.

This section is thus The section is responsible for the vesting, disposal, purchasing and donating of land in the Province.

### **Situation analysis**

- The state of the asset register

Currently there is an asset register in existence. As the Province has a vast amount of property which is unregistered and unsurveyed, the register is adjusted accordingly on a regular basis.

- All state property which are disposed of needs to be done so via the Provincial State Land Disposal Committee (PSLDC).
- All properties leased are placed on a database for record purposes.

## Policies and priorities

All policies are discussed at a management level and once this is done, sent to Parliament for approval. Once this is done, it is implemented to the fullest extend.

## Analysis of constraints and measures planned to overcome them

By implementing policies, constraint measures are looked examined and ways to implement policies are looked at.

Due to the fact that property was not effectively maintained for the past 4 years, the Department is in need of funds to the amount of ± R45 000.00 per house.

## Description of planned quality improvement measures

As the section is newly established, inspections on state property will be done on a regular basis. Thus lease agreements will be implemented.

## Specification of measurable objectives and performance indicators

The core function of Public Works directorate is to provide accommodation solution to provincial departments

			Budget	MTEF 1	MTEF 2
Health Department total					
○ Hospitals (specify by name)	Upington De-Aar Barkly-West. KimberleyMental Hospital		R200m R200m R30m	R75m R50m	R125m R150m
○ Clinics (give number)					
○ Other	6				
Education Department total					
○ Primary schools	Did not receive their needs.				
○ Secondary schools					
○ Other					
Social Development Department total	Did not receive their needs.				
○ Secure Care facilities	De-Aar & Springbok				
○ Other	Did not receive their needs.				
Other clients combined					
○ May give details by department					

- Key challenges over the strategic performance plan period,

Appointment of Consultants.

Client department delaying with issuing the accommodation needs.

Contractors performance and cash – flow.

Site identification.

- discuss any other starting points relevant to the policies, priorities and objectives to be included in the next section.

### **Analysis of constraints and measures planned to overcome them**

Appointment of Consultants – Roster system to be used to speed up appointments.

Client department delaying with issuing the accommodation needs – Implementation of the service level agreement.

Contractors performance and cash – flow – Budget to be transferred to the department.

Site identification – Municipal IDP to be used.

### **Description of planned quality improvement measures**

The measures discussed will take into consideration National policies on procurement, job creation and batho pelo principles.

## **12.4 RECONCILIATION OF BUDGET WITH PLAN**

<b>Programme 2: Public works</b>	<b>Year-2 (actual)</b>	<b>Year-1 (actual)</b>	<b>Base year (estimate)</b>	<b>Nominal average annual change (%)</b>	<b>Year 1 (budget)</b>	<b>Year 2 (MTEF projection)</b>	<b>Year 3 (MTEF projection)</b>	<b>Nominal average annual change (%)</b>
2.1 Support Office			2,985		3,164	3,354	3,522	
2.2 Other Infrastructure	11,605	33,191	12,638		12,337	13,077	13,731	
2.3 Property Management	11,959	23,442	17,457		26,871	29,595	31,075	
	<b>23,564</b>	<b>56,633</b>	<b>33,080</b>		<b>42,372</b>	<b>46,026</b>	<b>48,328</b>	

## 13                    **PROGRAMME 3: ROAD INFRASTRUCTURE**

The purpose of this programme is to provide and maintain an integrated road infrastructure that is safe and functional to support social and economic development. The main functions include: the planning and design of road infrastructure; the construction of new infrastructure; and routine, preventative and periodic maintenance. When referring to roads this includes all elements of roads within the road reserve including, but not limited to, the pavement, bridges and signage. Main focus of this programme is on the following:

### Surfaced Roads

- ⊙ Upgrade to Surfaced Roads
- ⊙ Perform Rehabilitation of Surfaced Roads
- ⊙ Maintain Surfaced Roads
- ⊙ New Surfaced Roads

### Gravel Roads

- ⊙ Construct Gravel Roads
- ⊙ Maintain Gravel Roads

### General

- ⊙ Construction and maintenance of Causeways and Bridges
- ⊙ Award Contracts to Emerging Contractors
- ⊙ Creation of Employment Opportunities
- ⊙ EPWP
- ⊙ Develop work force.

### **Construction**

The Roads reseal and rehabilitation assessment identified in the management systems could not be addressed since 1999 because of insufficient funds and cost containment. These outstanding road activities are referred to as the road construction backlog. These backlogs do not include urban streets or minor roads or tracks within rural communities which do not warrant declaration as provincial roads.

## **Maintenance**

Road maintenance is one of the most cost effective actions that a road authority can take. If roads are not adequately maintained, surface deterioration will result in substantial costs being incurred at a later stage in restoring the damaged pavement structures. Research has revealed that life cycle costs can be increased by up to four times if preventive maintenance is not done timorously. In addition, poor maintenance will result in higher road user costs caused by increased surface roughness and lower levels of road safety.

According to average ‘visual condition index’ data the percentages of surfaced roads in the Northern Cape are:

YEAR	1997	1998	1999	2000	2001	2003
(%)	79	78	78	74	72	70

### **13.1 Situation Analysis**

The road networks inherited from the Cape of Good Hope in 1994 when the Northern Cape came into being is now established as the provincial road network. This network has now largely been assessed and the department is in the process of making adjustments to the status of the roads as a first step to achieving a more balanced and equitable provincial road network for social and economic development.

The network review process has been thorough and conducted across the entire province. A detail analysis of the river corridors for economic growth is in progress and will be concluded in 2005.

There have also been negotiations with department of Transport and the responsibility for some roads has been transferred to the South African National Roads Agency.

In alignment with the Provincial Growth Development and Strategy, the Department has under taken various programs to achieve a balanced road network and some of the notable achievements have been:

The department finds it difficult to attract sufficiently qualified technical personnel at the middle and senior level to the Northern Cape. After restructuring, the Roads programme personnel situation is as follows:

**Table 6: Critical vacancies and supernumeries**

Sub-programme	Managerial Positions		Professional Positions		Other Positions		Super-numerics
	No. of posts	Vacant Posts	No. of posts	Vacant Posts	No. of posts	Vacant Posts	
Programme support	1	0	1	0	1	0	0
Planning	4	2	1	0	4	0	0
Design	2	1	1	0	4	2	0
Construction	3	1	1	0	4	1	0
Maintenance	8	3	2	1	298	66	0
Financial Assistance							

The department continually announces the lack of sufficient funds to maintain the provincial road network to an acceptable standard. The backlog developed has two components namely, securing a minimal equity road network, and restoring the network to its true asset value by increasing the level of maintenance expenditure. The current backlog is now estimated at R 1 000 million.

Treasury supported the plea in the allocation of a provincial infrastructure grant. The demands however far exceed the allocation. The Department's strategic objectives in regards to road infrastructure have thus not been able to be met. Here follows a situational analysis of the road construction and maintenance sub-programmes.

### 13.1.1 Construction

The following table indicates the construction of roads for the past 3 years.

