

# TABLE OF CONTENTS

<b>FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL .....</b>	<b>2</b>
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## **PART ONE**

<b>1. GENERAL INFORMATION.....</b>	<b>3</b>
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1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY BY THE HEAD OF DEPARTMENT.....	3
1.2 INTRODUCTION BY THE HEAD OF THE DEPARTMENT.....	3
1.3 INFORMATION ON THE DEPARTMENT .....	4
1.4 MISSION STATEMENT AND VISION.....	5
1.5 LEGISLATIVE MANDATE .....	5

## **PART TWO**

<b>2. PROGRAMME PERFORMANCE .....</b>	<b>6</b>
---------------------------------------	----------

2.1 VOTED FUNDS.....	6
2.2 AIM OF THE VOTE .....	6
2.3 SUMMARY OF PROGRAMMES.....	6
2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2004/05.....	6
2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2004/05 .....	7
2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR 2004/05.....	8
2.7 DEPARTMENTAL RECEIPTS .....	9
2.8 DEPARTMENTAL PAYMENTS .....	11
2.9 PROGRAMME PERFORMANCE .....	12
2.9.1 ADMINISTRATION .....	12
2.9.2 PUBLIC TRANSPORT .....	14
2.9.3 TRAFFIC ADMINISTRATION .....	36
2.10 TRANSFER PAYMENTS. ....	48

## **PART THREE**

<b>3. REPORT OF THE AUDIT COMMITTEE.....</b>	<b>49</b>
--	-----------

## **PART FOUR**

<b>4. ANNUAL FINANCIAL STATEMENTS.....</b>	<b>52</b>
--	-----------

4.1 REPORT OF THE ACCOUNTING OFFICER .....	52
4.2 REPORT OF THE AUDITOR-GENERAL .....	61
4.3 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS .....	66
4.4 APPROPRIATION STATEMENT .....	72
4.5 NOTES TO THE APPROPRIATION STATEMENT .....	77
4.6 STATEMENT OF FINANCIAL PERFORMANCE .....	78
4.7 STATEMENT OF FINANCIAL POSITION .....	79
4.8 STATEMENT OF CHANGES IN NET ASSETS .....	80
4.9 CASHFLOW STATEMENT .....	81
4.10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS.....	82
4.11 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS .....	89
4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS.....	93

## **PART FIVE**

<b>5. HUMAN RESOURCES MANAGEMENT .....</b>	<b>101</b>
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5.1 Organisation .....	101
5.2 High level information on key human resource issues.....	101

## FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL

The Operational Plan and the Policy Speech for the financial year 2004-05 was delivered to Legislature of our province at the beginning of the financial year in 2004. The Operational Plan which derived its year's programme of action from the multi-year Strategic Plan, chartered its way for the implementation of the government policies and priorities related to Transport sector. Our provincial blue print plan, the Provincial Growth and Development Plan (PGDP) is premised from the provincial policies in line with national directives. Based on the requirements of the government laws regarding management of government resources, in implementing its priorities, the time has come to account for the outputs and outcomes as planned in our operation plan, through the Annual Report for 2004-05. It is my honour and privilege to present the Annual Report for 2004-05.

The responsibility, transparency and accountability for our resources denote the seriousness of our democracy and a decade of untiring service delivery. We attest to the words of our Premier who stated that: "we shall not abandon the poor".

In 2004 the Department attained an unqualified audit report. This attested to the satisfactory level of efficiency of management of resources and emerging special cadres that provide management and leadership of the Department. These are efforts against odds to be able to deploy and account for resources allocated for the improvement of quality of life of our people.

In 2005 the Department was qualified for one item being the motor vehicle registration fees. This is known by the Executive Council as these are the monies held back by the Nelson Mandela Metropolitan Municipality due to allegations of defaulting provincial departments owing the Nelson Mandela Metropolitan Municipality. We are confident that the matter will be laid to rest with significant improvements during 2006 and 2007 financial years.

The collective and team spirit which has solidified over time within the Department has been the recipe for success in the past year, and a recipe for the future. The incorporation of Roads function to the Department is a challenge that we are happy to manage. Our theory of sound governance will be tested when translated into practice and action during the time we account for this function in the 2005-06 annual report.

We continue to take stock and review our strategic direction in an effort to reposition our Department during the 2005-06 and subsequent financial years. We seize opportunities to consolidate our relationship with stakeholders, intensifying our partnership with business and other community formations. Through our PGDP, we shall continue to improve in ensuring that value added and quality services are delivered to our communities and clients.



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**THOBILE MHLAHLLO**

**MEC: PROVINCIAL SAFETY, LIAISON, ROADS AND TRANSPORT**

## **PART ONE**

### **1. GENERAL INFORMATION**

#### **1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY BY THE HEAD OF DEPARTMENT.**

In accordance with the provisions of Section 40(1)(d) of the Public Finance Management Act, 1999 (Act 1 of 1999) as amended, the Annual Report for the fiscal year ended 31 March 2005 is hereby submitted to the Member of the Executive Council responsible for Roads and Transport in the Province of the Eastern Cape.



.....  
**J. B. MTILA**  
**ACTING ACCOUNTING OFFICER**  
**DEPARTMENT OF ROADS & TRANSPORT**  
**PROVINCE OF THE EASTERN CAPE**  
**REPUBLIC OF SOUTH AFRICA**

#### **1.2 INTRODUCTION BY THE HEAD OF THE DEPARTMENT**

The Department during the course of the year under review, incorporated Roads function to its core business with effect from 1 September 2004. Hence the departmental name changed to the Department of Roads and Transport. However, the actual function in respect of the budget and other resources was effective from 1 April 2005 and we shall account for the roads function in the annual report for 2005-06. Set out below are some of the highlights of the Department for the year under review. These highlights, based on the Business Plan of the Department, are listed per programme as indicated:

##### **Administration**

- The department engaged 100 learners as part of the Maths and Science project 30 of whom wrote matric exams. 29 passed and 3 of the 29 passed with distinction.
- 10 bursaries were awarded to external learners in order to address the scarce skills.

##### **Public Transport**

- As a contribution towards the Urban Renewal Strategy, R13 m was transferred to Nelson Mandela Metropolitan Municipality, Amatole and Ukhahlamba District Municipalities. towards transport infrastructure improvement contained in their plans.

## **Traffic Management**

- Eleven Traffic Officers who obtained their Basic Diploma's as Municipal Police Officers at the Port Elizabeth Traffic Training College in December 2003 as private individual students were employed as interns until June 2004 after which ten were appointed as permanent staff.
- Eleven private individuals received bursaries from the department in order to undergo the basic-training course.
- 693 schools were reached on Traffic Safety Education for Grade R-3 (Foundation Phase) through workshops and Teacher Seminars.
- Junior Traffic Training Centres are maintained and monitored.
- Out of 258 Scholar Patrol Crossings registered 42 were withdrawn due to road improvements and roads that are no longer hazardous to learners, 11 new Scholar Patrol Crossings were registered.
- 8500 Learner Support Material on Scholar Patrol, ABC Posters and Child in Traffic were developed and distributed to schools.
- The following four Community Based Programmes were successfully implemented:
  - ❖ Shakes Mahangu Stray Animal Programme
  - ❖ Be Sign Wise
  - ❖ Adult Pedestrian and Passenger Safety Programme
  - ❖ Driver Training and Education
- The Arrive Alive Campaign was successfully implemented during the peak periods even though the department did not receive any financial assistance from the National Department of Transport. The goal was achieved through joint ventures and partnerships with different stakeholders such as Municipalities, Community Road Safety Forums, SANDF, Emergency Services, Law Enforcement and Community Radio Stations.
- Three Wreath Laying Ceremonies were successfully implemented to commemorate victims of road accidents in the following districts:
  - ❖ Chris Hani
  - ❖ Alfred Nzo
  - ❖ Amathole

## **1.3 INFORMATION ON THE DEPARTMENT**

- Consistent with its core functions, the Department is responsible for administration of public transport in the Province of the Eastern Cape including:
  - Formulation and implementation of an integrated provincial transport policy;
  - Facilitation and promotion of traffic safety and traffic law enforcement;
  - Provision and the regulation of a reliable, safe, and efficient public passenger transport service in the province;
- The Department entered into a 5 year contract with Fleet Africa Eastern Cape to provide transport for provincial departments. The contract expires in August 2008.

- The Mayibuye Transport Corporation (MTC) falls under the Executive Authority's control as listed in Schedule 3D of the Public Financial Management Act, 1999 (Act No. 1 of 1999). The Corporation is funded by means of a grant-in-aid, which is reflected under Transfer Payments in the Income Statement. The Corporation is undergoing feasibility studies in respect of restructuring.
- The Department also serves as a conduit in receiving and disbursing funds from National Department of Transport to Algoa Bus Company. The funds are in a form of subsidy to transport passengers in the Nelson Mandela Metropolitan Municipality and its surroundings.
- No new bills were submitted to the Legislature during the financial year.

#### **1.4 MISSION STATEMENT AND VISION**

##### **MISSION STATEMENT**

To facilitate and regulate the provision of safe and affordable multi-modal transport system which is integrated with land-use to ensure optimal mobility of people and goods in the Province of the Eastern Cape in support of provincial growth and development.

##### **VISION**

An efficient, safe, affordable, sustainable and accessible transport system in the province of the Eastern Cape.

#### **1.5 LEGISLATIVE MANDATE**

The Department derives its existence and operations from the following legislative mandates:

- Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- National Transport Policy 1996
- National Road Traffic Act, 1996 (Act No. 93 of 1996)
- Urban Transport Act, 1977 (No 78 of 1977)
- National Land Transport Transition Act, 2000 (No 22 of 2000)
- Passenger Transportation (Interim Provisions) Act, 1999 (No 11 of 1999)
- Road Transportation Act, 1997 (Act No. 74 of 1977)
- Criminal Procedure Act, 1997 (Act No.51 of 1977)
- Public Finance Management Act, 1997 (No 1 of 1999)
- Public Service Act, 1994 (Act No.103 of 1994)
- Skills Development Act, 1998 (Act No 97 of 1998)
- Skills Development Levy Act, 1999 (Act No 9 of 1999)
- Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000)
- Employment Equity Act, 1998 (Act No 55 of 1998)
- Regulations emanating from the above legislations

## PART TWO

### 2. PROGRAMME PERFORMANCE

#### 2.1 VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Under Expenditure R'000
	R 312 507	R 302 586	R 289 005	R 13 581
Responsible MEC	MEC for Safety, Liaison, Roads and Transport			
Administering Dept	Department of Roads and Transport			
Accounting Officer	Head of Department			

#### 2.2 AIM OF THE VOTE

In line with the vision and mission of the Department, the aim of the Vote is to facilitate, promote, provide adequate and reliable public transport; and traffic management in the province.

#### 2.3 SUMMARY OF PROGRAMMES

The department operates under the following key programmes:

- Administration
- Public Transport
- Traffic Management

#### 2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2004/05

In meeting the strategic objectives for public transport services in the province the Department was faced with major challenges as far as the availability of human and financial resources were concerned. The transformation of public transport to a formal and well regulated system requires major resources and commitment from both government and the industry.

Budgetary constraints prevented the Department from progressing with the PPP route to maximise the utilisation of the Bhisho and Mthatha airports.

Progress with the construction of a rail siding outside Mthatha as part of the Kei Rail Phase 3 project was hampered by the process of relocating affected residents.

Expansion of the informal settlement and the life style of people living next to high-speed roads as contributing factors to high incidents of pedestrian fatalities accidents pose a great demand for pedestrian road safety solutions.

Increase in the number of schools built as a result of class room backlogs and the increase of low cost houses and informal settlements also have an impact on the demand for road safety education.

## 2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2004/05

In August 2004, a promulgation was passed for the incorporation of the Roads function into the department. The exercise of implementing the promulgation posed a number of challenges in the verification of the resources to be inherited (both human and material) as well as identifying backlogs of liabilities. In the year under review the identification of the liabilities had not been verified although a programmatic transfer of the personnel on PERSAL was carried out on 18 March 2005. The transfer was without any support staff and the process of transferring the support staff to follow the function was to be undertaken in the new financial year.

In so far as organisational structure to accommodate the new function together with new mandates that the department is tasked with, it could not be finalised in the year under review instead the Roads Branch was only cut from the structure of Department of Roads and Public Works and posted onto that of Department of Roads and Transport. The structure will be concluded in the new financial year: 2005/06. The physical transfer of the roads function including budget, personnel and equipment has been effected from April 2005.

The inadequate human resources and equipment in programmes dealing with service delivery, namely, traffic officers, road safety officers, etc. remains a challenge to the department which if not addressed sooner, the fatalities on the roads of the province will continue to be a challenge.

The Department has been led by Acting Head and Accounting Officer since the post became vacant in November 2004. The post is projected to be filled in the second quarter of the financial year 2005/06.

### Summary of post vacancies and supernumeraries

Staff Categories	Number			Average Annual change
	2003	2004	2005	
Total staff complement	1069	1081	1102	1.91% increase
Number of professional and managerial posts	197	197	197	0%
Number of professional and managerial posts filled	90	88	118	34% increase
Number of excess staff	21	18	9	50% decrease

### Key expenditure indicators

Category of expenditure	Percentages or Rands (000's)			Average Annual change
	2003	2004	2005	
Personnel expenditure as % of total expenditure	49.13%	42.86%	49.68%	6.55%

## Progress with promoting SMME's and BEE

Category of expenditure	Percentages or Rand (000's)				Average Annual change
	2002	2003	2004	2005	
<b>Encouragement of Small business</b>					
Number of contracts to SMME's	53		110	140	27.3%
Total value of contracts to SMME's	4529		325 080	561441	72.7%
% of total contracts to SMME's by value	2%		0.9%	4.2%	
<b>ENCOURAGEMENT OF BLACK ECONOMIC EMPOWERMENT</b>	<b>Part of the above</b>	<b>Part of the above</b>	<b>Part of the above</b>		
Number of contracts to BEE			86	41	(40.7%)
Total value of contracts to BEE			5 190 809	3 046 777	(41.3%)
% of total contracts to BEE by value			15%	23%	
% of total budget to BEE			2%	1%	

## 2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR 2004/05

- The promulgation passed in 2004 incorporating Roads into Transport demanded the alignment of activities to new mandates as well as adjusting to PGDP imperatives.
- The impact of Resolution 7 of 2002 has resulted in the Department having to absorb excess employees who required to be trained and developed for their new occupations, adding to those absorbed from Government Motor Transport which was outsourced.
- In order to address the critical shortage of staff with specific skills, the Department has embarked on a special bursary programme targeting scarce skills. It is hoped that the benefit of this programme will be realised over the short and medium term.
- To complement the bursary programme, the department was also running a project of assisting learners to improve their Maths and Science at matric level so that they are able to pursue studies that are transport related.
- The high level of unemployed youth and women has focussed the Department's activities around the implementation of learnerships in conjunction with the Transport SETA (TETA). We are committed to making significant in-rows in terms of upskilling of unemployed in order to make them more employable in the future.
- In line with the Skills Development Strategy, learners from across the province were engaged for learnership and internship programmes.
- Good progress was made with moving from an unsustainable system of bus operations in the Transkei area to a system in which small bus operators are being brought together into a single legal entity.
- It is estimated that approximately 120 small bus operators, operating about 166 buses, will participate in the project transporting about 5,3 million passengers per annum and that approximately 430 job opportunities will be created.
- Besides the increased accessibility and mobility of rural communities in the Transkei, the project will also lead to the empowerment of small bus operators.