**Table 2: Construction of road infrastructure by region**

Regions of Province	01/02	02/03	03/04	Total
<b>FRANCIS BAARD</b>				
Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	0	40	64	104
Gravel roads (no of km)	0	1.8	0	1.8
<b>KAROO</b>				
Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	76.45	137.5	98.69	313
<b>KGALAGADI</b>				
Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	0	54.2	30	84
<b>NAMAKWA</b>				
Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	0	26.5	77	104
<b>SIYANDA</b>				

Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	0	0	129	129
<b>Whole Province</b>				
Highways (no of km)	0	0	0	0
Surfaced roads (excluding highways) (no of km)	76.45	258.2	398.69	733
Gravel roads (no of km)	0	1.8	0	1.8
Bridges with span > 2 metre (no.)	0	2	0	2

### 13.1.2 Maintenance

The budget for the maintenance of surfaced and gravel roads add up to R 71 million. The amount required to efficiently perform routine maintain is R123 million plus is R 245 million for periodic maintenance.

The maintenance condition index for surfaced roads is 67%.

37% of the gravel network needs to be re-gravelled. 26mm of gravel on average have been lost on the network since 1999.

Challenges facing the unit are the following:

- ◎ To secure more funds for pro-active maintenance
- ◎ To develop methods and control procedures to reseal by hand
- ◎ To develop performance measures to re-gravel gravel roads by hand.

**Table 7: Condition of road infrastructure by region**

Region of Province	Condition of infrastructure (km's or number)					Total km's or total no.
	Very Good	Good	Fair	Poor	Very Poor	
<b>Frances Baard DM</b>						
Bridges with span > 6 metre	2.3	84.1	11.4	2.3	0	44
<b>Karoo DM</b>						
Unsurfaced dirt roads						
Bridges with span > 6 metre		80.4	19.6			107
<b>Kgalagadi DM</b>						
Unsurfaced dirt roads						
Bridges with span > 6 metre		100				1
<b>Namakwa DM</b>						
Bridges with span > 6 metre	1.8	89.9	8.3	0	0	112
<b>Siyanda DM</b>						
Bridges with span > 6 metre	22	56	20	2	0	100
<b>Whole province</b>						
Bridges with span > 2 metre	1	15	76	8		364

The following definitions were supplied by the Western Cape Department of Public Works as to what is to be understood by the terms:

<b>DESCRIPTION OF DEGREES OF OVERALL CONDITION OF PAVEMENT</b>	
<b>DEGREE</b>	<b>DESCRIPTION</b>
Very good	Very few or no defects. Degree of defects c 3 (less than warning).
Good	Few defects. Degree of structural defects mostly less than warning
Fair	A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects).
Poor	General occurrence of particularly structural defects with degrees warning to severe.
Very poor	Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive.

## 13.2 Policies, Priorities and Strategic Objectives

The policy of the Department of Transport since 1994 has been to remedy road network inequalities that arose out of the Apartheid government policy of separate development, while at the same time maintaining the primary road network at an appropriate level.

The Department will continue with the programmes developed over the past 5 years to deliver on its strategic objectives.

The broad policy statement of the national and provincial government was used in the determination of priorities for spending pressures and discussions were held at political and departmental levels to ensure understanding of the meaning of policy documents.

The existing strategic priorities of the province relating to the work of this department are seen as:

- Job creation through access roads construction and labour based road construction projects to address poverty and skills development



- National initiative such as the Expanded Public Works Programme to address skills development and learnerships
- Special projects identified by the Head of Department, the MEC and the Cabinet.

Strategic Goals		Strategic Objectives	
3.1	PROGRAMME SUPPORT OFFICE Manage the Directorate Road Infrastructure effectively.	3.1.1	Implement economic, efficient, effective and transparent processes in the Directorate Road Infrastructure
3.2	PLANNING Develop sound planning policies for provincial road infrastructure	3.2.1	Provide an integrated road infrastructure network plan (5 to 10 yrs) in accordance with IDP's in the Province.
		3.2.2	<i>Develop directorate specific capacity</i>
		3.2.3	<i>Provide subsidies to entities for road planning purposes</i>
		3.2.4	<i>Develop effective land use and environmental planning methods</i>
		3.2.5	<i>Investigate an alternative Service Delivery Strategy</i>
3.3	DESIGN Design functional Roads	3.2.6	Develop technical support for planning purposes
		3.2.7	<i>Promote policy/ribbon development</i>
		3.2.8	<i>Provide for proclamations and way leaves</i>
		3.2.9	<i>Keep asset register of the road infrastructure</i>
		3.2.10	<i>Identify, communicate and educate to reduce the hazardous areas on roads</i>
		3.2.11	<i>Develop, update and maintain infrastructure information management systems</i>
		3.2.12	<i>Ensure sound research</i>
		3.3.1	<i>Provide for acquisition and expropriation of land</i>
		3.3.2	<i>Develop the required geometric standards and land use needs</i>
		3.3.3	<i>Design the necessary structures for roads</i>
		3.3.4	<i>Develop an effective drawing office service</i>
		3.3.5	Provide policies on specifications for materials
		3.4.17	Provide subsidies to municipalities for road construction
		3.4.18	Provide technical support for the construction of roads

3.4	CONSTRUCTION Construct safe and functional roads	3.4.1	Reconstruction/rehabilitation/resealing/resurfacing of <b>surfaced</b> roads
		3.4.2	Improve the geometrics and capacity of <b>surfaced</b> roads
		3.4.3	Accessibility development to improve and upgrade <b>surfaced</b> roads
		3.4.4	Build new <b>surfaced</b> roads
		3.4.5	Develop projects for safety improvements and accessibility of <b>surfaced</b> roads
		3.4.6	Build/rehabilitate bridges on <b>surfaced</b> roads
		3.4.7	Improve public transport facilities on <b>surfaced</b> roads
		3.4.8	Construct specific <b>surfaced</b> roads projects financed with conditional grants
		3.4.9	Reconstruction/rehabilitation/resealing/resurfacing of <b>gravel</b> roads
		3.4.10	Improve the geometrics and capacity of <b>gravel</b> roads
		3.4.11	Accessibility development to improve and upgrade <b>gravel</b> roads
		3.4.12	Build new <b>gravel</b> roads
		3.4.13	Develop projects for safety improvements and accessibility of <b>gravel</b> roads
		3.4.14	Build/rehabilitate bridges on <b>gravel</b> roads
		3.4.15	Improve public transport facilities on <b>gravel</b> roads
		3.4.16	Construct specific <b>gravel</b> roads projects financed with conditional grants
		3.4.17	Provide subsidies to municipalities for road construction
		3.4.18	Provide technical support for the construction of roads
3.5	MAINTENANCE Maintain all roads to approved norms and standards	3.5.1	Routine maintenance of <b>surfaced</b> roads
		3.5.2	Maintenance of bridges on <b>surfaced</b> roads
		3.5.3	Maintain public transport facilities on <b>surfaced</b> roads
		3.5.4	Maintain specific <b>surfaced</b> roads with conditional grants
		3.5.5	Routine maintenance of <b>gravel</b> roads
		3.5.6	Maintenance of bridges on <b>gravel</b> roads
		3.5.7	Maintain public transport facilities on <b>gravel</b> roads
		3.5.8	Maintain specific <b>gravel</b> roads with conditional grants
		3.5.9	Provide subsidies to local municipalities for maintenance of Provincial roads
		3.5.10	Technical support by/to Maintenance/Regional Engineers
		3.5.11	Radio network services
		3.5.12	Inspection of plant
		3.5.13	Training on maintenance work
		3.5.14	Develop maintenance policies on service level agreements, subsidies, norms and standards
		3.5.15	Management of the Roads Capital Trading Account
		3.5.16	Provide Mechanical Engineering Services
3.6	FINANCIAL ASSISTANCE Effective management of transfer payments to Public Entities	3.6.1	Prepare service level agreements

### **13.2.1 Construction**

A number of aspects are also considered when establishing the construction priorities, which include the technical analysis of the needs of road infrastructure network. Technical analysis is base on the Road management systems namely, Pavement management system, Bridge management system, Traffic management systems, Accident management system, Road network management system, Gravel roads management system, Road signs management system, GIS and Project management system.