- A number of accidents involving learners being transported by bakkies led to a renewed emphasis on the need for a review of policies regarding the conveyance of persons for reward in the different types of vehicles.
- The now well-acknowledged need for the implementation of a back-to-rail policy has added pressure on the Department to ensure that the underutilized rail network in the province is turned around.
- Through the assistance of the National Department of Transport the department has managed to upgrade and improve the standard of nine driving licence testing centres. The funding and construction of these projects is the prerogative of the Province and the Local Authorities are responsible for operation thereof. The challenge is that Local Authorities do not always have the capacity to operate these centres due to personnel shortages and budgetary constraints.

## 2.7 DEPARTMENTAL RECEIPTS

- The adjusted revenue budget for the department amounts R109m and the revenue collected as at 31 March 2005 is R116m, a positive deviation of 7%.
- The main source of revenue for the Department arises from the collection of registration and licensing of motor vehicles, a function that is carried out by municipalities in the Province which are appointed as Registering Authorities and functioning as collecting agents.
- There is great improvement in the collection of motor vehicle license fees by the municipalities as compared with previous years though the question of the Nelson Mandela Metropolitan Municipality has still not been resolved and the Municipality continues to withhold monies collected on behalf of the Department. The Department is pursuing legal course to recover the outstanding monies from the Nelson Mandela Metropolitan Municipality.
- An alternative service provider has however, been identified for the collection of motor vehicle licence fees in the metro area and it is expected that the switch over to a new service provider will bring positive results.
- During the year under review the department has collected revenue from the following sources:

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
<b>Current revenue</b>	<b>118,856</b>	<b>109 062</b>	<b>116 426</b>	7%
Tax revenue	92,466	104 251	105 832	1%
Non-tax revenue	26,390	4 811	10 594	120%
<b>Capital revenue</b>	<b>33,104</b>	<b>0.00</b>	<b>0.00</b>	
Sale capital assets	33,104	0.00	0.00	
<b>Departmental revenue</b>	<b>151,960</b>	<b>109 062</b>	<b>116 426</b>	7%

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
Motor vehicle licenses tax	92 466	104 251	105 832	2%
Activities on public roads		9	11	22%
Operating licences (taxis)	1 112	675	1 560	131%
Learners and Drivers license fees		2 030	811	60%
Motor vehicle registration: Personalised	2 191	128	1 158	804
Motor vehicle registration: Specific		132	720	445
Services rendered: Transport fees	438	379	528	39
Request Info: Access to Info Act		17	24	41
Sales: Tender documents		0	10	
Rental: Office buildings		745	560	25
Fines, penalties & forfeits	807	676	3 174	369
Financial transactions in assets & liabilities	21 842	0	1 147	0
Sale of equipment	33 104	0	0	0
Serv. rend: Commission on insurance		0	303	0
Interest		0	16	0
Abnormal loads		0	472	0
Permits of authorised officials		0	100	0

### Specific challenges and responses

**Challenge 1: Non payment for services rendered**

Some municipalities withholding monies collected on behalf of the department.

**Response to Challenge 1**

The Department has instituted legal recourse to recover the outstanding monies.

### Issues requiring ongoing attention.

Constant follow up on defaulting municipalities and ensuring that municipalities comply with the provisions of the agreement.

## 2.8 DEPARTMENTAL PAYMENTS

The primary aim is to explore how actual expenditure differed from planned expenditure and how this may have impacted on service delivery. The secondary aim is to provide the department with an opportunity to report on measures that were adopted to improve the efficiency and economy of spending on each programme.

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Administration	69 169	10 685	4 000	83 854	81 189	2 665
Public Transport	156 025	-16 659	(21 500)	117 866	109 710	8 156
Traffic Management	87 313	-3 947	17 500	100 866	98 106	2 760
<b>Total</b>	<b>312 507</b>	<b>-9 921</b>	<b>-</b>	<b>302 586</b>	<b>289 005</b>	<b>13 581</b>

### Specific challenges and responses

#### **Challenge 1: Funding for Kei Rail project**

The funds for this rail line project between East London and Umtata could not be utilised in full due to the refurbishment phase and re-introduction of the rail services being delayed by the siding development and completion of the refurbishment contract between Idutywa and Mthatha.

#### **Response to Challenge 1**

Since the development of siding facilities at Zamikulungisa near Mthatha is on the critical path of phase 3 of the project the relocation of illegal dwelling on the site is of great importance.

#### **Challenge 2: Funding personnel expenditure**

The personnel expenditure costs were still not adequately budgeted for in the MTEF period as the result over-expenditure against this item is always recorded. Furthermore personnel that were transferred in terms of Resolution 7 could not be adequately funded by the transferring department as it is the policy that 'function follows funds'.

#### **Response to Challenge 2**

Steps will be taken that when we are budgeting for 2006/2007 to 2008/2009 MTEF period, Provincial Treasury should provide the necessary funding that will cover appropriate MTEF.

### Issues requiring ongoing attention

The Kei Rail Project will require ongoing attention, and the Department will always try to make adequate budget provision in the MTEF period so that the duration of the project is not affected by the lack of funding.

## 2.9 PROGRAMME PERFORMANCE

### 2.9.1 ADMINISTRATION

#### PURPOSE

To render strategic leadership and direction; effective financial, human resources, development and asset management support services; organisational development and information technology support; facilitate procurement of transport services for provincial departments.

#### SERVICE DELIVERY ACHIEVEMENTS

Measurable Objective	Performance Measure	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Unit	%
Implement skills development initiatives	<ul style="list-style-type: none"> <li>Maths and Science project is initiated to prepare learners to study scarce skills</li> </ul>	To engage 100 learners around Nelson Mandela metropolitan Municipality	100 learners were engaged 30 of whom wrote matric exams and 29 passes and 1 failed. Of the 29, 3 passed with distinction	Nil	Nil
	<ul style="list-style-type: none"> <li>Recruit 10 learnership and 15 interns for training</li> </ul>	<ul style="list-style-type: none"> <li>10 youths</li> </ul>	<ul style="list-style-type: none"> <li>10 youths were appointed for Freight Handling Logistics learnership</li> <li>20 Interns were appointed and 10 thereof appointed permanently as traffic Officers</li> </ul>	Nil	Nil
<ul style="list-style-type: none"> <li>Award skills development initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Award a minimum of bursaries that address scarce skills.</li> </ul>	<ul style="list-style-type: none"> <li>10 Bursaries</li> </ul>	10 bursaries were awarded to external learners on the following fields of study: <ul style="list-style-type: none"> <li>1 x N.D. Mechanical Engineering</li> <li>1 x B.Admin HR</li> </ul>		

Measurable Objective	Performance Measure	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Unit	%
Manage HIV & AIDS pandemic	<ul style="list-style-type: none"> <li>Finalise development of the policy</li> <li>Develop Implementation programme/strategy</li> <li>Develop a strategy that will encourage people to go for testing and how to go about to get help</li> </ul>	<ul style="list-style-type: none"> <li>Policy to be developed by 31/03/2005</li> <li>Each district to have a Peer Educator trained</li> <li>Awareness raising plan in place and implemented</li> </ul>	<ul style="list-style-type: none"> <li>Management</li> <li>2 x Civil Engineering</li> <li>1 x Transport Engineering</li> <li>2 x N.D. Information Technology</li> <li>1 x Avionics Electrician</li> <li>1 x N.D. Computer Science</li> <li>1 x Pilot Studies</li> <li>A draft copy of the policy was developed and consulted</li> <li>6 districts have a Peer Educator trained</li> <li>A draft copy of the plan developed</li> </ul>		

Measurable Objective	Performance Measure	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Unit	%
Effectively organize and deliver process based IT solutions to enable the Department deliver on its mandate	<ul style="list-style-type: none"> <li>Network availability to all district offices and traffic stations</li> </ul>	<ul style="list-style-type: none"> <li>6 district offices connected to the network</li> <li>6 Traffic stations connected to the network</li> <li>80 % of Obsolete PCs replaced and 6 PCs installed to traffic stations</li> </ul>	<ul style="list-style-type: none"> <li>6 district offices connected to the network</li> <li>6 Traffic stations connected to the network</li> <li>80 % Obsolete PCs replaced and 6 PCs installed to traffic stations</li> </ul>	1 District office partially connected	100
					100
					100
Procurement of hardware, software and SITA services	<ul style="list-style-type: none"> <li>100 PCs purchased and deployed to relevant offices</li> </ul>	<ul style="list-style-type: none"> <li>Website &amp; Intranet sites developed and available to the public and employees</li> </ul>	<ul style="list-style-type: none"> <li>Website &amp; Intranet sites developed and available to the public and employees</li> </ul>		
Development of Departments Website & Intranet	<ul style="list-style-type: none"> <li>Having the Department On-line and available to the public and government employees nationwide</li> </ul>				

## 2.9.2 PUBLIC TRANSPORT

### PURPOSE

To plan, regulate and facilitate the provision of public transport services and infrastructure facilities in order to enhance mobility of all communities, particularly those without or with limited access.

### MEASURABLE OBJECTIVES

- To provide support for the entire programme which pertains to activities of the senior management and secretaries as a strategic resource and to develop work improvement procedures and methods.
- To formulate, promote and implement integrated transportation policies and plans.
- To ensure a safe, accessible and cost effective provincial transport infrastructure which supports provincial priorities and adheres to environmental requirements.

- To ensure that all communities have access to safe, affordable efficient and reliable multimodal public passenger transport.
- To stimulate increased utilisation and generation additional revenue through aggressively marketing Bhisho and Mthatha Airports

## SERVICE DELIVERY ACHIEVEMENTS

### a) SUB-PROGRAMME 2.1: PLANNING

#### 1. Transport Policy

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Comments from stakeholders on need for amendments						
<b>Process</b>						
Review White Paper on Transport Policy						
<b>Output</b>						
	Transport Policy	Monitored implementation of White Paper on Provincial Transport Policy	Publish Revised White Paper in Provincial Gazette	White Paper not revised		100

#### Specific challenges and responses

##### **Challenge 1: Revision of White Paper**

The White Paper was not revised due to:

- the pending functional merging of the Roads section
- budgetary constraints due to belt tightening
- change in MEC for Transport

##### **Response to Challenge 1**

White Paper scheduled for revision in 2005-2006 financial year

#### Issues requiring ongoing attention

Revision of White Paper may be influenced by proposed review of National White Paper on Transport in 2005-2006.

## 2. Rural Transport Development Plan.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Transport needs for rural development						
<b>Process</b>						
Prepare and facilitate implementation of a Rural Transport Development Plan						
<b>Output</b>						
	Rural Transport Development Plan	Rural Transport Plan endorsed by Steering Committee	Approval of the plan by the MEC and adoption by EXCO	Plan approved by MEC for submission to Exco		30

### Specific challenges and responses

<b><u>Challenge 1: Adoption of plan by Exco</u></b>
The plan had to be considered by Cluster and Cabinet Committees before submission to Exco
<b><u>Response to Challenge 1</u></b>
Plan to proceed to Exco for adoption in the 2005-2006 financial year.

### Issues requiring ongoing attention

Following adoption of plan, the challenge will be to package and finance projects arising from plan which will require active participation by relevant departments.



### 3. Provincial Land Transport Framework

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Participation from stakeholders						
<b>Process</b>						
Preparation of Provincial Land Transport Framework						
<b>Output</b>						
	Provincial Land Transport Framework	First PLTF for the Eastern Cape completed and submitted to NDOT for review	PLTF gazetted for implementation.	Concurrence of NDOT but PLTF not gazetted		50

#### Specific challenges and responses

##### **Challenge 1: Concurrence of NDoT**

The concurrence of the national Department of Transport was subject to certain revisions being included in an update of the PLTF.

##### **Response to Challenge 1**

The update of the PLTF is scheduled to be undertaken during the 2005-2006 financial year.

### 4. Integrated Transport Plans.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Co-operation and participation by LAs						
<b>Process</b>						
Guide and monitor the preparation of integrated transport plans in the Province						

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Output</b>						
	Integrated Transport Plans	Current Public Transport Records completed. Business Plan for Operating Licence Strategy.	ITP's submitted to MEC for approval.	ITPs under preparation in 6 district municipalities. 45% complete		65

### Specific challenges and responses

**Challenge 1:**

The preparation of Integrated Transport Plans is a new activity undertaken by District Municipalities that generally lack transportation planning capacity.

**Response to Challenge 1**

Municipalities are being given technical and financial assistance in order to complete the preparation of Integrated Transport Plans

### Issues requiring ongoing attention

Technical and financial support to municipalities to undertake ITP's as required by National Land Transport Transition Act.

## 5. Integrated 5-year Transport Infrastructure Plan.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Infrastructure plans from different authorities						
<b>Output</b>						
	5 year Infrastructure Plan	Appointed service provider to develop Plan	Approval of 5 year Infrastructure Plan by the MEC	Preliminary Plan completed and presented to district municipalities 60%		40

### Specific challenges and responses

<b><u>Challenge 1: 5-year infrastructure plan</u></b>
Finalisation and acceptance of prioritisation criteria by affected authorities
<b><u>Response to Challenge 1</u></b>
Prioritisation criteria to be fine tuned in 2005-2006 financial year before submitting to ExCo for approval

### Issues requiring ongoing attention

Annual updating of Plan and funding to implement prioritized projects.