### **13.2.2 Maintenance**

- ◎ The Department embarked on a joint venture programme in the establishment of Roads Committees with the private sector to maintain roads. These committees are legal entities and perform planned maintenance on gravel roads on a split cost basis with a contribution from the Department and the beneficiaries.
- ◎ The implementation of agreements with agents and other roll players to form joint ventures to maintain gravel roads will be addressed.
- ◎ Policies to maintain roads using labour intensive methods must be developed.
- ◎ Priorities for upgrading of certain roads will be determined on value added principles and be informed by policy, IDP's and technical outputs from the management systems.

### **13.3 Analysis of constraints and measures planned to overcome them**

The main challenge of the Department and the Construction unit is to address the legacy of the past by providing road infrastructure and access roads to various communities and to enhance the economic and social development in the Province with a limited budget.

In order to successfully promote economic development and enhance the tourism sector, the construction unit should adequately upgrade the road network throughout the Province. To achieve this, the department is establishing links to work in close-cooperation with other important stakeholders in the field of socio-economic development such as the department of Agriculture, Economic Affairs and Tourism and other spheres of government and Public Private

Partnerships. This will in a way ease the budget constraints currently experienced by the department and will provide a better service to our stakeholders.

### 13.3.1 Construction

It is predicted that in 5 years time, 40% of our surfaced roads will be in poor to very poor condition, compared to 10% now. The rapid deterioration is attributable to the age of the roads and the backlog of deferred maintenance, particularly in re-sealing. The roads are near the end of their design lives, but their condition and economic life expectancy would be extended substantially if the department had the funds to rehabilitate and upgrade them soon.

The other key challenge is to address the inadequate capacity in the unit and develop an emerging contractor development plan.

### 13.3.2 Maintenance

- ⊙ Operational plans indicating the measurement and funding needed for the execution of joint ventures is in the process of being developed for the first agreements that are being drawn up.
- ⊙ Business plans and contracts with smme's are implemented as control measures to ensure that adequate funding exists to sustain job creation.
- ⊙ Training to supervise, execute and control joint ventures and job creation projects will be done departmentally as the facility exists.
- ⊙ Risk management by adequate supervision, strict financial control and quality control measures are envisaged.

**Table 8: Maintenance backlogs for road infrastructure by region**

Region of Province	Current maintenance backlog	Expenditure required to maintain status quo	Actual maintenance expenditure		
			2001	2002	2003
Western Maintenance Region	R300M	R66M		R40,451	R33,176
Eastern Maintenance Region	R200M	R44M		R26,967	R22,117
Total for province	R500M	R110M	R58.8M	R67,419	R55,294

## 13.4 Specification of measurable objectives and performance indicators

### 13.4.1 Planning.

Realising the major difficulty in coordinating government functions across different spheres of government and even across different sector Departments, the Department has established coordinating structures which will further the coordination of IDP's and the PGDS.

A major constraint in road infrastructure planning is the coverage, quality and age of the information available. The network of roads, tracks and public rights of way in the province captured on maps is extremely old. The availability of such information in a geographical information system (GIS) has only started. The Department has an accurate GIS map of all roads falling under the responsibility of the Department, but there are many roads, especially in rural areas, where there is no record as to the roads alignment, classification and the authority responsible.

In order to address this, the Department has initiated a strategic planning programme which will ensure that the information used in planning is sufficiently comprehensive, up to date and accurate in order to adequately plan for the short and long term roads programmes.

### 13.4.2 Construction

The department promote and develop SMME,s and implemented a Black Economic Empowerment policy. As indicated in the table below, the department strive to give all projects under R 10 million to the SMME,s and will increase this amount in future.

**Table 9: Promotion of SMME's and BEE through capital expenditure on roads**

	<b>Total Cost of project</b>	<b>Target for SMME's participation</b>	<b>Target for BEE participation</b>	<b>Planned Start date</b>	<b>Planned End date</b>
<b>Major projects &gt; R10m</b>					
Kommaggas	R 52 mil	30%		June 2003	March 2005
Sutherland	R 15,65 mil		100%	March 2004	March 2005
Transfontier Park	R 44 mil			Nov 2004	Nov 2007
Calvinia-Niewoudtville	R 15 mil		51%	Dec 2003	Mar 2004
<b>Total other projects &lt;R10m</b>					
Widening Upington-Olifantshoek	R 5.2 mil		100%	Jul 2004	Feb 2005
Warrenton Bridge Widening		100%		2002	2002
Ritchie Pedestrian Path		100%		2002	2003
Upington-Keimoes Widening			100%	2002	2003
Keimoes Bridge Widening		100%		2003	2004

**Table 10: Planned capital expenditure on road infrastructure**

	<b><u>Name of project</u></b>	<b><u>No. of projects</u></b>	<b><u>Total Budget for projects</u></b>	<b><u>Planned expenditure over MTEF</u></b>		
				<b><u>Year 1 2005/2006</u></b>	<b><u>Year 2 2006/2007</u></b>	<b><u>Year 3 2007/2008</u></b>
<b>Surfaced Roads</b>	<b>Total</b>	<b>18</b>	<b><u>183 330</u></b>	<b>45 650</b>	<b>56 580</b>	<b>81 100</b>
Projects <R10M	Subtotal	13	63 650	37 650	10 000	16 000
Projects >R10M	Blouput-Onseepkans		15 000		15 000	
	Kubus		32 080	8 000	7 580	16 500
	Raap and Skraap		12 600			12 600
	Grootmier		38 000		14 000	24 000
	Vosburg - Carnavon		22 000		10 000	12 000
	Subtotal	5	119 680	8 000	46 580	65 100
<b>Gravel Roads</b>	<b>Total</b>	<b>3</b>	<b><u>47 066</u></b>	<b>13 000</b>	<b>16 536</b>	<b>17 530</b>
Projects <R10M	Subtotal	2	15 830	5 000	5 300	5 530
Projects >R10M	ReGravelling	1	31 236	8 000	11 236	12 000
<b>Bridges &gt;2m</b>	<b>Total</b>	<b>3</b>	<b><u>22 901</u></b>	<b>22 051</b>	<b>850</b>	<b>0</b>
Projects <R10M	Subtotal	2	7 850	7 000	850	0
Projects >R10M	Riemvasmaak	1	28 000	15 051	0	0
<b>Other</b>	<b>Total</b>	<b>6</b>	<b><u>12 580</u></b>	<b>5 000</b>	<b>4 180</b>	<b>3 400</b>
Projects <R10M	Subtotal	6	12 580	5 000	4 180	3 400
Projects >R10M	PPP and Job Creation					
<b>Overall Totals</b>		<b>30</b>	<b>265 877</b>	<b>85 701</b>	<b>78 146</b>	<b>102 030</b>

The following table sets out other measurable objectives that departments are required to report on:

**Road Infrastructure: measurable objectives, performance indicators and targets**

Measurable Objective	Performance Measure or Indicator	Year – 1 2003/2004		Base year (estimate) 2004/2005	
		(target)	(actual)	(target)	(actual)
<b>Input</b>					
Construction as % of Programme 3 budget	Percentage	58%	58%	60%	
<b>Process</b>					
Projects started on schedule	Percentage	100%	75%	100%	40%
Projects started more than 3 months late	Percentage	0%	25%	0%	60%
○ 1 <sup>st</sup> quarter		25%	25%	25%	25%
○ 2 <sup>nd</sup> quarter		50%	25%	50%	43%
○ 3 <sup>rd</sup> quarter		75%	75%	75%	
○ 4 <sup>th</sup> quarter		100%	100%	100%	
<b>Output</b>					
Upgrade to surfaced roads	No of km	142	281	134	
Heavy rehabilitation of surfaced roads	No of km	107	88	96.09	75
Light rehabilitation of surfaced roads	No of km	0	0	100	129
Upgrade to gravel roads	No of Km.	0	0	0	0
Construction of bridges < 2m	No.			1	1
<b>Efficiency</b>					
Projects completed on schedule	Percentage	100%	65%	100%	
Projects completed more than 3months later than scheduled	Percentage	0%	35%	0%	

### 13.4.3 Maintenance

All maintenance teams will develop annual operational plans based on priorities identified in the maintenance management system.

Re-gravelling by hand will be monitored by technicians. Compaction will still be done by rollers and densities will be measured by nuclear device to ensure good quality. The materials used will be approved by technicians.

Placing of bitumen will be done by hand sprays and the required coverage ascertained by trained personnel. The spreading of stone chips by hand will also be controlled.

Table 11: Promotion of SMME's and BEE through maintenance expenditure on roads

	Total Cost of project	Target for SMME's participation	Target for BEE participation	Planned Start date	Planned End date
Major projects > R10m					
Reseal	R13M	80%	20%	04/2004	09/2004
Provincial Job creation	R27M		100%	04/2002	03/2007
Total other projects <R10m					
Road marking	R2M	100%		12/2002	On going



**Maintenance: measurable objectives, performance indicators and targets**

Measurable Objective	Performance Measure or Indicator	2003/2004		Base year 2004/2005 (estimate)		2005/2006 (target)	2006/2007 (target)	2007/2008 (target)
		(target)	(actual)	(target)	(actual)			
<b>Input</b>								
Maintenance as % of Programme 3 budget	Percentage	43.5	43.5	37.5		45.3	45.3	45.3
<b>Output</b>								
Reseal tarred roads	No of km <sup>2</sup>		0	129 km	129km	2767m <sup>2</sup>	1805 m <sup>2</sup>	2153 m <sup>2</sup>
Perform blacktop patching	No of m <sup>2</sup>	11900	11900	13 167	13300	13300	13300	13300
Blade Gravel Roads (including dirt roads)	No of km	22183	22183	22183	22183	22183	22183	22183
Re-Gravel roads	No. of km	0	0	0	0	0	0	0

Provide and maintain integrated road infrastructure that is safe and functional to support social and economic development

### 13.5 SPECIFICATION OF MEASUREBLE OBJECTIVES AND PERFORMANCE INDIACTORS

#### Reconciliation of budget with plan

Programme 2: Roads	Year-2 (actual)	Year-1 (actual)	Base year (estimate)	Nominal average annual change (%)	Year 1 (budget)	Year 2 (MTEF projection)	Year 3 (MTEF projection)	Nominal average annual change (%)
3.1 Support Office			857		871	889	933	
3.2 Planning		8,189	5,174		5,462	5,861	6,154	
3.3 Design	10,382	3,233	7,959		8,357	8,858	9,301	
3.4 Construction	49,223	60,227	103,456		90,282	121,414	181,859	
3.5 Maintenance	68,650	55,700	85,874		81,470	86,358	90,676	
	<b>128,255</b>	<b>127,349</b>	<b>203,320</b>		<b>186,442</b>	<b>223,380</b>	<b>288,923</b>	

## **14                    PROGRAMME 4: PUBLIC TRANSPORT**

To ensure a well managed Land Freight and Public Transport system in the Province

### **SITUATION ANALYSIS**

In 1997, the National Department of Transport devolved a number of transport functions to the province. These included the transport planning function, subsidy function and the issuing of public transport permits function.

The devolution of these functions resulted in the establishment of land transport section. The section concentrated on the restructuring of the taxi industry, the permit board, transport planning and bus subsidies.

Since taking over the function the department has converted two of the interim contracts to the new limited term contracts. Only one contract, in Kimberley, remains an interim contract due to the moratorium that was placed by the National Department of Transport on tendered contracts. The department to ensure contract compliance monitors all of the limited term contracts.

Rural services are defined as services, which provide a service for rural people to access services and economic opportunities. There is thus no commuter aspect to the services. In 2001 the department embarked on a rural mobility study to determine the mobility challenges that rural communities faced throughout the province. The study recommended that a number of interventions be undertaken to ensure that these challenges were reduced and intermediate measures introduced.

This resulted in a number of projects that included the introduction of town to town public transport services where these did not exist, the promotion of animal drawn carts and other forms of no-motorised transport modes like bicycles.

The Government has now taken a decisive step towards implementing the Taxi Recapitalization Project. The implications for the Department are enormous and mean that a number of processes have to be accelerated in the restructuring of the taxi industry in the province. These include a number of critical areas in the National Land Transport Transitional Act, 22 of 2000.

### **POLICIES, PRIORITIES AND STRATEGIC OBJECTIVES**

Land Transport includes all forms of transportation namely, public and private passenger transport, non-motorised transport and land freight transport. In the current environment the Transport Section is concentrating on public transport and non-motorised transport in the passenger transport arena.

However, developments in the province have dictated that the department concentrates efforts in the Freight transport arena. The Provincial Growth and Development Strategy has redefined the agenda in such a way that Freight transport must become a priority for both the department and the Province.

As a result, the department has already commenced with the Douglas/ Belmont rail line project to upgrade the 86 km rail line between Douglas and Belmont so as to enable more tonnage to be moved on the line. The project is done in conjunction with Spoornet, DOT and GWK. A project Team has been established to drive the project and to look at other similar projects throughout the province.

	<b>Strategic Goals</b>	<b>Strategic Objectives</b>
4.1	PROGRAMME SUPPORT OFFICE Manage the Programme Public Transport effectively	4.1.1 Implement economic, efficient, effective and transparent processes in the Programme Public Transport
4.2	PLANNING Plan a safe and affordable land transport system	4.2.1 Promote and sustain public transport in the Province (NLTTA) 4.2.2 Effective planning of Transport Administration
4.3	INFRASTRUCTURE Provide the necessary Transport infrastructure	4.3.1 Administration of Transport facilities
4.4	EMPOWERMENT AND INSTITUTIONAL MANAGEMENT Empower entities and institutions for providing transport	4.4.1 Assist the taxi-industry 4.4.2 Co-ordinate rural transport mobility projects 4.4.3 Assist the bus-industry 4.4.4 Assist and regulate the non-motorised transport facilities 4.4.5 Provide training in transport matters for operators
4.5	OPERATOR SAFETY AND COMPLIANCE Ensure compliance and safety of transport operators	4.5.1 Introduce compliance management processes and procedures
4.6	REGULATION AND CONTROL Regulate and control transport	4.6.1 Administration of the Registrar's office 4.6.2 Administration of the Operating Licence Board

## **ANALYSIS OF CONSTRAINTS AND MEASURES PLANNED TO OVERCOME THEM**

### **FINANCIAL RESOURCES**

Financial resources to fund transportation projects are extremely limited and the sources tend to be unreliable. For public transport planning the department is allocated R3 million per annum from the national fiscus. This is the same allocation afforded to every province. The funding allocation is insufficient to fund public transport planning according to the gazetted requirements. The National Department of Transport cannot provide budget projections of allocations to the province and funding has tended to be unreliable and only at the end of the financial year. This situation is being addressed through the appropriate forums with the National Department Funding for implementation of projects is even more limited.