### 6. Provincial Rail Committee.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Support and participation from relevant rail and planning authorities						
<b>Output</b>						
	Provincial Rail Committee	Task Team Established TOR developed Identified the need for integrated rail planning	Appointment of committee by MEC and adoption by EXCO	Establishment of committee adopted by Exco. 50% of nominations received		20%

### Specific challenges and responses

<b><u>Challenge 1: Establishment of Committee</u></b>
Finalisation of committee members
<b><u>Response to Challenge 1</u></b>
Committee members to be appointed and Inaugural meeting to be held in 2005-2006 financial year

**b) SUB-PROGRAMME 2.2: INFRASTRUCTURE**

**7. Financial assistance to local authorities for improving transport facilities**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Transport Plans from municipalities						
<b>Process</b>						
Approve business plans/transport plans and monitor use of funds						
<b>Output</b>						
	Approved Transport Plans	Approved 3 MTA transport plans and 2 DM business plans	Approve 3 MTA Transport plans and 6 DM business plans	Approved 2 MTA Transport Plans and 4 DM business plans		33

**Specific challenges and responses**

<b><u>Challenge 1: Metropolitan Transport area Transport Plans</u></b>
The transport plan submitted by the Core City of the Umtata Metropolitan Transport Area could not be approved as it had not been recommended by a Metropolitan Transport Advisory Board as previous board's term of office had expired and a new board not appointed.
<b><u>Response to Challenge 1</u></b>
The Core City (King Sabata Dalindyebo Municipality) had been requested to forward nominations to the department for approval by the MEC.
<b><u>Challenge 2: District Municipalities</u></b>
Not all district municipalities respond to departmental request to submit business plans
<b><u>Response to Challenge 2</u></b>
District managers to further assist in liaising with district municipalities
<b><u>Challenge 3: Funding</u></b>
Requests for funding exceeded available funds. Available funds were reduced due to belt tightening.
<b><u>Response to Challenge 3</u></b>
Department to continue to provide grants-in-aid to local authorities

**Issues requiring ongoing attention**

Monitoring of projects implemented in terms of Plans.

## 8. Road Safety Remedial Measures

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Road Safety Audits						
<b>Output</b>						
	No of Km roads that comply with SARoad Safety Manual	45km	55km	Contracts awarded for 700km road marking		50

### Specific challenges and responses

#### **Challenge 1: Budgetary constraints**

Budgetary constraints of belt tightening exercise reduced available funds. 300km of road marking deferred

#### **Response to Challenge 1**

Roadmarking contracts to be undertaken in 2005-2006 financial year

### Issues requiring ongoing attention

Normal road maintenance programmes should include the implementation of road safety remedial measures.

## 9. Kei Rail

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Demand for improved rail services						
<b>Process</b>						
Kei Rail – Refurbishing existing line from aMabele to Mthatha						

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Output</b>						
	Improved rail line between aMabele and Mthatha	81Km	<ul style="list-style-type: none"> <li>• Refurbishment of existing line complete</li> <li>• Siding outside Umtata complete</li> <li>• Preliminary Design of new alignment complete</li> </ul>	<ul style="list-style-type: none"> <li>• 3 of 4 contracts complete</li> <li>• 4th contract 80% complete</li> <li>• Signalling and train control contract 40% complete</li> <li>• Complete</li> </ul>		<p>5</p> <p>100</p> <p>0</p>

### Specific challenges and responses

<b><u>Challenge 1: Zamakulingisa Siding</u></b>
Siding could not be built due to informal settlement occupants not being relocated
<b><u>Response to Challenge 1</u></b>
Relocation discussions ongoing with relevant stake holders and departments

### Issues requiring ongoing attention

Ongoing monitoring of projected demand for freight and passenger services.

### 10. Extension of rail commuter service (Buffalo City and Nelson Mandela Metro)

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Demand for commuter services						
<b>Process</b>						
Planning and implementation of commuter services: East London – KWT (Joint initiative)		Business Plans for extension in Buffalo City submitted to DoT	Preliminary Design for extension from Berlin to King William's Town.	No progress		100
Planning and implementation of commuter services: PE – Motherwell (Joint initiative)		Route and station location	Detailed design for extension to Motherwell	Design not carried out		100
<b>Output</b>						
	Commuter service extended from Berlin to KWT and from Port Elizabeth to Motherwell					

### Specific challenges and responses

<b><u>Challenge 1: EL – King William's Town</u></b>
Awaiting approval of Business Plan by Department of Transport.
<b><u>Response to Challenge 1</u></b>
Project to be considered further in terms of the Buffalo City Municipality Integrated Transport Plan
<b><u>Challenge 2: Motherwell Line</u></b>
Delayed due to SARCC approval mid March 2005.
<b><u>Response to Challenge 2</u></b>
Design now due October 2006: process to be informed by NMMM Integrated Transport Plan

## 11. Pedestrian and Cyclist Facilities

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Need for non-motorised transport facilities.						
<b>Process</b>						
Identify and facilitate the implementation of Pedestrian and cyclist facilities to promote the use of non-motorised transport.						
<b>Output</b>						
	Pedestrian /Cycle Paths	-	Needs analysis report	Facilities identified by municipalities and submitted to Department for prioritisation for incorporation in to report- 20% complete.		80

### Specific challenges and responses

#### Challenge 1:

#### **Prioritisation of implementation of identified projects**

#### Response to Challenge 1

To be determined in terms of prioritisation criteria of 5-year Transport Infrastructure Plan priorities

### Issues requiring ongoing attention

Promotion of non-motorised transport as an integral and important part of the transport system.



c) **SU-PROGRAMME 2.4: EMPOWERMENT AND INSTITUTIONAL MANAGEMENT.**

**12. Complete Restructuring of Mayibuye**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
PPP Steering Committee and Transaction Advisers working with Department		Feasibility study completed. Request for proposals advertised.	Feasibility study had to be updated and the route design revisited.	Section 47(2) of the NLTTA stipulates that the Department should apply to the National Minister for a negotiated contract.		
		Bids considered but none within affordability level due to misunderstanding of information in the RfP.	Applied for TA1 & TA11A. Had to obtain Certificate of Funding from Provincial Treasury.  After receiving TA1 & TA11A the procurement process will start.  Apply to National Minister for a negotiated contract.	There had been no response in this regard from the Office of the National Minister.		
<b>Process</b>						
Follow PPP procedures						
<b>Output</b>						
Services rendered by private partner in terms of the contract						

**Issues requiring ongoing attention**

The process of restructuring the Mayibuye Transport Corporation has been running for quite a long time of not less than three years now without finalisation. This becomes a matter of great concern as this delay introduces undue anxiety upon the stakeholders particularly the workforce. Most of these delays can be attributed to the chain of processes which is long.

### 13. Subsidised Land Passenger Transport

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Current contracts, subsidies						
<b>Process</b>						
Manage current contracts and of MTC and Algoa Bus Co.		The current contracts which is a Grant-in-Aid in respect of MTC and an Interim Contract iro Algoa	Managed efficiently	Managed efficiently		
<b>Output</b>						
Bus passenger transport services being provided.						
<b>Efficiency</b>						
Operations in Transkei area being monitored by District Office staff						

### 14. Restructuring of Bus Passenger Transport

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Consultants to complete						
<b>Process</b>						
Manage current contracts and payments and consider RVS report						

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Output</b>						
Consultants to complete		Consultants appointed to conduct a Route Viability Study (RVS) to inform issues of subsidy i.e. which routes and at how much. Study conducted Services rendered in terms of the 1999 contract.	Implement a new contract. Set up a Steering Committee made up of reps from PDOT, ECDC. Bus Operators. Invited tenders for the appointment of team of experts to assist with establishment of a single legal entity	The Steering Committee functioning. Conducted road shows in the Districts to obtain full buy-in from Bus Operators.		
<b>Efficiency</b>						
Operations in Transkei monitored		Bus Operations monitored from District Offices.	Services rendered as expected			

### Specific challenges and responses

#### **Challenge 1: Capacity of Bus Operators**

The Bus Operators currently rendering this service fall into the category of small, emerging entrepreneurs who do not have the required financial muscle to run a service of this magnitude.

#### **Response to Challenge 1**

The Department is spearheading an empowerment drive in the form of a legal entity which serve as a channel of forwarding subsidy meant for Bus Operators. This is a comprehensive package that will place Bus Operators on a sound financial footing.

**15. Table : Facilitating subsidised bus passenger transport services in Nelson Mandela Metropolitan Municipality (NMMM)**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Co-operate with NMMM to update service design		Continued to manage Interim Contract that is funded by the National Department. Negotiated contract issue submitted to the Economic Growth & Development cluster where it received huge support	MEC & Exco had to decide as to whether the negotiated contract option was the best in the circumstances .	Exco's response still awaited. Thereafter other processes will follow.e.g. service design would have to be updated because it is more than 30 months old already.		
<b>Process</b>						
NMMM to appoint consultants for service design. ECDOT to appoint consultants to draft business plan for neg. contract and restructuring.						
<b>Output</b>						
Updated service design for neg. contract and plan for restructuring						

#### Issues requiring ongoing attention

The process of redesigning the current services rendered by the Algoa Bus Company is also taking time to complete. The delays are at the instance of the long chain with regards to the processes that had to be adhered to.

**16. Effective and reliable bus passenger transport services**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
RVS, NMMM approved design and MTC updated service design			To do RSV for NMMM and updated service design for MTC	Awaiting the Exco's approval		
<b>Process</b>						
Draft specs and follow procurement process			To have draft specs	Awaiting the Exco's approval		
<b>Output</b>						
Clear specs for SMF's			SMFs to be given opportunity to make inputs before approval of the specs	Awaiting the Exco's approval		
<b>Efficiency</b>						
Penalise non compliance			To ensure strict adherence to the contract	Awaiting the Exco's approval.		

**17. Expand subsidised passenger transport to areas of greatest need**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Current Public Transport Records (CPTR's) from District Municipalities			Appoint Consultants to analyse CPTRs	Due to the belt tightening the appointment of consults could not be done		
<b>Process</b>						
Analyse CPTRs			Consultants to analyse the CPTRs	Analysing of the CPTRs had to be shelved for next financial year		
<b>Output</b>						
Report to indicate priority areas for further subsidised services			Expand subsidised bus services to other areas of the province.	No areas were identified for new subsidised bus services.		
<b>Efficiency</b>						
Awarding of bus subsidies to take into consideration passenger volumes, road conditions and profits of the operator.			Expand the provision of affordable bus passenger transport services in the province.	The additional service did not start due to the belt tightening		

## 18. Taxi Transport

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Transformation of the Taxi Industry		A total of 317 Taxi operators from the three Districts of Amathole, Chris Hani and Ukhahlamba were trained in defensive driving and customer care at a cost of R503 000	A total of 1000 operators including Bus and Freight had been targeted for training. Priority would be given to the remaining three Districts.			
<b>Process</b>						
Establish database for operators, drivers and rank marshals						
<b>Output</b>						
	Taxi operators trained in 6 Districts	317 in three Districts	1000 in all the six Districts			
<b>Efficiency</b>						
Transport available to commuters at all times	Average waiting time at taxi ranks.	45 minutes	30 minutes	30 minutes		

### Specific challenges and responses

#### **Challenge 1: Instability within the Taxi fraternity**

Though there is relative calm prevailing within the Taxi fraternity (2004 /05) tensions often turning violent occur – tensions in King William’s Town spill out into neighbouring Alice, Middledrift and Peddie ushering untold hardship to commuters.

#### **Response to Challenge 1**

Department prefers an integrated approach when addressing these tensions and joins forces with Buffalo City officials. The assistance of the SAPS would be summoned where law and order is threatened.

#### **Challenge 2: Poor levels of accountability and information dissemination to the Taxi constituency**

The broad membership of the Taxi Industry often complains of poor accountability and hoarding of information by the leadership structures. They consider this practice as unacceptable and does not assist empowerment initiatives.

#### **Response to Challenge 2**

Government is working in a partnership with the Taxi Industry where both partners had embraced the culture of democracy since the formation of SANTACO in September 2001.

## Issues requiring ongoing attention

The Department fully acknowledges its responsibility and role in pursuing the transformation agenda of the Taxi Industry. The Department's approach therefore is to nurture and continue to instil this culture of democracy. The second area is that of continuously promoting the ethic of professionalism and a business acumen that will finally see this Industry fully transformed into a viable and respected business entity.

### 19. Non-Motorised Transport

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Promotion of Non-Motorised Transport		A total of 119 bicycle units were delivered to two centres of learning in Alfred Nzo and Chris Hani Districts.	150 Learners from Ukhahlamba had been targeted to benefit from the Bicycle project.	Output could not be realised due to shortcomings of a recommended service provider.		

## Specific challenges and responses

<p><b><u>Challenge 1: Slack Management of the Bicycle project</u></b> Department became highly sceptical about the approach of the National Department on the project and decided to put up a pilot of its own. Monitoring reports revealed misuse of bicycles by adults. The bicycle unit became the property of the learner and not the school.</p>
<p><b><u>Response to Challenge 1</u></b> A new management approach that would be informed by the discussions between officials from Departments of Education, Transport and SGB's crafted and getting finalised.</p>
<p><b><u>Challenge 2: Appropriate infrastructure like cycle paths and road safety awareness for users</u></b> There is no infrastructure designed for cyclists and the learners had to make use of the same roads regardless of the intensity of traffic flows. This obviously is a huge road safety hazard.</p>
<p><b><u>Response to Challenge 2</u></b> The Transport Planning Directorate has been sensitized to the infrastructure needs as outlined. Before the distribution of any consignment of bicycle units, Officials from the Traffic Safety Directorate will interact with the school and expose learners to road safety hints and teach them bicycle riding skills.</p>



### Issues requiring ongoing attention

The Department will continue to promote wide usage on Non-motorised Transport particularly bicycles in South Africa. This approach has been deemed necessary in view of the fact the current public transport network does not meet the demand. Many people in the rural areas still have to walk unacceptable to access service centres and schools.

#### d) SUB-PROGRAMME 2.5: OPERATOR SAFETY AND COMPLIANCE

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Ratio of inspectors to registered public transport vehicles	Ratio	Nil	Nil	Nil		
<b>Process</b>						
Number of inspections conducted per 1000 vehicles registered in province	Number per 1000	Nil	Nil	Nil		
Number of complaints leading to inspections	Number	Nil	Nil	Nil		
<b>Output</b>						
Number of courses run by safety unit	Number	Nil	Nil	Nil		
Number of operator licences granted	Number	Nil	Nil	Nil		
Number of operator licences withdrawn	Number	Nil	Nil	Nil		
<b>Quality</b>						
Appoint additional Road Transport Inspectors						

### Issues requiring ongoing attention

The Department has not yet pronounced as to where this component should be located – between Public Transport and Traffic Control. It is extremely important that this component should be populated and its staff to be well equipped to ensure the successful implementation of the Recapitalisation project and which will be kicking off in earnest during the 2005 / 2006 financial year.