### **DESCRIPTION OF PLANNED QUALITY IMPROVEMENT MEASURES**

- Planned quality improvement measures in the coming financial year include: Establish regional administration offices for regulatory functions for public transport and freight to allow easier access of operators to make application for operating licenses and permits •

- Establish provincial public transport planning forum for consultation, information sharing and capacity building between provincial and municipal officials and politicians •
- Establish public transport consultation structures in ward committees in municipalities in order to hear the voice of the public transport user

## **RE-INTRODUCING RAIL TRANSPORT AS AN ALTERNATIVE TO ROAD FREIGHT TRANSPORT**

In recent years, road freight transport has, for a number of reasons, become more competitive than rail freight transport. As a result, Spoornet has considerably under-utilised infrastructure and rolling stock, and operations on a number of marginal rail lines have been closed. This has had a detrimental impact on small towns located along these lines, since the economy of many of these towns was dependent on the provision of goods and services to the Spoornet.

As part of national government's Programme of Action, the target of increasing Spoornet's freight capacity by 30% over the next five years has been set. Here in the Northern Cape, this may entail investment in the upgrading of the Douglas/ Belmont rail line and the De Aar/ Nakop rail line. In addition to this, the provincial government believes that the re-introduction of rail as a competitive player in the freight transport industry in the province can be achieved through various interventions by government.

## **IMPROVING LEVELS OF MOBILITY IN THE PROVINCE**

The lack of effective transportation systems is one of the major problems that hinders the full development of rural areas. It restricts the mobility of communities which decreases their opportunity to participate in activities necessary for socio-economic development. This lack of opportunity in turn maintains, if not actually produces, many of the social and economic problems characteristic of rural areas.

Transport services in rural areas are characterised by unreliability, high costs (unaffordability), inadequate frequencies and route coverage, insufficient and in many cases non-existent infrastructure such as roads and shelters, poor co-ordination and low safety and personal security levels. In some cases, there is even a total absence of transport. In addition, travel distances are often excessive, resulting in high operator costs which are passed on to the end-user. Enhanced mobility could therefore assist the development of rural areas in the Northern Cape Province through:

- The transfer of goods and people between and within production and consumption centres;
- The transfer of labour to where it may be employed most productively;
- The increase of individuals' welfare by extending the range of goods and services available to them.

## Reconciliation of budget with plan

<b>Programme 4: Public Transport</b>	<b>Year-2 (actual)</b>	<b>Year-1 (actual)</b>	<b>Base year (estimate)</b>	<b>Nominal average annual change (%)</b>	<b>Year 1 (budget)</b>	<b>Year 2 (MTEF projection)</b>	<b>Year 3 (MTEF projection)</b>	<b>Nominal average annual change (%)</b>
4.1 Planning			857		871	889	933	
4.2 Empowerment and institutional development		8,189	5,174		5,462	5,861	6,154	
4.3 Operator safety and compliance	10,382	3,233	7,959		8,357	8,858	9,301	
4.4 Regulation and control	49,223	60,227	103,456		90,282	121,414	181,859	
	<b>59,605</b>	<b>71,649</b>	<b>117,446</b>		<b>104,972</b>	<b>137,022</b>	<b>198,247</b>	

## 15 PROGRAMME 6: COMMUNITY BASED PROGRAMME

Alleviate poverty and create job opportunities

### Situation analysis

It has been agreed that provincial departments should present the following basic information on:

- The number of unemployed people in the province using the ‘narrow definition of unemployment’ as collected by STATS SA.
- The number of projects and the number of person days employment created.

The following table indicates how this information should be structured.

**Table 12: Demand for and performance of Community Based Programmes by region**

Region of Province	Number of unemployed people				Community based programmes			
	Female	Male	Total	% of National total	No. of Projects last year	Number of person days employment created		
						Female	Male	Total
Total for Province				2%	1	1100	2530	3630

### Policies, priorities and strategic objectives

**Table 13: Strategic objectives for Programme 5: Community based programmes**

Strategic Goals		Strategic Objectives	
6.1	PROGRAMME SUPPORT OFFICE Manage the Community Based Programmes effectively	6.1.1	Implement economic, efficient, effective and transparent management in the Community Based Programme
6.2	TRAINING PROGRAMME Provide Training relating to poverty relief and job opportunities	6.2.1	Assist communities with training and practical methods
		6.2.2	Assist contractor with training in all aspects of management in construction
6.3	EMPOWERMENT IMPACT ASSESSMENT Assess the results of the empowerment projects	6.3.1	Benchmark on strategies against best practices
		6.3.2	Promote compliance with approved policy, strategy and relevant legislation in CBPWP and ECDP
6.4	POVERTY ERADICATION Support the sustainable development of historically disadvantaged individuals and entities with the emphasis on poverty relief	6.4.1	Develop a departmental policy and strategy for job creation and employment, broad based black economic empowerment, and the development of small businesses
		6.4.2	Ensure poverty relief through project implementation
6.5	EMERGING CONTRACTORS DEVELOPMENT PROGRAMME Create sustainable job opportunities through the Emerging Contractors Development Programme (ECDP) and the implementation of a Contractors Roster System	6.5.1	ECDP Policy develop and implement a contractor's roster system
		6.5.2	Identify and develop emerging contractors for a data base

**Analysis of constraints and measures planned to overcome them**

What constraints does the programme face and how does the department intend addressing them?  
Special attention should be given to implementation risk.

RESPONSE	CONSTRAINT	SOLUTIONS
1	Overspending within provincial administration, places projects at risk of not being implemented.	Provincial administration must give attention to better control of spending.
2	Municipal capacity to be Project	Apply lessons learnt through overspending.
3	Implementation Agents is often weak Departmental Capacity needs to be improved.	Provide appropriate material and human resources. Training and capacitating. Additional personnel. Training in EPWP. Provide for budget and resources.

**Description of planned quality improvement measures**

As quality improvements can be difficult to measure adequately in quantitative terms, this section provides for a narrative account of planned interventions to improve the quality of the services the department provides through this particular programme. Quality improvements will be appraised through both narrative reports and quantitative indicators (see next section). In planning quality improvements, reference should be made to the relevant national policies.