**e) SUB-PROGRAMME 2.6: REGULATION AND CONTROL**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Registration of all Public Transport modes (Buses, Taxis, metered taxis,) in terms of the Act	Registered Public Transport in terms of the Act	96 Taxi Associations have been provisionally registered	96 Taxi Associations must be fully registered	Bus and metered taxi associations must be provisionally registered		
<b>Process</b>						
	Registered Public Transport associations, and operators	Verified constitutions of associations	Constitutions that are consistent with the prescribed Standard Constitution			
Register all Public Transport associations and operators						
<b>Output</b>						
Develop data base						

**f) SUB-PROGRAMME 2.7: CIVIL AVIATION**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Rehabilitation of Bisho Airport and the Upgrading of Umtata Airport		No tender could be awarded from the proposals received for the provision of services of a Transaction Advisor as all fell well beyond the affordability level of the Department	Restructure the two Airports so that their strategic positioning comes in support of the PGDP.	The services of a Transaction Advisor could not be engaged due to long delays encountered from the National PPP Unit that had to provide technical support		

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Process</b>						
Renovation of buildings and any other identified defects in the infrastructure		Maintenance of both Airports is done consistently	Maintenance –done on an ongoing basis	Maintenance – done on an ongoing basis.		
<b>Output</b>						
Airport infrastructure is at acceptable levels.						
<b>Quality</b>						
Compliance with CAA regulations		Mthatha Airport licence was temporarily withdrawn during December 2003 on account of non-compliance with CAA regulations.	No issues of non-compliance were raised.			
<b>Efficiency</b>						
Both Airports running smoothly.			Mthatha Airport witnessed increased passenger volumes			

### Specific challenges and responses

#### **Challenge 1: Underutilisation of both Airports**

Bhisho Airport is not witnessing a steady increase in passenger volumes whereas Mthatha had a 23% increase in volumes in the last financial year. At Mthatha there are two scheduled flights per day between Johannesburg and Mthatha provided by SA Airlink. There are no scheduled flights at all at Bhisho Airport. This facility is used by private charter flights and VIP when visiting the Provincial Government.

#### **Response to Challenge 1**

Due to improved conditions at Mthatha Airport more passengers are starting to fly from Mthatha to Johannesburg and this will eventually see an increase in the number of scheduled flights to Mthatha Airport. Bhisho remains a challenge but there have been a few companies interested in starting aviation ventures from this Airport.

### 2.9.3 TRAFFIC ADMINISTRATION

#### PURPOSE

The primary aim of the Sub-Directorate: Traffic Safety is to facilitate, a safe, reliable, efficient and affordable transport system by promoting road safety awareness.

#### MEASURABLE OBJECTIVES

The Road to Safety Strategy 2001-2005 has been adopted as the basis for planning and execution of road safety initiatives as outlined here below.

#### SERVICE DELIVERY ACHIEVEMENTS

##### a) SUB-PROGRAMME 3.2: SAFETY ENGINEERING

###### ► Road Safety Audits

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Km of surfaced provincial road						
<b>Process</b>						
Km of roads audited						
<b>Output</b>						
Roads assessed in terms of SA Road Safety Manual	Km of roads assessed and road safety index determined	1074km	1000km	999km		0
Km of roads requiring remedial measures						

#### Specific challenges and responses

<b><u>Challenge 1: Identification of high frequency accident spots from accident records</u></b>
Accident records do not pinpoint location of accidents adequately
<b><u>Response to Challenge 1</u></b>
Police and Traffic Officers to be continually trained in completion of accident report forms

#### Issues requiring ongoing attention

Remedial measures need to be carried out as soon after identification as possible.

► **Management of Legal Speed Limits**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Km of surfaced provincial road						
<b>Process</b>						
Evaluate roads in terms of 85 <sup>th</sup> percentile travel speeds	Km of road evaluated	-	500	250		50
<b>Output</b>						
Km of road requiring speed limit changes						
<b>Quality</b>						
Proportion of km of surfaced provincial roads evaluated that do not require speed limit changes.						

**Specific challenges and responses**

<b><u>Challenge 1: Budgetary constraints</u></b>
Equipment for speed measurement and travel limits affected by belt tightening
<b><u>Response to Challenge 1</u></b>
Speed limit reviews to be continued in 2005-2006 financial year

**Issues requiring ongoing attention**

The enforcement of observation speed limits that are determined in terms of traffic engineering criteria.

► **Traffic Flow Measurement**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Km of surfaced provincial road						
<b>Process</b>						
No of intersection counts carried out						
<b>Output</b>						
Number of km of road with traffic flows determined		Developed counting strategy	Counts on 1000km provincial road	Approved strategy and Appointed Project Managers No counts carried out		50
<b>Efficiency</b>						
Number of km of road with traffic flows determined per R1000						

**Specific challenges and responses**

**Challenge 1: Budgetary constraints**

Delay in approval of strategy and belt tightening exercise limited scope of project during the year

**Response to Challenge 1**

Contract for construction of and operation of electronic traffic counting stations to be awarded in 2005-2006

► **Road Traffic Signs for Tourism Routes**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Km of surfaced provincial road						
<b>Process</b>						
Identify roads as tourism routes, design and implement erection of signs	Proportion of identified routes signposted		3 routes signed: Friendly N6 Wild Coast Amatole Mountain Escape	3 routes complete		0
Number of information kiosks constructed						

## b) SUB-PROGRAMME 3.3: TRAFFIC LAW ENFORCEMENT

### ► Resources for traffic management by region

Regions of Province	Number			
	2001/02	2002/03	2003/04	2004/05
<b>Region 1: Amatole District</b>				
Traffic officers	71	79	86	94
Administrative staff	25	13	34	29
Highway patrol vehicles	53	50	32	73
<b>Region 2: Western District</b>				
Traffic officers	23	23	22	33
Administrative staff	4	4	4	18
Highway patrol vehicles	24	26	26	36
<b>Region 3: Alfred Ndzo</b>				
Traffic officers	55	46	36	41
Administrative staff	15	9	13	6
Highway patrol vehicles	38	42	27	37
<b>Region 4: O.R.Tambo</b>				
Traffic officers	80	71	73	69
Administrative staff	10	10	6	5
Highway patrol vehicles	33	31	39	64
<b>Region 5: Chris Hani</b>				
Traffic officers	54	59	52	49
Administrative staff	2	4	11	11
Highway patrol vehicles	33	31	23	48
<b>Region 6: Ukhahlamba</b>				
Traffic officers	0	16	16	16
Administrative staff	0	1	1	0
Highway patrol vehicles	0	11	11	16
<b>Head Office</b>				
Traffic officers	12	12	7	8
Administrative staff	16	14	15	15
Highway patrol vehicles	2	2	2	7
<b>Whole Province</b>				
Traffic officers	295	310	292	310
Administrative staff	72	55	102	84
Highway patrol vehicles	150	193	160	281

► **Traffic management outcomes by region**

Performance Measures	Actual 2003/04	Projected 2004/05	Actual 2004/05	Deviation from Projected	
Whole Province				Unit	%
Number of accidents reported	36 776	34 937	32 408	-2529	-7.24%
Number of accidents involving mini-buses or buses	4 538	4 311	4 380	69	1.61%
Number of fatalities	996	946	1 109	163	17.3%
Number of serious injuries	13 293	12 628	10 648	-1980	-15.68%

**Specific challenges and responses**

<b><u>Challenge 1: Budgetary constraints</u></b> Reduce crashes, death and injuries on provincial roads by 10%
<b><u>Response to Challenge 1</u></b> Arrive Alive Road Safety & Selective Law Enforcement Campaigns
<b><u>Challenge 2:</u></b> Reduce major moving violations and alcohol related offences by 10%
<b><u>Response to Challenge 2</u></b> Arrive Alive Road Safety & Selective Law Enforcement Campaigns
<b><u>Challenge 3:</u></b> Construction of Vehicle Testing Stations (VTS's) in the province
<b><u>Response to Challenge 3</u></b> To construct Vehicle Testing Stations (VTS's) in all previously disadvantage areas to improve vehicle fitness and roadworthiness
<b><u>Challenge 4:</u></b> To upgrade Driving Licence Testing Centres (DLTC's) in the province
<b><u>Response to Challenge 4</u></b> To assist Local Authorities in the Province in upgrading existing Driving Licence Testing Centres to improve driver quality, knowledge and skills

**Issues requiring ongoing attention**

The principal constraints hampering the Directorate in achieving its objectives are:

- Shortage of trained traffic officers
- Shortage of equipment
- Inadequate funds to implement projects
- Classification of traffic Control as Emergency and Essential Service



► **Law Enforcement**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
Input						
Number of traffic officials per km of surfaced road in province	Ratio	1:155	1:150	1:155	-	-
Number of officers per highway patrol vehicle	Ratio	1:2	1:2	1:2	-	-
Process						
Number of hours speed-traps operated		9360	10296	9360	936	-9%
Number of roadblocks held	Actual number	4680	5600	5690	90	1%
Output						
Number of unroadworthy vehicles impounded	Actual number	350	450	500	50	11%
Number of licenses suspended	Actual number	350	450	400	50	-11%
Number of licenses confiscated	Actual number	100	100	150	50	50%
Efficiency						
Number of registered vehicles per traffic officer	Ratio	1:688	1:1688	1:1688	-	-
Ratio of fines issued paid		No Info	No info	No info	-	-
Outcome						
Number of accidents reported	Number	36776	34937	32408	2529	-7%
Number of accidents involving mini-buses or buses	Number	4538	4311	4380	69	2%
Number of fatalities	Number	996	946	1109	163	15%
Number of serious injuries	Number	13293	11000	10648	325	-3%

**c) SUB-PROGRAMME 3.4: ROAD SAFETY EDUCATION**

**PURPOSE**

The purpose of the Directorate is to implement, facilitate and promote traffic safety education in order to change road user behaviour. This is done by inculcation of road safety principles in all road users.

**MEASURABLE OBJECTIVES**

- To facilitate and promote Road Safety Education through Scholar Patrol Programmes and Projects.
- To enhance informal education by implementing and promoting Community Based Road Safety Programmes.
- To implement and monitor Mass Communication Programmes and Arrive Alive Campaigns.

## SERVICE DELIVERY OBJECTIVES AND INDICATORS

- Schools involved in Road Safety Education have increased to 35%.
- Build six Junior Traffic Training Centres.
- Maintain existing (258) Scholar Patrols and establish new Scholar Patrol Crossings.
- 5000 units of learner's support material and equipment are developed.
- Four Community Based Programmes are implemented and monitored in targeted communities around accident-prone areas.
- Develop Arrive Alive Communication Campaign plans for peak periods.
- Pedestrian Hazardous locations are communicated to targeted road users

## SERVICE DELIVERY ACHIEVEMENTS

- 693 schools were reached on Traffic Safety Education for Grade R-3 (Foundation Phase) through workshops and Teacher Seminars
- Junior Traffic Training Centres are maintained and monitored
- Out of 258 Scholar Patrol Crossings registered 42 were withdrawn due to road improvements and roads that are no longer hazardous to learners, 11 new Scholar Patrol Crossings were registered.
- 8500 Learner Support Material on Scholar Patrol, ABC Posters and Child in Traffic were developed and distributed to schools
- Four Community Based Programmes which were successfully implemented are as follows:

- **Promotion of Road Safety Education through Scholar Programmes and Projects.**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
Input						
Number of staff providing road safety education programmes at schools	Number	28	50	42	8	16%
Number of staff providing road safety education programmes to public transport operators	Number	12	22	13	-11	-46%
Process						
Schools involved in road safety education programmes	Percentage	47%	35%	14%	-21%	-21%

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
Number of courses run for public transport operators	Number	4	5	4	1	-20%
<b>Output</b>						
Scholar programmes and projects	Number of programmes and projects implemented in schools	8	9	9	0	0%
<b>Quality</b>						
Informed teachers and learners	Maximum of 10% of unsatisfactory performance					
<b>Efficiency</b>						
Performance is monitored according to the projects, programme, time frames and targets	Set targets and time frames		Reach 1800 schools per annum	Reached 693 schools	1107	-61%

► **Road Safety Community Based Projects**

**Objective:** To facilitate and promote Road Safety Community Based Projects

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of staff providing road safety Community based projects	Number	6	23	13	-10	-43%
<b>Process</b>						
Number of campaigns and workshop conducted	Number	4	16	24	+8	+50%
<b>Output</b>						
Community based projects: Stray Animal, Be Sign Wise and Adult Pedestrian and Passenger Safety	Number of projects	4	5	4	-1	-20%%
<b>Quality</b>						
Informed target groups of road users	Number of target groups	4	5	4	-1	-20%

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
Efficiency						
Performance is monitored according to the projects and programmes implemented as well as the reduction of road accidents.	Set targets and time frames					
Outcome						
Number of pedestrians killed by road accidents	Statistics of pedestrians killed in road accidents from the National Department of Transport	418	300	540	-240	-80
Number of Drivers killed	Statistics of pedestrians killed in road accidents from the National Department of Transport	232	150	300	150	100%

► **Road Safety Mass Communication and Arrive Alive Campaigns**

**Objective:** To implement and monitor Mass Communication and Arrive Alive Campaigns

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
Input						
Number of staff providing mass Communication and Arrive Alive Campaigns	Number	28	50	42	-8	-16%
Process						
Number of types of campaigns run by Road Safety staff	Number of type of campaigns conducted as well as set time frames	6	6	16	+10	63%
Output						
Mass Communication Arrive Alive Campaigns	Number of Mass Communication and Arrive Alive campaigns conducted	75	75	80	+5	+7%
Quality						
Theme based messages and information	Number of themes	4	6	5	-1	-17%

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Efficiency</b>						
Performance is measured according to the number of target groups reached	Number	3	3	3	0	
<b>Outcome</b>						
Number of pedestrians killed by road accidents	Statistics of pedestrians killed in road accidents from the National Department of Transport	418	300	540	-240	-80
Number of Drivers killed	Statistics of pedestrians killed in road accidents from the National Department of Transport	232	150	300	150	100%
Number of passengers killed	Statistics of pedestrians killed in road accidents from the National Department of Transport	360	300	500	200	66%

#### Specific challenges and responses:

##### **Challenge 1:**

Insufficient funds to implement Road Safety Education Projects particularly the Arrive Alive and Scholar Programmes. This has resulted in lack of appropriate focus towards the critical road safety projects. Furthermore, it has challenged the department in its ability to realise its strategic goal of creating road safety awareness throughout the province.