## Reconciliation of budget with plan

<b>Programme 5: Community Based Programmes</b>	<b>Year-2 (actual)</b>	<b>Year-1 (actual)</b>	<b>Base year (estimate)</b>	<b>Nominal average annual change (%)</b>	<b>Year 1 (budget)</b>	<b>Year 2 (MTEF projection)</b>	<b>Year 3 (MTEF projection)</b>	<b>Nominal average annual change (%)</b>
5.1 Training programmes			236		209	219	230	
5.2 Empowerment assessment			224		134	142	149	
5.3 Poverty eradication			66,440		30,201	39,490	42,934	
5.4 emerging contractor development		29,164	431		9,957	5,983	6,282	
		<b>29,164</b>	<b>67,331</b>		<b>40,501</b>	<b>45,834</b>	<b>49,595</b>	

## 16 RECONCILIATION OF BUDGET WITH PLAN

Programme	Year-2 (actual)	Year-1 (actual)	Base year (estimate)	Nominal average annual change (%)	Year 1 (budget)	Year 2 (MTEF projection)	Year 3 (MTEF projection)	Nominal average annual change (%)
Administration	35,206	26,932	28,266		28,694	31,923	33,387	
Public Works	122,564	56,633	33,080		42,372	46,026	48,328	
Roads	128,255	127,349	203,320		186,442	223,380	288,923	
Public Transport	8,319	5,905	10,225		11,734	13,438	13,060	
Community Based Programme		29,164	67,331		40,501	45,834	49,595	
	<b>294,344</b>	<b>245,983</b>	<b>342,222</b>		<b>309,743</b>	<b>360,601</b>	<b>433,293</b>	

## 17 MEDIUM TERM REVENUES

### 17.1 SUMMARY OF REVENUE

The department receives its revenue for expenditure purposes from a direct allocation by the Provincial Treasury as an equitable share of the provincial funds, conditional grants from National departments, and a statutory amount for the remuneration of the MEC.

**Table 6** summarizes the revenue:

**Table 6:** Revenue in Rand million

Item	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Equitable share	208,237	243,749	217,649	232,800	204,585	205,964	213,938
Conditional grants	57,581	51,197	29,031	110,135	105,959	155,489	220,262
Statutory	-	602	697	713	801	852	907
<b>TOTAL</b>	<b>265,818</b>	<b>295,548</b>	<b>247,377</b>	<b>343,648</b>	<b>311,345</b>	<b>362,305</b>	<b>435,107</b>

## 17.2 DEPARTMENTAL REVENUE COLLECTION

The department is not directly responsible for collecting revenue. The department therefore has not developed a revenue plan.

The department however oversees the collection of vehicle license fees by local authorities. License fees are collected by local authorities and paid directly into the Provincial Revenue Fund.

The Road Traffic Act, Act 93 of 1996, prescribes tariffs for license fees. Tariffs are reviewed annually after comparisons with other Provincial fees.

The department implemented various initiatives to ensure improvements in revenue collection and collection of outstanding license fees. The following were introduced and will form the basis of further measures to be promoted during the MTEF period:

- Authorities are compelled to pay over money on a daily basis;
- Agency fees may be retained;
- Motor vehicle license fees are increased on an annual basis;
- Performance targets were set to collect fees;
- Collections were inspected on a regular basis and the intention is to appoint additional personnel for this purpose;
- All 39 local authorities have been scheduled for auditing;
- Personalised number plates were introduced with additional fees applicable.

**Table 7: Revenue collection in Rand millions**

Revenue Item	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Non-tax: Fees, sales, fines, penalties, dividends, and rent on land	2,998	11,422	5,308	5,896	5,896	6,191
Sale of capital assets	3,582					
<b>TOTAL</b>	<b>6,580</b>	<b>11,422</b>	<b>5,308</b>	<b>5,896</b>	<b>5,896</b>	<b>6,191</b>

### 17.3 CONDITIONAL GRANTS

The department receives conditional grants as indicated in **Table 8**.

<b>Department</b>	<b>Purpose</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
National Department of Public Works	New Provincial Legislative building	23,419	-	-	-		
National Treasury	Infrastructure development	27,778	29,031	110,135	105,959	155,489	220,262
<b>TOTAL</b>		<b>51,197</b>	<b>29,031</b>	<b>110,135</b>	<b>105,959</b>	<b>155,489</b>	<b>220,262</b>

## **18 CO-ORDINATION, CO-OPERATION, AND OUTSOURCING PLANS**

The department acts as an agent for various National Departments and all Northern Cape Provincial Departments. On the same basis the department uses local authorities to execute functions on its behalf in the province. Non-governmental institutions and communities are also involved in the delivery of services to the public.

The processes of communication for receiving complaints and monitoring of projects to ensure that the needs are fulfilled, consist of:

- Interviews with departments;
- Checklist to departments on regular basis;
- Inspections of buildings;
- Training of departments and contractors on tender administration;
- Establishment of a help desk for contractors on tender issues;
- Workshops with suppliers;
- Periodic meetings with the taxi and bus industry;
- Nomination of contact persons for specific purposes;
- Customer satisfaction surveys;
- Questionnaires to role players;
- Use of print and electronic media;
- Use of posters;
- Keeping records of complaints;
- Operation of a complaints and suggestion boxes;

### **18.1 INTERDEPARTMENTAL LINKAGES**

National and Provincial Departments.

The department executes its functions in close relation with various National Departments, such as:

- National Transport in terms of road standards and maintenance programs;
- National Transport in terms of road safety, traffic regulations, and the Arrive Alive Campaign;
- National Transport in terms of transport policies relating to the taxi industry, bus transport, and bus subsidies;
- National Public works in terms of norms and standards for buildings and accommodation;
- The National Treasury in terms of financial regulations, norms and standards, and the implementation of the Basic Accounting System;
- Provincial Departments of Transport, Roads, and Public Works in other provinces.

Northern Cape Provincial Departments

Provincial departments are clients of the department relating to the following services that are delivered and monitored through monthly meetings and consultation forums:

- Office accommodation through lease contracts
- Property let out through leases;

- Cleaning and gardening services;
- Alterations to buildings and tenders for construction works;

## **18.2 LOCAL GOVERNMENT LINKAGES**

District municipalities;

- Tourism signs;
- Road proclamations;

Municipalities;

- Vehicle licenses;
- Access roads;
- Driver licenses;

## **18.3 PUBLIC ENTITIES**

The department is not responsible for any Public Entity. The department however transfers funds to:

- Municipalities; and the
- Taxi Industry;

## **18.4 PUBLIC, PRIVATE PARTNERSHIPS, OUTSOURCING ETC.**

Private entities, building contractors, and persons;

- Payments for services;
- Tender administration;
- Supervision on construction works;

Taxi and bus industry;

- Promotion of public transport.

Road users;

- Road construction and maintenance;
- Traffic law enforcement
- Farmers
- Mining industry

The Northern Cape Agricultural Union;

- Road maintenance;

Road freight association;

- Road maintenance;
- Control of traffic;
- Freight licenses and weight

Community forums;

- Community based public works programme;
- Access roads;
- Job creation projects;
- Road safety projects;

## **19. FINANCIAL MANAGEMENT**

A broad investigation into the management of the departmental finances was done during 2002 but the report must be reconsidered in terms of the Efficiency Service's Report of the Premier's Office.

The implications of the Efficiency Service's Report depend also on the devolvment of finance functions from the Provincial Treasury.

Since the report was completed during 2004 various policy changes took place resulting in a need to re-evaluate the organizational structure of the department.

This exercise is envisaged for completion during 2005

The department is on a permanent basis involved in the improvement of financial management and has implemented the Basic Accounting System (BAS) as from 1 April 2004.

This resulted in major improvements in reporting and information management.