##### **Response to Challenge 1**

Funds were sourced from other Directorates.

##### **Challenge 2: Staff Capacity**

Road Safety Officials are unable to travel the widespread areas that are mostly rural due to the shortage of resources such as road safety equipment and vehicles. This requires long travelling hours and less time for service delivery.

The current ratio for school coverage is 1:47 schools per staff member, this number exclude other projects that also need to be implemented.

##### **Response to challenge 2:**

Increase budget allocation for Road Safety is requested from Treasury

##### **Challenge 3: Non Performance of SMME – Local Suppliers**

Lack of financial from financial institutions and funding for local suppliers in rural areas are constrained in performing some of the required services.

i.e. Four tenders were awarded to suppliers to build JTTCs and none of them were able to complete the job.

##### **Response to challenge 3:**

Minimum bank guarantees will be required to ensure the performance and rendering of services by suppliers.

**Challenge 4: Sustainability of Road Safety Forums and Activities:**

Measures to extend services by using structures such as Road Safety Forums in urban and rural areas, and other Road Safety measures are constrained by:

- Lack of transport and financial resources measures of compensation
- Lack of resources to implement Road Safety measures such pedestrian improvement

**Response to challenge 4:**

Endeavours are being made to form partnership with private company to fund Road Safety Projects.

**Issues requiring ongoing attention**

- The use of bakkies as a mode of transportation in rural/urban areas is a result of a shortage of public transport and is still a burning issue that requires ongoing attention. Presently, Road Safety Education Programmes are focused on the legally designated public transport modes. The challenge is that there is an increasing number of road fatalities attributed to the informal modes of transport, like bakkies etc.
- The unacceptable road user behaviour and road accident fatalities are at high levels. This requires substantial funding for investing in Road Safety Programmes in order to change the current situation.
- According to latest statistics, the population of the Province is at 7,5 million with high illiteracy level that requires expensive special material to address road safety problems and impart knowledge and information to these target groups.
- Demands to extend service to most remote areas with limited accessibility to information, resources and address the population language diversity.

**d) SUB-PROGRAMME 3.5: TRANSPORT ADMINISTRATION AND LICENSING.**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target	
					Unit	%
<b>Output</b>						
<b>Quality</b>						
Number of licence fraud cases prosecuted		No info	No info	No info	-	-
<b>Efficiency</b>						
% of licenses paid on time	Increase live Vehicle population by 05% by decreasing the unlicensed. Vehicle on the system	90%	95%	94%	-	-1%
Administration costs as % of total license revenue		15%	20%	15%	-	-5%
<b>Outcome</b>						

### Specific challenges and responses

<b>Challenge 1:</b> Staff Capacity
<b>Response to Challenge 2:</b> The Department is arranging for the advanced training for the Helpdesk personnel.
<b>Challenge 2:</b> Inadequate security in the system
<b>Response to Challenge 2:</b> A "Best Practice Model" has been adopted to reduce fraud and corruption. This will be adopted at the Provincial Helpdesk and Registering Authorities in the Province.

### e) SUB-PROGRAMME 3.6: OVERLOAD CONTROL.

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of weigh bridges		2	2	2	-	-
New weigh bridges to be constructed		1	1	1	-	-
<b>Process</b>						
Hours weigh-bridges to be operated		440	880	440	440	-50%
Number of transport vehicles inspected		1945	2139	2003	- 136	-6.4%
<b>Output</b>						
% of vehicles overloaded (i.e. over the 5% tolerance)		47.43%	45.00%	41.00%		4%
Number of vehicles impounded		No info	No info	No info		No info
<b>Efficiency</b>						
Number of hours weighbridges operated as % of total hours in year		25%	25%	25%	-	-
Number of vehicles inspected per hour		2	5	5	-	-
<b>Outcome</b>						

### Specific challenges and responses

**Challenge 1:**

Construction of Traffic Control Centres. Due to budgetary constraints the Department was not able to budget for the construction and commissioning of a third (3) Traffic Control Centre

**Response to Challenge 1**

The Department is looking at budgeting for infrastructure needs to improve the situation. The estimate cost for constructing and to commissioning a Traffic Control Centre amounts to R15, 000,000

### 2.10 TRANSFER PAYMENTS.

Transfer payments were made to the following institutions:

NAME OF INSTITUTION	AMOUNT TRANSFERRED
Nelson Mandela Metropolitan Municipality	R 8 466 000
Amatole District Municipality	R 3 615 000
Ukhahlamba District Municipality	R 970 000
Mayibuye Transport Corporation	R20 500 000
Bus Operators	R15 495 000



## **PART THREE**

### **3. REPORT OF THE AUDIT COMMITTEE**

AUDIT COMMITTEE COMMENTS ON THE 2004/5 ANNUAL REPORT FOR THE  
EASTERN CAPE DEPARTMENT OF ROADS AND TRANSPORT – VOTE 10

#### **1. Report of the Audit Committee**

We are pleased to present our report for the financial year ended 31 March 2005 as contained therein.

#### **2. Audit Committee Members and Attendance:**

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 6 of meetings were held.

Audit Committee members and Attendance:

<b>Name of Member</b>	<b>Number of meetings attended</b>
Mr M Dondashe (Chairperson)	6
Mr G le Roux	5
Mr J Smith	1

#### **3. Audit Committee Responsibility**

The Audit Committee herewith reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). We also report that we have adopted appropriate formal terms of reference of the Audit Committee Charter, regulated our affairs in compliance with the charter and discharged all our responsibilities as contained therein.

#### **4. The effectiveness of internal control**

The system of internal control is partially effective as compliance with prescribed policies and procedures are lacking in certain control areas. During the year under review several instances of non compliance were reported by internal and external auditors that resulted on the poor functioning of controls

Adequate Management mechanisms were not adequately exercised to address reported deficiencies included in the Auditor General's management letter during the past financial year. This was revealed through follow up internal audits of the 2003/04 Auditor General's report. Most of the matters of emphasis on the current financial year's management letter and Internal Audit reports are repeat findings. The weaknesses are set out below:

- Vacancies and some critical posts were not filled and hampered the Department to deliver on its mandate as prescribed by various legislations particularly the Public Finance Management Act, Public service Act, National road Traffic Act. and National Land Transport Transition Act. Major impact was realized at the Financial and Traffic Administration division whose positions were totally not funded.

Other areas of concern include:

- Asset management
- Fleet Management
- Supply Chain Management
- Leave management
- Personnel and payroll management
- Revenue collection processes
- Monitoring and management of Transfer payments

The Department's risk assessment was done and the Department is in the process of strengthening the internal control unit and the establishment of risk management unit.

## **5. Transfer Payments**

Non compliance with regard to monitoring and reporting requirements on transfer payments in terms of section 16 of the Division of Revenue Act (DoRA), section 38 of the PFMA and Chapter 5 part 2.41 of the PFMA, due to the absence of clear processes, inconsistencies on reports to be submitted by municipalities who are the recipients of transfer and capacity to monitor projects.

- 5.1 Non compliance with Treasury Regulations 8.4.1 and 8.4.2, which requires the Accounting Officer to ensure that transfer payments, are utilized for their intended purposes was also eminent. Inadequacies on control procedures may include, inter alia:
- regular monitoring procedures
  - scheduled and unscheduled inspection visits or reviews of performance
- 5.2 Lack of sufficient implemented controls in terms of independent monitoring of projects.
- 5.3 The department is not obtaining confirmation from the recipients on the actual expenditure on transferred funds and that unused current year transfer payments are being held intact.

## **6. The quality of in year management and monthly reports submitted in terms of the PFMA and the Division of Revenue Act.**

The department has complied with section 40(4) of the PFMA and Division of Revenue Act in that the monthly projections of budgeted expenditure and revenue have been submitted to provincial Treasury. The audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. We however noted instances of delays in clearing the suspense and control accounts.

## **7. Evaluation of Financial Statements**

The Audit Committee has:

- Perused the Auditor General's management letter and management's responses accordingly.
- Noted the findings and responses by the management and made its own recommendations as required in terms of Treasury Regulation 3.1.12, through its annual report to the Accounting Officer.

- 7.1 The department is in compliant with the Guide for the preparation of Annual reports and with the applicable laws and regulation on the preparation of Annual Financial Statements.
- 7.2 Except where weaknesses have been identified, we are satisfied that the Department's AFS display fair and reliable information related to the nature of the department' activities and comply with applicable regulations.
- 7.3 The Department received a qualified audit opinion from the Auditor General which is attributed to motor vehicles registration fees. The results of this audit reflect minimal improvement at the Department if compared to the previous financial years' reports as most of the matters reported are repeat findings.

The audit committee concurs and accepts the Auditor General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.



**Mrs. M. Dindane CA (SA)**  
**Provincial Audit Committee Chairperson**

Date : 08/08/2005

## **PART FOUR**

### **4. ANNUAL FINANCIAL STATEMENTS**

#### **4.1 REPORT OF THE ACCOUNTING OFFICER for the year 31 March 2005**

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Eastern Cape.

##### **1 General review of the state of financial affairs**

##### **1.1 Important policy decisions and strategic issues facing the department**

The Executive Authority for the Department of Transport, in the Province of the Eastern Cape delivered his policy speech, strategic and operational plan for the financial year 2004-05, to provincial Legislature in May 2005. The delivery of the policy speech and strategic plan in May 2005 followed a national election of the country which voted the same ruling party as government into office. The citizens of the country in general and of the Province, in particular were informed on what the Department intended to achieve during the 2004-05 financial year and subsequent financial years.

The Executing Authority gave the strategic direction that transport is moving back to rail. The department also identified programmes to improve rural accessibility in order to contribute to the national and provincial goals in particular the Provincial Growth and Development Plans 2004 to 2014.

The Department cited its programmes which are set to carry out its goals and objectives as mandated by the Executive Council of the province, which appropriated funds for 2004-05. The programmes are consistent with the budget programme structure of Roads and Transport sector as agreed by provincial and national Public Works, Roads and Transport departments. The following three (3) departmental programmes and the budget thereof are set to carry out the core business and activities of the department to deliver services to the communities:

1. Administration
2. Traffic Management and
3. Public Transport

The three programmes and their sub-programmes were effective from 1 April 2004.

The objectives of the departmental programmes indicate how the department intended to continue with its commitment of transforming the department in transport related matters: -

Administration	To render effective financial, human resources and management support services. To provide efficient and sustainable government transport services to user provincial departments.
Public Transport	To formulate, promote and implement integrated transport planning and policies. To provide reliable, safe, affordable and efficient public passenger multi-modal transport systems; and regulation of air traffic control and navigational services.
Traffic Management	To facilitate and promote traffic safety and traffic control.

It is general knowledge that strategic performance planning in government is guided by political priorities as cited by the State President, Premier and Member of the Executive Council. The successful implementation of the strategic performance plan for the department is a collective approach led by the Executing Authority on a policy formulating level and the Accounting Officer on an administration level. The senior managers provide strategic collective leadership in policy implementation and monitoring through the different departmental programmes.

## **1.2 Significant events and major projects during the year**

The roads function was legally transferred from the then Department of Roads and Public Works to the then Department of Transport with effect from 1 September 2004.

The Department set its own revenue collection target of R152m beginning of the financial year as per the white book. Legislature revised the target in November 2004 to R109m due to unpaid collection not made by Nelson Mandela Metropolitan Municipality (NMMM). The department managed to collect R116m (2004:R152 m) as its own revenue, against a revised target of R109m (2004:R149m). The collection of revenue decreased by 24%, at R116m for 2005 compared to the previous financial year 2004. The analytical review, on the other hand, indicates a comparison of the collected revenue of R116m with the revised budget of R109m, which reflects a 6% (R7m) increase above the target. The favourable position was achieved through vigorous and consistent recovery methods despite the defaulting NMMM.

It is worth noting that all other collecting municipality agencies entered into agreement except NMMM and have all paid the 2005 collected revenue to the department. The NMMM issue is being addressed via a legal recourse.

The Kei Rail project progressed at a less satisfactory due to the re-location of citizens from siding rail site at Zamukulungisa informal settlement (Mthatha) to a new residential area.

## **1.3 Spending Trends**

### **1.3.1 Overview of the voted funds**

During the 2005 financial year, provincial legislature appropriated an amount of R312 507 000 (2004:R309 037 000) to the department. The R312 507 000 was revised to R302 586 000 in order to assist in funding a provincial deficit. The actual total expenditure for the financial year amounted to R 289 005 000 (2004: R 307 901 000).

The amount that was not spent from the vote is R13 581 000, which is 4 % of the Voted funds (2004:R1 136 000, which equals 0.5% of the Voted funds). The unspent amount of R13 581 000, is before the inclusion of non-voted funds and expenditure of local and foreign aid assistance.

The amount of R13m which was unspent was due to the provincial Treasury's directive to decelerate spending in March 2005 in order to avoid the creation of another provincial deficit. Subsequent to the directive, the department applied for roll-over of funds amounting to R11m to 2006 financial year.

The expenditure of R289m reflects a 96 % spending (2004:99.5%) after the final adjustment and write-offs of irrecoverable debts of R2m. The spending, before write-off, amounts to R287m, which is 95% (2004:98%) of the Voted funds. This is the reflection of consistent sound management of the budget, a product of a collective approach and constructive reviews of dynamic budgeting.

The reflection, taking into account a deviation of 3 % ( 95% for 2005 compared to 98% for 2004) is not material and significant in nature and size despite the directive to decelerate spending.

### **1.3.2 Impact on Programmes and service delivery**

The spending trends of the programmes and explanations are reflected in the income statement and notes to income statement. The expenditure of all programmes is within the voted funds, which is consistent with a benchmark of the prior years. This is reflected by the performance of programmes: Administration spending 97%; Public Transport spending at 93% and Traffic Management at 97%.

### **1.3.3 Expenditure per standard chart of accounts (SCOA) and classification of items- overview of actual amounts between the current and previous years.**

The expenditure per SCOA items is disclosed in the Income Statement and Notes to the Annual Financial Statements.

## **2. Services rendered by the department**

### **2.1 List of services rendered**

There are no changes on the services rendered by the department, except the provisioning of motor vehicles to the provincial departments. This function has been outsourced to a new service provider, Fleet Africa Eastern Cape, via the Public/ Private partnership (PPP). The department still remains the custodian of the function and is managing the agreement on behalf of the Eastern Cape. (Refer to paragraph 7 below.)

The department remains focused on its core business, which is to ensure provision of public transport services to communities who rely on such services to access basic services such as health and welfare service centres, educational institutions, work place, markets and other forms of social networking. The department's role and budget are in line with the priorities of the province in general and the Provincial Growth and Development Strategy; (The Provincial Growth and Development Strategy progressed to the next phase and is now called Provincial Growth and Development Plan for 2004 to 2010); The Department of Transport is focused on the infrastructure, integrated rural development and government transformation.

The new service rendered by the Department with effect from 1 April 2005 is the roads function which has been discontinued at the Department of Roads and Public Works and now transferred to the Department.

### **2.2 Tariff Policy**

The following are the main sources of own revenue that are consistent with prior year:

1. Motor vehicle license fees
2. Fees from issued permits
3. Auction-proceeds from sale of obsolete vehicles and equipment
4. Levies for staging of road events
5. Traffic Fines
6. Airport Landing fees

The tariffs are determined as follows:

### **2.2.1 Motor Vehicle License Fees**

The major source of own collected revenue arise from motor vehicle licence fees as a result of fees charged on vehicles using public roads. The fee is applicable to all annual registrations and renewals of motor vehicle licenses and trailers. While not directly earmarked for road works, the revenue generated from this process provides an important contribution to the provincial fund as own revenue.

Vehicle licence fees are determined according to the mass and category of each vehicle as specified in the National Road Traffic Act, 1996(Act 93 of 1996). The National Road Traffic Act specifies that licence fees be revised biennially taking into account the rate of inflation. The last revised increase of 10% was effected in October 2004. The next increase is now to be made annually at 10 % instead of two years.

### **2.2.2 Vehicle Licence Number Plates**

- Ordinary licence number plates are sold by registered private businesses and the department charges royalties at R5.30 per plate. A private company 3M (Pty) Ltd was appointed by the Department of Transport to collect these royalties on its behalf. Since February 2003 the company stopped collecting the royalties as a result of unsigned agreement. Efforts to collect monies since February 2003 are still pursued via the signing of a written agreement. It appears that the amount is recoverable because it is collectable.
- The second category of licence number plates is the specific plates or numerical alpha and is sold at R500.00 per set. This revenue is collected by and payable directly to the Department of Transport.
- The third category of licence number plates is the personalised plate, which is sold at R1 500.00 per set. The department also collects the revenue from this category.

### **2.2.3 Road Traffic Fines**

In terms of the Road Traffic Act, 1996 (Act 93 of 1996), all fines issued in the area of jurisdiction of district councils and municipalities should be apportioned to them.

The Road Traffic Act No. 3 of 1999 of the Eastern Cape, which came into operation on the 12 April 2001, provides that all the fines imposed in respect of any offence in terms of this Act, shall be paid into an account designated by the MEC for Finance by notice in the government gazette. This information has not changed from the last financial year as reported.

### **2.3 Free Services**

There were no free services rendered during the year under review.

### **2.4 Inventories**

The inventories on hand at year-end are categorised as follows:

Stationary:	R437 127	(2004: R 128 587)
Consumables:	R 78 632	(2004: R1 657 321)

The costing method used is FIFO and the inventory disclosed is for all stores.

### **3. Capacity constraints**

An interim organisational structure, as a result of the transfer of Roads function to the Department is in place as at March 2005. It is now set for revision in order to reach its finality in the 2005-06 financial year. The implementation of Resolution 7 of 2002 poses the last kicks of a dying horse in addressing the re-settlement, capacitating and empowering the deployed personnel in various directorates and in changed careers.

The Department is still constrained by non-filling of critical posts which hampers the Department to deliver on its mandate as prescribed by various legislations particularly the Public Finance Management Act, Public Service Act, National Road Traffic Act and National Land Transport Transition Act. (NLTTA). The costing of the new structure would be clear once it is finalised.

### **4. Utilisation of donor funds**

- **Arrive Alive Funds**

The Road Accident Fund (RAF) makes funds available to provincial departments of Transport to promote the reduction of road accidents in an effort to reduce claims from the RAF. The Department takes part in the national Arrive Alive programme. To access these funds, submission of Arrive Alive Business Plans is required. The funds and expenditure thereof are reflected by the line item: Local and foreign aid assistance, which is part of the income and expenditure in the Income Statement. The residual is disclosed as part of the current assets / liabilities in the balance sheet.

The department received donor-funding amounting to R374 059 (2004: R2 816 672) in August 2004, from National Department of Transport during the year under review. The funds are re-imbursing the costs incurred by the department in respect of Arrive Alive activities as well future funding of pedestrian project. The R374 059 received during the current financial year added to the balance at beginning of year which amounted to R1 349 763. A total amount of R1 102 614 was utilised as reflected in the Notes to the Annual Financial Statements. The balance of R 621 208 is disclosed as part of equity in the balance sheet.

- **Driving Licence Testing Centres**

The National Department of Transport transferred to the department an amount of R432 000. The opening balance of R432 000 was not utilised and is disclosed as part of equity in the balance sheet.

- **Algoa Bus Funds**

The Algoa Bus Company exists as a private bus company that renders passenger services in the Eastern Cape serving the Nelson Mandela Metropolitan area. The National Department of Transport subsidises Algoa Bus Company by depositing monies into the provincial Treasury bank account. The department acts as a conduit for Algoa on behalf of National Department of Transport. Monthly reports are prepared to account for the funds received and paid over. An opening balance of R3 272 920 from the previous year was added to an amount of R83 700 000 (2004:R78 000 000) which was received during 2005. The balance, after claims amounting to R76, 439m by Algoa Bus Company amounts to R10, 534m. (2003: R3 272 920) which is payable in subsequent financial year.



- **National Land Transport Transition Act (NLTTA) project**

An amount of R800 000 was received towards the end of the financial year from National Department of Transport (NDOT). The purpose of the funds is to assist the Department and certain municipalities as identified by the department, in the preparation of the Operating Licences Strategies (OLS), Rationalisation Plans (Rat Plans), Public Transport Plans (PTPs) and Integrated Transport Plans (ITPs). A total of R210 709 was spent and the balance of R589 290 is disclosed in the Annual Financial Statements.

- **Kei Rail Project**

The department utilised the remainder of R10 330 193 from the R28m which was received in 2003/4 from National Department of Transport. The purpose of funding was to augment the provincial voted funds in carrying out the Kei Rail project, being a refurbishment of the rail line between East London and Umtata. During the financial year the department utilised R6 935 479 and the remaining balance of R3 394 714 is reflected in the Annual Financial Statements.

- **Teta**

An amount of R125 000 was received which is funding learnerships related to transport sector. The whole amount was spent subsequent to the financial year end. This balance at year end is disclosed in the Annual Financial statement.

- **Sponsors for training**

The following amounts were sponsored after the launch of a dinner in respect of raising funds for training of the learnerships:

Quantity Surveyors:	R3 500
Emfuleni Resort:	R4 000
Standard Bank:	R17 500

## **5 Public entities**

### **5.1 Establishment**

Mayibuye Transport Corporation is listed in Schedule 3D of the Public Finance Management Act, No.1 of 1999. The corporation was formed in terms of the Ciskei Corporations Act. The Eastern Cape Corporations Transitional Act, 12 of 1995, repealed certain sections of the Act. Those sections deal more particularly with the management of the corporation. Its existence is still under the Ciskei Corporations Act.

This public entity is still undergoing a restructuring process with a view to engaging a private service provider in the future.

### **5.2 Functions**

The Corporation exists as a parastatal bus operation, which provides passenger services in the Eastern Cape regions of the province formerly known as Border and Ciskei.

### **5.3 Financial arrangements**

Mayibuye is funded by means of a grant-in-aid, which is reflected under transfer payments in the income statement. An amount of R20.m was provided for this purpose during the year under review. An additional amount of R0.5m was made thus totalling R20.5m for the financial year.

For the utilisation of funds the Corporation submits its budget, business plan, financial statements and audited financial statements and in compliance with the relevant provisions of the Public Finance Management Act.

### **6. Other organisations to which transfer payments have been made**

Transfer payments were made through grant in aid to the following local authorities in respect of the facilitation of the public transport plans and related infrastructure in compliance with the provisions of the National Land Transport Transition Act (NLTTA) as well as the Urban Transport Act, 1977 (Act 78 of 1977)

- East London Metropolitan
- Port Elizabeth Metropolitan
- Umtata Metropolitan and
- The six (6) District Councils

The details and amounts of the above are disclosed in the 'Notes to the Annual Financial Statements' -Note: Transfer payment.

### **7. Public/Private Partnerships (PPP)**

- i. The department entered into a Public, Private Partnership (PPP) on 4 August 2003 with preferred bidder, Fleet Africa-Eastern Cape (FAEC), a subsidiary of Super Group Company. Through this PPP, the fleet management of motor vehicles of the entire provincial departments has been outsourced for a period of five (5) year.
- ii. A review of the contract as per its provision was carried out on 29 July 2004. No changes have been made. The reviewing is under-going a second phase. The contract expires in August 2008 and has forty one (41) months remaining at March 2005,
- iii. The Department is still set to explore the Public, Private Partnership in the area of civil aviation, vehicle testing stations, weighbridges and Mayibuye Transport Corporation.

### **8. Corporate governance arrangements**

#### **8.1 Risk Management**

During the last quarter of the financial year, a revised risk assessment was performed. Subsequently a risk plan was produced which identified new risks and set out an implementation time frames over a three year period. The Shared Internal Audit Service (SIAS) which is located in the Office of the Premier and the Department jointly produced the revised plan.

The risk management focused on the accounting cycles, statutory and compliance requirements over short-term and long-term phases.

## **8.2 Fraud Prevention**

The Department participated in the provincial Anti-Fraud steering committee that is tasked to identify risks pertaining to fraud and implement the management controls from the identified potential and existing risks. The objective is to create a fraud free environment or minimised fraudulent activities. Fraud awareness programme for the departmental staff regardless of the rank is the focus point. The report on Fraud policy was produced and received in March 2005.

## **8.3 Audit Committee and Internal audit**

The Province has a shared audit committee and internal audit unit located at the Office of the Premier. During the year more interaction by the unit with the department was noticed. Internal audit reports were received and reviewed by the Department. This is an area that needs a focus by improving its internal control unit and strengthening its internal controls. Meanwhile a departmental audit steering committee, consisting of the officials from the Office of the Auditor-General and the senior managers of the department, is in place, which oversees the audit process.

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

There were no major developments in this area for 2005. However, feasibility studies are still set to be conducted and revised to restructure the Bisho and Umtata airports as part of the rationalization process. These are the activities that are planned to be discontinued via the Public/Private partnership. The process is relatively long to complete as various stakeholders are consulted.

## **10. New / proposed new activities**

The roads function was legally transferred on 1 September 2004 from the Department of Roads and Public Works to the Department of Transport, hence now called Department of Roads and Transport. The transfer is a new activity as part of the core function of the Department and its implementation of the service is with effect from 1 April 2005, the day the budget resided with Vote 10 i.e. the Department of Roads and Transport.

## **11. Events after the reporting date**

The Nelson Mandela Metropolitan Municipality (NMMM) settled R7m in April 2005 as part of the set-off applied during 2005 financial year.

## **12. Performance information**

The management of the department meets monthly to consider budget spending before the submission of the In Year Monitoring reports to provincial Treasury. Revenue committee oversees performance on revenue collection. Quarterly tender reports are submitted to Treasury as required. In addition the standing committee on Transport reviewed the 1<sup>st</sup> quarterly and half-yearly of the Department in line with performance indicators as documented in the operational plan of 2005.

The department studied and vigorously rectified areas of weaknesses as indicated by the audit management letter and the audit report of 2004. The old debts were either paid or those irrecoverable written off in an effort to clean the books.

These efforts greatly increase the chances of consistency in achieving an unqualified audit report, of which the department has set its eyes on.

The Statement of Financial Performance as well as Note 1 from the Notes to the annual financial statements which is attached, reflects in greater details the budgeted amount and the expenditure thereof. Revenue collection is also tabulated in Note 3 of the Annual Financial statements.

The service delivery performance is documented in the Annual Report which follows the Annual Financial Statements.

### **13. Scopa resolutions**

The Standing Committee on Public Accounts (Scopa) convened in November 2003 and resolved to authorise the unauthorised expenditure of R1 676 000 for the financial year ended 31 March 2000. Scopa met with the Department on 3<sup>rd</sup> of February 2005 to discuss the annual financial statements for the financial year ending 2004. There are no resolutions available yet from the Committee.

### **Approval**

The attached annual financial statements set out on pages 66 to 100 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'Mtila', is enclosed within a large, hand-drawn oval.

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**JAMES B. MTILA**  
**ACTING ACCOUNTING OFFICER**

**DATE: 30 May 2005**

## **4.2 REPORT OF THE AUDITOR-GENERAL**

### **REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE ON THE ANNUAL FINANCIAL STATEMENTS OF VOTE 10 – DEPARTMENT OF ROADS AND TRANSPORT FOR THE YEAR ENDED 31 MARCH 2005**

#### **1. AUDIT ASSIGNMENT**

The annual financial statements as set out on pages 66 to 100, for the year ended 31 March 2005, have been audited in terms of section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). These annual financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these annual financial statements, based on the audit.

#### **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

### **3. QUALIFICATION**

#### **Motor vehicle registration fees**

Under note no. 24 to the financial statements is an amount of R157 165 000 disclosed as motor vehicle licence fees due by various registering authorities. Included in the above amount is a balance of R142 358 000 due by Nelson Mandela Metropolitan Municipality which confirmed only a balance of R40 670 050 as outstanding at year end. The department has no signed contract with the Nelson Mandela Metropolitan Municipality. In addition this money has long been outstanding and there is a pending court case in this regard. Furthermore an amount of R2 748 000 due by other registering authorities included in the note could not be confirmed. In the circumstances completeness and fair value of the amount disclosed could not be verified. This matter was also reported in paragraph 4.1.1 of the previous report.