The PFMA requires from the department additional responsibilities and the requirements will be addressed through an integrated PFMA implementation plan to enhance financial management.

### **19.1 STRATEGIES TO ADDRESS AUDIT QUERIES**

The department ensures that a very good relationship with the Auditors forms the basis of ongoing consultation with the Office of the Auditor-General

A specific person has been assigned the responsibilities for the co-ordination of all audit queries and the timely submission of answers to the auditors.

The CFO is ensuring that processes and procedures are revised on a permanent basis to comply to audit requirements.

The CFO is currently developing a specific strategy for handling issues identified by the Auditor-General in the Audit Report of the last two years:

- Ensuring expenditure and capturing of amounts during March every year are in terms of the accounting policy of the government;
- Reconciliation of revenue for licenses with monthly reports;
- Ensuring supporting documents are original documentation;
- Ensuring that ledger accounts are allocated to objectives and suspense accounts are cleared;
- Correct allocation of expenditure to the applicable objectives;
- Requests to the Treasury for virements are done timeously;
- Improvement of internal controls in the department relating to;



- Finances relating to regular inspections for corrective steps;
- Personnel management in terms of appointments, duty sheets, control of leave forms, etc;
- Control of assets in the Roads Capital Account and the collection of revenue from tariffs;
- Improvements to the roster system for appointment of consultants, contractors and professional services;
- Ensuring rentals of houses at market-related tariffs;
- Timely submission of financial statements;
- Ensuring that financial reports are in accordance with the national and Provincial Treasury formats;
- Keeping of the required documentation in terms of financial issues;
- The implementation of an asset register, inventory lists, and formal stock-taking;
- Payments are done within 30 days;
- Closing of the Government Garage Trading account and the final writing off of debt in terms of the PFMA requirements.

## **19.2 IMPLEMENTATION OF THE PUBLIC FINANCE MANAGEMENT ACT**

The PFMA has been promulgated as from 1 April 2000 and the department identified five major issues that are required to ensure compliance:

- The PFMA empowers departments with responsibilities that must be delegated for execution at the most appropriate levels in each department.

The department therefore has entered into performance contracts with all managers, revised all delegations, writing job descriptions for all posts, and create an environment of accountability at all levels;

- Strategic planning, setting pre-determined performance indicators, and reporting quarterly on progress in meeting objectives must be done.

The department made enormous progress with ensuring that the Strategic Plan for 2004 complies with the National Treasury norms.

The Generic Format for Strategic Planning as issued by the National Treasury was used as a guideline for the Strategic Plan.

- Monthly reporting must take place on actual expenditure and revenue against the budget allocations and a sound reporting system should be put in place to ensure accurate projections and timely information.

The implementation of the BAS system will assist the department in this regard in terms of providing managers with information and requesting them to submit projections for the remaining months of the financial years;

- Internal control measures must be developed, an internal auditing component established as well as an Audit Committee. An audit charter, programme and regular reporting must be ensured. A departmental internal control manual will be updated and consultations with the Provincial Treasury will take place to establish a Internal Audit Unit or at least an Inspection Unit in the department;
- Financial statements, audit reports, and annual reports must be prepared timeously and form the basis for accountability.

Training modules have been introduced as a first step but must be introduced also to more managers and to senior managers.

The department has introduced and implemented various aspects relating to the PFMA but has not developed an implementation plan to ensure co-ordination in the processes for compliance.

It is the intention to prepare such a plan with assignments to various officials at all levels and indicating target dates for completion of assignments.

The plan should be finished by September 2005

The department completes the monthly reporting on expenditure and revenue at a centralized point in the department.

It is the intention to develop during 2005 an integrated monthly reporting system involving all sub-programme managers in making own projections..

It is the intention to develop a computerized model in this regard.

A model for the preparation of the MTEF budgets and the integration with the strategic plan has already been developed and was used in determining budget inputs for the 2004 MTEF

## **20 APPENDIX ONE: ANALYSIS OF SERVICE DELIVERY ENVIRONMENT**

### **20.1 POLICY CHANGES AND TRENDS**

Various policy changes might influence the work of the department.

The Medium Term Budget Policy Statement 2002, of the Minister of Finance, indicates:

- a real expenditure growth of 4,7 per cent a year;
- the economy to grow by an average of 3,5 per cent a year; and
- spending in government services will be growing steadily in real terms.

This indicates that the department:

- cannot expect large increases in budget allocations;
- will have to investigate new ways of meeting the strategic goals in the strategic plan and the performance targets;
- will have to improve the methods it is using at the moment.

This entails aspects to be investigated such as:

- Devolving functions to other entities;
- Devolution of execution to local authority levels;
- Utilization of public entities for certain functions;
- Service delivery through NGO's and private institutions and persons;
- Involving private sector role players in execution of projects through more private-public partnerships
- Taking full responsibility in the department for all management functions;
- Ensuring specific responsibilities for each post through job descriptions, duty sheets, delegations and performance measurement processes in delivery maximum outputs.

These policies are all new initiatives that must be promoted during 2004/05 as indicated in the strategic plan.

## **20.2      ENVIRONMENTAL FACTORS AND EMERGING CHALLENGES**

The funds available to the department will restrict its ability to meet the challenges it faces.

The political and social environment changes due to new political policies and the needs of clients to which the department must adapt and revise priorities and budget allocations every year.

The real challenges facing the department can be summarized as:

- Finding acceptable ways for reprioritizing needs within available funds;
- Effective communication internally and externally;
- Training personnel to work better, smarter and more cost-effectively;
- Making time available for planning and policy formulation purposes;
- Involvement of civil society in determining real needs and priorities.

### **20.2.1      DEMOGRAPHIC PROFILE OF THE PROVINCE**

Most Provincial Departments have offices in all major towns in the province.

This results in officials of the Department of Transport, Roads and Public Works having to travel extensively and many working hours are lost due to travel time.

The maintenance needs of roads are determined by inspections over vast numbers of kilometers of roads.

This is done by maintenance teams, working from various offices, and results in equipment, material, personnel, and vehicles to be provided over long distances resulting in additional cost.

About 80% of all roads in the province have traffic counts of less than 20 vehicles per day.

The major aspects influencing the department's work is therefore a lack of funds and time lost due to traveling and related costs.

### **20.2.2      EMPLOYMENT, INCOME AND OTHER INFORMATION**

The department restructured its budget to ensure that personnel expenditure is allocated to the various functional components and not managed centrally in programme 1.

This resulted in better costing of services and management of personnel.

The various functional occupational classes in the department are indicated in

**Table 9**

<b>TYPES OF OCCUPATION</b>	<b>NUMBER OF PERSONNEL</b>	<b>PERCENT OF TOTAL</b>
Managers	24	5%
Professionals	10	2%
Technicians	29	5%
Clerical	112	20%
Service and sales workers	122	22%
Craft and related trade workers	6	1%
Elementary operations/operators	246	45%
<b>TOTAL</b>	<b>549</b>	<b>100%</b>

### **20.2.3 PROFILE OF PEOPLE IN THE PROVINCE**

The province can be regarded as of rural nature and services to the people are therefore provided accordingly.

### **20.3 EVALUATION OF CURRENT IMPLEMENTATION PERFORMANCE**

The department's Annual Reports for 2001/02 and 2002/03 are available on all aspects implemented and results obtained. The department's performance management system has been implemented from 1 April 2003.