### **4. AUDIT OPINION**

Except for the matters reported in paragraph 3 above in my opinion the financial statements fairly present, in all material respects, the financial position of the Department of Roads and Transport at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with the prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999).

### **5. EMPHASIS OF MATTER**

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

#### **5.1. Accounts receivable**

Included in the accounts receivable balance is an amount of R10 821 000, being debts due by other departments. Although an amount of R5 246 267 was received subsequent to year end, the recovery rate of these debts is considered very low since these debts have been outstanding for more than a year.

#### **5.2 Internal Audit**

In compliance with section 38(1)(a)(ii) of the PFMA, the Eastern Cape Provincial Administration has a shared Internal Audit unit and Audit Committee that are administered by the Office of the Premier. An Executive Committee decision was taken in April 2003 to outsource the internal audit and audit committee functions of the Departments of Education, Public Works, Social Development and Health. The shared Internal Audit unit continues to provide internal audit services to the remaining departments. The following issues relating to the shared service are highlighted:

- (a) A rolling three-year strategic internal audit plan for the various departments serviced by the shared service was approved by the Audit Committee, as required by Treasury Regulation 3.2.7, during February 2004. An annual plan for the 2004/2005 year, cascading from the three year rolling strategic plan, as further required by Treasury Regulation 3.2.7, was however only compiled and approved during November 2004. As a result internal audit functioned for 7 months of the year without an operational plan approved by the Audit Committee. This not only constitutes non-compliance with Treasury Regulation 3.2.7 and in effect with section 38(a)(ii) of the PFMA, but also constitutes non-compliance with the South African Internal Auditing Standards.

- (b) Evidence was found that Internal Audit reports covering the period November to March 2005, only, were submitted to the Audit Committee for consideration. Although the Quarterly Report was submitted to the Audit Committee, no evidence could be found or provided that the Audit Committee reported and made recommendations, based on the reports, to the relevant accounting officers as prescribed by Treasury Regulation 3.1.9.
- (c) Cognisance is taken of the restructuring process within the Shared Service and the subsequent approval of the 2005/2006 risk assessments and operational audit plans as required by the Treasury Regulation. Cognisance is also taken of the submission of various Internal Audit reports, following from the said audit plans, pertaining to the 2005/2006 financial year.

### **5.3 Forensic investigation**

At the time of the audit the matters reported in the Natis forensic report had not yet been addressed although senior management meetings were held in order to resolve the matters.

### **5.4 Housing guarantees**

At the time of the audit bank confirmation of an amount of R5 600 000 disclosed as housing guarantees was not received and as result it could not be determined whether the amount disclosed in the financial statements reconciles with the bank confirmations. This matter was also reported in paragraph 4.2.5.3 of the previous report.

### **5.5 Debts written off**

An amount of R2 409 404 (R1 875 220 and R534 184), being claims recoverable due by other departments was written off during the period under review. These debts were written off because the department was unable to furnish supporting documentation other than the BAS reports. The basis used to raise these debts was inadequate and as a result these debts could not be recovered.

### **5.6 Internal control weaknesses**

The following weaknesses in the internal control systems were noted;

#### **(a) Register of losses**

The register of losses and damages could not be produced for audit purposes and as result total losses, damages and recoveries made during the year could not be determined.

#### **(b) Leave recording**

Discrepancies were identified when comparing attendance register, leave register, leave files and persal record with regard to the recording of leave. The matter was reported in paragraph 4.2.5.2 of the previous report.

**(c) Dishonoured cheques**

As previously reported non-bank guaranteed cheques were still accepted from the members of the general public and departmental officials. Adequate procedures do not exist to ensure that, when cheques are returned unpaid, the amounts due to the Department are recovered and as a result an amount of R57 103 was also written off as irrecoverable. This matter was reported in paragraph 4.1.2 of the previous report.

**(d) Employee compensation**

Although the total budget of the vote has not been exceeded, compensation to employees was overspent by an amount of R3 846 558.

**(e) NATIS revenue collection**

The following internal control weaknesses were identified during the audit of registering authorities:

- Access to offices and computers is not restrict to responsible officials.
- In certain instances there was no evidence of proper banking of monies.
- In certain instances there was no evidence that cashiers were appointed in writing.
- There are delays or non-payment of money due to the department.
- Improper completion of vehicle registration or licence renewal forms and lack of supporting documentation.

**(f) Fleet maintenance**

An insufficient control environment and lack of proper reconciliations were evident in the administration of this fleet and related payment.

The following shortcomings regarding the outsource company were identified:

- Billings charged by the outsource company are based on kilometres travelled. An electronic equipment is used to determine kilometres travelled. However, the accuracy of the electronic equipment could not be established as huge discrepancies between actual speedometer reading and Fleet Africa bill were noted. These were not subsequently reconciled to Fleet Africa records as a result the department has been overcharged in certain instances.

**5.7 MATTERS OF PUBLIC INTEREST**

**(a) Head of the department**

At the time of audit the department was still led by the Acting Accounting Officer, although the post has been vacant since November 2004.

**(b) Roads function**

The function of roads was transferred from the Department of Roads and Public Works to the Department of Transport on the 23rd of August 2004 in terms of the Premier's Proclamation, Gazette No 1200. In terms of the Presidential Proclamation No R48, 2004 dated the 15 October 2004 - Schedule 2 of the Public Service Act name Department of Transport was amended to be Department of Roads and Transport. The physical transfer of the roads function including budget, personnel and equipment has been effected from April 2005. Therefore the annual financial statements under review exclude roads function.



## 6. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.



.....  
**S M Ngqwala For Auditor-General**  
**Auditor-General**  
**EAST LONDON**  
**31 July 2005**



A U D I T O R - G E N E R A L

### **4.3 STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

#### **1. Basis of preparation**

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

#### **2. Revenue**

- **Appropriated funds**

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

- **Departmental revenue**

##### ***Tax revenue***

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

##### ***Sale of goods and services other than capital assets***

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

##### ***Fines, penalties and forfeits***

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

##### ***Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

### ***Sale of capital assets***

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

### ***Financial transactions in assets and liabilities***

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

- **Local and foreign aid assistance**

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

## **3. Expenditure**

- **Compensation of employees**

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

### ***Short-term employee benefits***

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

### ***Long-term employee benefits and other post employment benefits***

#### ***Termination benefits***

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

### *Medical benefits*

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

### *Post employment retirement benefits*

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

### *Other employee benefits*

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

- **Goods and services**

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

- **Interest and rent on land**

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

- **Financial transactions in assets and liabilities**

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

- **Unauthorised expenditure**

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

### **Irregular expenditure**

Irregular expenditure, is defined as:

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

### **Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- 
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

## **4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

## **5. Expenditure for capital assets**

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

## **6. Investments**

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

## **7. Receivables**

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

## **8. Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **9. Payables**

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

## **10. Lease commitments**

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

## **11. Accruals**

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

## **12. Contingent liability**

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

### **13. Commitments**

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

### **14. Capitalisation reserve**

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

### **15. Recoverable revenue**

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

### **16. Comparative figures**

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

#### 4.4 APPROPRIATION STATEMENT for the year ended 31 March 2005

Appropriation per programme									
	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation R'000	Final Appropriation R'000	Actual Payment R'000
<b>1. Programme 1: Administration</b>									
Current payment	66,939	10,336	4,000	81,275	80,024	1,251	98.50%	86,234	92,068
Transfers and subsidies	-	349	-	349	-	349	0.00%	-	-
Payment for capital assets	1,587		-	1,587	582	1,005	36.70%	8,531	2,490
<b>2. Programme 2: Public Transport</b>									
Current payment	41,893	2,003	-4,000	39,896	35,407	4,489	88.70%	68,026	73,965
Transfers and subsidies	113,246	-63,823	-	49,423	46,600	2,823	94.30%	66,849	61,010
Payment for capital assets	886	45,161	-17,500	28,547	27,703	844	97.00%	1,689	684
<b>3. Programme 3: Traffic Management</b>									
Current payment	74,172	240	17,500	91,912	97,898	-5,986	106.50%	75,293	76,059
Transfers and subsidies	10,972	-5,187	-	5,785	-	5,785	0.00%	1,060	629
Payment for capital assets	2,169	1,000	-	3,169	208	2,961	6.60%	721	362
<b>Subtotal</b>	<b>311,864</b>	<b>-9,921</b>		<b>301,943</b>	<b>288,422</b>	<b>13,521</b>	<b>95.50%</b>	<b>308,403</b>	<b>307,267</b>
<b>Statutory Appropriation</b>									
Current payment	643			643	583	60	90.70%	634	634
Transfers and subsidies									
Payment for capital assets									
<b>Total</b>	<b>312,507</b>	<b>-9,921</b>	<b>-</b>	<b>302,586</b>	<b>289,005</b>	<b>13,581</b>	<b>95.50%</b>	<b>309,037</b>	<b>307,901</b>
<b>Reconciliation with Statement of Financial Performance</b>									
Departmental revenue received				116,426				151,960	
Local and foreign aid assistance received				84,224				109,617	
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>503,236</b>				<b>570,614</b>	
Other payments in Appropriation Statement, not accounted for in Statement of Financial Performance									
Local and foreign aid assistance					84,688				103,155
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure condoned									
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					<b>373,693</b>				<b>411,056</b>



**PROVINCE OF THE EASTERN CAPE: VOTE 10 - DEPARTMENT OF ROADS AND TRANSPORT**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005**

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	129,206	2,420	7,675	139,301	143,022	-3,721	102.7%	125,722	131,356
Goods and services	53,798	11,311	9,825	74,934	68,540	5,394	91.5%	101,853	98,699
Financial transactions in assets and liabilities	-	-	-	-	1,774	-1,774		-	4,286
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	23,166	-4,113	-	19,053	-	19,053	0.0%	-	-
Departmental agencies and accounts	21,080	-4,819	-420	15,841	13,051	2,790	82.4%	45,520	44,955
Public corporations and private enterprises	79,972	-59,891	420	20,501	33,549	-13,048	163.6%	24,435	24,435
<b>Payment for capital assets</b>									
Buildings and other fixed structures	-	45,000	-17,500	27,500	27,562	-62	100.2%	-	-
Machinery and equipment	4,642	171	-	4,813	924	3,889	19.2%	10,891	3,536
<b>Total</b>	<b>311,864</b>	<b>-9,921</b>	<b>-</b>	<b>301,943</b>	<b>288,786</b>	<b>13,521</b>	<b>95.5%</b>	<b>308,403</b>	<b>307,267</b>

Statutory Appropriation									
	2004/05							2003/04	
Details of direct changes against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of executive committee / parliamentary officers	643	-	-	643	583	60	90.7%	634	634
<b>Total</b>	<b>643</b>	<b>-</b>	<b>-</b>	<b>643</b>	<b>583</b>	<b>60</b>	<b>90.7%</b>	<b>634</b>	<b>634</b>

**DETAILS PER PROGRAMME 1: ADMINISTRATION**  
**for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the MEC</b>									
Current payment	495		375	870	879	-9	101.0%		
<b>1.2 Management</b>									
Current payment	4,459			4,459	3,349	1,110	75.1%	3,601	5,218
Payment for capital assets	59			59	59	59	0.0%	33	1
<b>1.3 Corporate Support</b>									
Current payment	52,854	7,740	3,625	64,219	66,989	-2,770	104.3%	50,105	52,697
Transfers and subsidies		349		349		349	0.0%		
Payment for capital assets	1,158	256		1,158	445	713	38.4%	5,808	2,484
<b>1.4 Programme Support</b>									
Current payment	660			916	441	475	48.1%		
Payment for capital assets	15			15	22	-7	146.7%		
<b>1.5 Organisational Development</b>									
Current payment	3,841	2,340		6,181	5,175	1,006	83.7%	1,154	391
Payment for capital assets	113			113	70	43	61.9%	93	
<b>1.6 Government Fleet Management</b>									
Current payment	4,630			4,630	3,191	1,439	68.9%	31,374	33,762
Payment for capital assets	242			242	45	197	18.6%	2,597	5
<b>TOTAL</b>	<b>68,526</b>	<b>10,685</b>	<b>4,000</b>	<b>83,211</b>	<b>80,606</b>	<b>2,605</b>	<b>96.9%</b>	<b>94,765</b>	<b>98,558</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	46,240	5,699		51,939	51,583	356	99.3%	61,563	54,807
Goods and services	20,699	4,986	4,000	29,685	28,463	-1,222	95.9%	24,721	36,666
Financial transactions in assets and liabilities									595
Departmental agencies and accounts									
<b>Payment for capital assets</b>									
Machinery and equipment	1,587			1,587	560	1,027	35.3%	8,481	2,490
<b>Total</b>	<b>68,526</b>	<b>10,685</b>	<b>4,000</b>	<b>83,211</b>	<b>80,606</b>	<b>2,605</b>	<b>97.0%</b>	<b>94,765</b>	<b>94,558</b>

**DETAILS PER PROGRAMME 2: PUBLIC TRANSPORT**  
**for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Programme Support</b>									
Current payment	3,149	-256	-500	2,393	2,052	341	85.8%		
Payment for capital assets	76			76	11	65	14.5%		
<b>2.2 Planning</b>									
Current payment	2,393	-465	-500	1,428	936	492	65.5%	26,162	26,041
Transfers and subsidies				-	-	-	0.0%	44,460	44,326
Payment for capital assets	45,000	-45,000						76	57
<b>2.3 Infrastructure</b>									
Current payment	1,444	-337		1,107	1,225	-118	110.7%		
Transfers and subsidies	4,000	9,082		13,082	13,051	31	99.8%		
Payment for capital assets		45,000	-17,500	27,500	27,562	-62	100.2%		
<b>2.4 Empowerment &amp; Institutional Management</b>									
Current payment	11,974	3,301	-1000	14,275	9,194	5,081	64.4%	30,823	36,808
Transfers and subsidies	41,080	-4739		36,341	33,549	2,792	92.3%	22,389	16,684
Payment for capital assets	16	161		177	-	177	0.0%	573	246
<b>2.5 Operator Safety &amp; Compliance</b>									
Current payment	5,071	-		5,071	4,030	1,041	79.5%		
<b>2.6 Regulation &amp; Control Management</b>									
Current payment	6,063			6,063	7,354	-1,291	121.3%		
Payment for capital assets	28			28	18	10	64.3%		
<b>2.7 Civil Aviation</b>									
Current payment	11,799	-240	-2000	9,559	10,616	-1,057	111.1%	11,041	11,116
Payment for capital assets	766	-		766	112	654	14.6%	1,040	381
<b>TOTAL</b>	<b>156,025</b>	<b>-16,659</b>	<b>-21,500</b>	<b>117,866</b>	<b>109,710</b>	<b>8,156</b>	<b>93.1%</b>	<b>138,564</b>	<b>135,659</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	30,308	-3,279	-2,000	25,029	25,607	-578	102.3%	14,425	21,080
Goods and services	11,585	5,282	-2,000	14,867	8,027	6,840	54.0%	51,555	41,463
Financial transactions in assets and liabilities	-	-		-	1,774	-1,774		-	3,691
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	23,166	-10,085	-	13,081		13,081	0.0%	-	-
Departmental agencies and accounts	21,080	-4,819	-420	15,841	13,051	2,790	82.4%	44,460	44,326
<b>Public Corporations &amp; private enterprises</b>	69,000	-48,919	420	20,501	33,549	-13,048	163.6%	24,435	24,435
<b>Payment for capital assets</b>									
Buildings and other fixed structures	-	45,000	-17,500	27,500	27,562	-62	100.2%	-	-
Machinery and equipment	886	161	-	1,047	140	907	13.4%	1,689	684
<b>Total</b>	<b>156,025</b>	<b>-16,659</b>	<b>-21,500</b>	<b>117,866</b>	<b>109,710</b>	<b>8,156</b>	<b>93.1%</b>	<b>136,564</b>	<b>135,659</b>