The performance targets for the next three years have been set as indicated in the various tables in each programme. **Table 4 of each programme will be monitored during 2005/06 and next MTEF years.**

## 21 **APPENDIX TWO: ORGANISATIONAL INFORMATION AND THE INSTITUTIONAL ENVIRONMENT**

### 21.1 **ORGANISATIONAL DESIGN**

The organizational structure of the departments is attached as **Annexure A**.

**Table 10** indicates the allocations in the budgets for personnel expenditure.

**Table 10**

Personnel expenditure in Rand millions

<b>Standard Items</b>	<b>2002/03 Estimated</b>	<b>2003/04 MTEF</b>	<b>2004/05 MTEF</b>	<b>2005/06 MTEF</b>	<b>2006/07 MTEF</b>	<b>2006/07 MTEF</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Personnel	32,086	33,915	41,876	52,119	55,150	58,358

**Table 11** indicates the personnel numbers in the various programme.

**Table 11**

Personnel numbers

<b>PROGRAMME</b>	<b>ESTABLISHMENT</b>	<b>FILLED POSTS</b>	<b>VACANCIES RATE %</b>
Administration	229	80	65
Public Works	81	43	47
Roads	566	257	55
Transport	24	9	62
Traffic	410	157	62
CBPW	5	3	40
<b>TOTAL</b>	<b>1315</b>	<b>549</b>	<b>58</b>

## **21.2 DELEGATIONS**

The existing delegations have been revised during 2004/05 financial-year and will result in delegations being made in writing to the appropriated level for execution.

Delegations are monitored for implementation on a regular basis by the management.

The audit findings let to the management deciding to revise delegations and then provide training to personnel in terms of their responsibilities relating to delegations.

An easy reference guide to delegations will also be developed.

## **21.3 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN**

### **21.3.1 LONG TERM CAPITAL INVESTMENT AND ASSET MANAGEMENT PLAN**

#### **Moveable assets**

The department developed a strategy with target dates for improving the management of movable assets consisting of the following elements:

- Line managers to take full responsibility over the management of moveable assets.
- Line managers must be held accountable for the prescribed stocktaking process.
- Policies, procedures, and processes are being revised at the moment to set a firm basis for procurement and provisioning in the department;
- Revising the composition of the members of the Tender Committee. Members must be identified and appointed in writing. All members must receive formal training in tendering processes.
- An Asset Register must be drawn up for inclusion in the Balance Sheet of the department. A bar-coding system will be implemented in 2007/08.
- Procurement of non-consumable items must be done centrally and delivered directly to the users.
- A departmental code for provisioning administration to be drawn up and be approved by the Accounting Officer.
- Improvements in the management of the Road Capital Account and setting up of a Trading Account in 2005/06.
- Training of all personnel in Provisioning Administration.

### **Immoveable assets (land and buildings)**

A strategy for the management of immoveable assets was prepared and consists of:

- Transfer the payment of rent for land and buildings to the user department;
- User departments will also be responsible for payment of all damages to rented land and buildings;
- The letting of state owned land and buildings must be done on a contract basis and the user department is also responsible for the maintenance of the property;
- After vesting of land and buildings the departmental register must be compared with the national register.
- A policy manual must be compiled and issued to all user departments.
- The department must monitor to determine if user departments execute the policy.

The department acts as an agent for other provincial departments and does not have funds on its budget for major capital building projects.

Various building and maintenance projects are in progress of which the major ones are:

- Rehabilitation of roads in the area of Phillipstown;
- A pilot project for road rehabilitation with asbestos fibres in the Kuruman area;
- Various Access Roads in areas such as Victoria West and Noupoot.

### **21.3.2 CAPITAL INVESTMENT PLAN**

Various projects are envisaged and in the planning phases for the next three years of which the most important ones are:

- Kubus – Richtersveld
- Platfontein Road
- Upgrading the Springbok/Komaggas Road;
- Resealing in the Upington area;
- Improvements to the Teekloof Pass;
- New Bridge: Riemvasmaak
- Hopetown-Douglas road



## **21.4 PERSONNEL**

The finalization of the new organizational structure for the department provides a firm basis for the development of an integrated human resource strategy.

All posts will be evaluated to ensure that detailed job descriptions and duty sheets are available.

It is however necessary to ensure that the occupants of the posts can be certain of the extent of the tasks that must be performed in terms of section 45 of the PFMA.

It must also form the basis of the performance evaluation of the official.

The compilation of the department in terms of representivity is indicated in **Table 12** and in **Table 13**

**Table 12**

### Senior Management: Representivity

<b>GROUP</b>	<b>ACTUAL NUMBERS (1 February 2004)</b>
African Male	2
African Female	
Coloured Male	3
Coloured Female	1
White Male	3
<b>TOTAL</b>	<b>9</b>

**Table 13**

### Departmental representivity (Excluding Management)

<b>GROUP</b>	<b>ACTUAL NUMBERS (1 February 2004)</b>
African Male	157
African Female	51
Coloured Male	219
Coloured Female	61
White Male	28
White Female	26
<b>TOTAL</b>	<b>542</b>

In terms of gender equity the department has 78% male incumbents and 22% female.

The department has 3 employees with disabilities.

## **21.5 INFORMATION TECHNOLOGY SYSTEMS**

The requirements of the PFMA must be addressed in terms of:

- Details of proposed information technology acquisition or expansion in reference to an information technology plan that supports the information plan;

The State Information Technology Agency (SITA) was established with the sole purpose of assisting departments in developing Information Technology Strategies and managing their technology resources on their behalf in terms of a service level agreement with the department.

This was done due to the scarce human resources available in the information technology field and to ensure that duplication does not take place in the development of systems, networks, mainframes and the use of software.

The department will consult with SITA in the development of an information technology strategy and with the Provincial Treasury in terms of agreements for the province.

The department developed a broad policy framework as an IT plan including:

- Installing firewalls on the LAN;
- Development of a functional website;
- Establishment of an effective back-up system;
- Installation of SACSA approved software;
- Establishment of an effective file management system.

## **21.6 PERFORMANCE MANAGEMENT SYSTEM**

The performance management system had to be implemented by 1 April 2001.

A first level supervisors training program was developed in conjunction with the Technicon. This course has a NQF 5 value.

The strategy of the department to develop performance indicators and contracts for all posts in the department will be developed during 2004.

A training needs assessment study will also be done in 2004. A training plan for the department in terms of courses and the programme for execution will then be implemented;

External and internal training programme and courses will be implemented.

### **21.7 FINANCIAL MANAGEMENT**

Financial management in the department will be revised in terms of the approved organizational structure and the establishment of the Office of the CFO.

Accounting will be managed separately from budgeting to ensure more time and attention is given to the preparation and management of the budgets.

### **21.8 AUDIT QUERIES**

Audit queries are seen as priority in the department and are handled within the required periods as stated by the Auditor-General.

### **21.9 INTERNAL AUDIT**

The Internal Audit function in the province is centralized in the Premier's Office.

The department however established a component responsible for internal inspections that reports to the CFO on a regular basis.

### **21.10 IMPLEMENTATION OF THE PUBLIC FINANCE MANAGEMENT ACT**

Training courses were given on the PFMA to various officials in the department. The department is doing a needs assessment study on all training requirements and further PFMA courses will be provided if necessary.

Various aspects of the PFMA however need attention for implementation and the department is developing a compliance strategy.