**DETAILS PER PROGRAMME 3: TRAFFIC MANAGEMENT**  
**for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Programme Support</b>									
Current payment	1,684	-		1,684	897	787	5.3%		
Payment for capital assets	690			690	44	646	6.4%		
<b>3.2 Safety engineering</b>									
Current payment	3,428	-		3,428	1,859	1,569	54.2%		
<b>3.3 Traffic Law Enforcement</b>									
Current payment	45,051	-	17,500	62,551	75,141	-12,590	120.1%	67,243	68,983
Transfers and subsidies	-	5,785		5,785	-	5,785	0.0%	1,060	629
Payment for capital assets	377			377	81	296	21.5%	615	200
<b>3.4 Road Safety Education</b>									
Current payment	10,086	240	-	10,326	10,637	-311	103.0%	8,050	7,076
	102	-		102	53	49	52.0%	106	72
Payment for capital assets	13,738	-	-	13,738	9,364	4,374	68.2%		
<b>3.5 Transport Administration and Licensing</b>									
Current payment	1,000	1,000		2000	22	1,978	1.1%		
	185	-	-	185	-	185	0.0%		
<b>3.6 Overload Control Management</b>									
Current payment									
<b>TOTAL</b>	<b>87,313</b>	<b>-3,947</b>	<b>17,500</b>	<b>100,866</b>	<b>98,106</b>	<b>2,760</b>	<b>97.3%</b>	<b>77,074</b>	<b>77,050</b>

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	52,658	-	9,675	62,333	65,832	-3,499	105.5%	49,734	55,489
Goods and services	21,514	1,043	7,825	30,382	32,050	-1,668	105.5%	25,559	20,570
Transfers and subsidies to: Provinces and municipalities		-							
Payment for capital assets		5,972		5,972		5,972	0.0%	1,060	629
Machinery and equipment	2,169	10		2,179	224	1,955	10.3%	721	362
<b>Total</b>	<b>87,313</b>	<b>-3,947</b>	<b>17,500</b>	<b>100,866</b>	<b>98,106</b>	<b>2,760</b>	<b>97.3%</b>	<b>77,074</b>	<b>77,050</b>

#### 4.5 NOTES TO THE APPROPRIATION STATEMENT

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

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (D+F) to the Annual Financial Statements.

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

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

##### 3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
Programme 1:Administration	83,854	81,189	2,665	3.18
The saving against this programme is due to effective control of expenditure against communication, travel and subsistence and accommodation costs.				
Programme 2: Public Transport	117,866	109,710	8,156	6.92
The under-spending against this programme is due to the fact that the Kei Rail project progressed at a less satisfactory pace due to re-location of citizens from the rail site at Zamukulungisa informal settlement (Mthatha) to a new residential area.				
Programme 3	100,866	98,106	2,760	2.74
The saving against this programme is due to the curbing of spending especially against payments for capital assets in order to assist Provincial Treasury in avoiding the provincial deficit.				

##### 4.2 Per Economic classification

###### Current payment:

Compensation of employees	: 143,605
Goods and services	: 68,540
Financial transactions in assets and liabilities	: 1,774

###### Transfers and subsidies:

Provinces and municipalities	:
Departmental agencies and accounts:	: 13,051
Public corporations and private enterprises:	: 33,549

###### Payments for capital assets:

Buildings and other fixed structures	: 27,562
Machinery and equipment	: 924

#### 4.6 STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2005

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	301,943	308,403
Statutory appropriation	2	643	634
Departmental revenue	3	116,426	151,960
Local and foreign aid assistance	4	84,224	109,617
<b>TOTAL REVENUE</b>		<u>503,236</u>	<u>570,614</u>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	143,605	131,990
Goods and services	6	68,540	98,700
Financial transactions in assets and liabilities	7	1,774	4,286
Local and foreign aid assistance	4	84,688	85,485
<b>Total current expenditure</b>		<u>298,607</u>	<u>320,461</u>
<b>Transfers and subsidies</b>	9	46,600	69,390
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	10	27,562	-
Machinery and Equipment	10	924	3,536
Local and foreign aid assistance		-	17,670
<b>Total expenditure for capital assets</b>		<u>28,486</u>	<u>21,206</u>
<b>TOTAL EXPENDITURE</b>		<u>373,693</u>	<u>411,057</u>
<b>NET SURPLUS</b>		129,543	159,557
Add back unauthorised expenditure	8	-	1,865
<b>NET SURPLUS FOR THE YEAR</b>		<u>129,543</u>	<u>161,422</u>
	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	14	13,581	3,000
Departmental receipts to be surrendered to the Revenue Fund	15	116,426	151,960
Local and foreign aid assistance		-464	6,462
<b>NET SURPLUS FOR THE YEAR</b>		<u>129,543</u>	<u>161,422</u>

#### 4.7 STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2005

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		43,362	31,538
Unauthorised expenditure	8	8,701	8,701
Cash and cash equivalents	11	289	7,822
Receivables	12	34,372	15,015
<b>Non-current assets</b>		56,761	56,761
Investments	13	56,761	56,761
<b>TOTAL ASSETS</b>		<u>100,123</u>	<u>88,299</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		43,362	31,538
Voted funds to be surrendered to the Revenue Fund	14	13,581	1,135
Departmental revenue to be surrendered to the Revenue Fund	15	8,568	13,717
Payables	16	5,492	501
Local and foreign aid assistance unutilised	4	15,721	16,185
<b>TOTAL LIABILITIES</b>		<u>43,362</u>	<u>31,538</u>
<b>NET ASSETS</b>		<u>56,761</u>	<u>56,761</u>
<b>Represented by:</b>			
Capitalisation reserve		56,761	56,761
<b>TOTAL</b>		<u>56,761</u>	<u>56,761</u>

#### 4.8 STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2005

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>Capitalisation reserve</b>			
Opening balance		<u>56,761</u>	<u>56,761</u>
Closing balance		<u>56,761</u>	<u>56,761</u>
 <b>TOTAL</b>		 <u>56,761</u>	 <u>56,761</u>



#### 4.9 CASHFLOW STATEMENT for the year ended 31 March 2005

	<i>Note</i>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		
Annual appropriated funds received		301,943
Statutory appropriated funds received		643
Departmental revenue received		116,426
Local and foreign aid assistance received	4	84,224
Net increase in working capital		-19,357
		<u>483,879</u>
Surrendered to Revenue Fund		-122,710
Current payments		-293,616
Transfers and subsidies paid		-46,600
<b>Net cash flow available from operating activities</b>		<u>20,953</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		-28,486
<b>Net cash flows from investing activities</b>		<u>-28,486</u>
Net decrease in cash and cash equivalents		-7,535
Cash and cash equivalents at the beginning of the period		<u>7,822</u>
<b>Cash and cash equivalents at end of period</b>	11	<u><b>289</b></u>

#### 4.10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

##### 1. Annual Appropriation

- 1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):

	<b>Final Appropriation</b>	<b>Actual Funds Received</b>	<b>Variance over/(under)</b>	<b>Total Appropriation 2003/04</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Administration	83,211	83,211	-	94,765
Public	117,866	93,079	24,787	136,564
Transport				
Traffic	100,866	125,653	-24,787	77,074
Management				
Total	<b>301,850</b>	<b>301,943</b>	<b>-</b>	<b>308,403</b>

An application for roll over was made in April 2005 for R11 million.

##### 2. Statutory Appropriation

	<b>2004/05</b>	<b>2003/04</b>
Member of executive committee/parliamentary officers	643	634
	<b>643</b>	<b>634</b>

##### 3. Departmental revenue to be surrendered to revenue fund Description

	<i>Notes</i>	<b>2004/05</b>	<b>2003/04</b>
Tax revenue		105,832	92,463
Sales of goods and services other than capital assets		6,252	18,238
Fines, penalties and forfeits		3,174	807
Interest, dividends and rent on land		16	27
Sales of capital assets		-	33,094
Financial transactions in assets and liabilities	3.1	1,152	7,331
Total revenue collected		<b>116,426</b>	<b>151,960</b>
Less: Departmental Revenue Budgeted			
<b>Departmental revenue collected</b>		<b>116,426</b>	<b>151,960</b>

##### 3.1 Financial transactions in assets and liabilities Nature of loss recovered

	<b>2004/05</b>	<b>2003/04</b>
Cheques written back	51	751
Other	1,101	6,580
	<b>1,152</b>	<b>7,331</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**4. Local and foreign aid assistance**

<b>4.1</b>	<b>Assistance received in cash</b>	<b>Opening</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Closing</b>
	<b>Name of donor and purpose</b>	<b>Balance</b>			<b>balance</b>
	<b>Local</b>				
	<b>National Department of Transport:</b>				
	Driving Licence Testing Centres	432	-	-	432
	National Land Transport Transition Act Project	800	-	211	589
	Kei Rail Project	10,330	-	6,935	3,395
	Algoa Bus Services	3,273	83,700	76,439	10,534
	Teta	-	125	-	125
	Arrive Alive	1,350	374	1,103	621
	Quantity Surveyors–Training sponsor		4	-	4
	Emfuleni Resort – Training sponsor		4	-	4
	Standard Bank – Training sponsor		17	-	17
		<b>16,185</b>	<b>84,224</b>	<b>84,688</b>	<b>15,721</b>
	<b>Analysis of balance</b>				
	Local and foreign aid unutilised			15,721	16,185
	Closing balance			<b>15,721</b>	<b>16,185</b>

**5. Compensation of employees**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.1 Salaries and Wages</b>		
Basic salary	100,332	96,576
Performance award	64	
Service Based	383	
Compensative/circumstantial	3,462	
Other non-pensionable allowances	16,053	13,967
	<b>120,294</b>	<b>110,543</b>
<b>5.2 Social contributions</b>	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>5.2.1 Short-term employee benefits</b>		
Pension	15,234	13,635
Medical	8,042	7,812
Bargaining council	29	-
Insurance	6	-
	<b>23,311</b>	<b>21,447</b>
<b>Total compensation of employees</b>	<b>143,605</b>	<b>131,990</b>
Average number of employees	1,126	1,115

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**6. Goods and services**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Advertising		617	602
Attendance fees (including registration fees)		47	5
Bank charges and card fees		108	101
Bursaries (employees)		552	191
Communication		7,898	8,574
Computer services		8,945	7,188
Consultants, contractors and special services		4,085	3,598
Courier and delivery services		22	5
Entertainment		824	712
External audit fees	6.1	2,120	2,019
Equipment less than R5000		32	749
Inventory	6.2	3,969	3,409
Legal fees		351	162
Maintenance, repairs and running cost		9	71
Operating leases		2,912	2,089
Printing and publications		722	325
Professional bodies and membership fees		3	387
Resettlement cost		3,174	2,094
Owned leasehold property expenditure		1,665	1,962
Transport provided as part of the departmental activities		18,496	18,644
Travel and subsistence	6.3	7,746	6,559
Venues and facilities		39	-
Protective, special clothing & uniforms		82	216
Training & staff development		2,076	731
Previous years unallocated items		2,046	38,307
		<b>68,540</b>	<b>98,700</b>

**6.1 External audit fees**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Regularity audits	2,034	1,061
Other audits	86	958
<b>Total external audit fees</b>	<b>2,120</b>	<b>2,019</b>

**6.2 Inventory (purchased during the year)**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Other inventory	693	212
Fuel, oil and gas	16	9
Parts and other maintenance material	1,329	1,114
Stationery and printing	1,931	2,074
	<b>3,969</b>	<b>3,409</b>

**6.3 Travel and subsistence**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Local	7,746	6,559
<b>Total travel and subsistence</b>	<b>7,746</b>	<b>6,559</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'00</b>
<b>7. Financial transactions in assets and liabilities</b>			
Other material losses written off	7.1	<u>1,774</u>	<u>4,286</u>
		<b><u>1,774</u></b>	<b><u>4,286</u></b>
		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>7.1 Other material losses written off</b>			
<b>Nature of losses</b>			
First Auto costs		1,515	3,691
Salary related costs		202	595
Dishonoured cheques		<u>57</u>	<u>-</u>
		<b><u>1,774</u></b>	<b><u>4,286</u></b>
		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>8 Unauthorised expenditure</b>			
<b>8.1. Reconciliation of unauthorised expenditure</b>			
Opening balance		8,701	6,836
Unauthorised expenditure – current year		<u>-</u>	<u>1,865</u>
Unauthorised expenditure awaiting authorisation		<b><u>8,701</u></b>	<b><u>8,701</u></b>
		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>9 Transfers and subsidies</b>			
	<i>Notes</i>		
Departmental agencies and accounts	<i>Annex 1D</i>	13,051	44,955
Public corporations and private enterprises	<i>Annex 1F</i>	<u>33,549</u>	<u>24,435</u>
		<b><u>46,600</u></b>	<b><u>69,390</u></b>
		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>10. Expenditure for capital assets</b>			
Machinery and equipment	<i>Annex 4</i>	<u>28,486</u>	<u>3,536</u>
<b>Total</b>		<b><u>28,486</u></b>	<b><u>3,536</u></b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

	2004/05 R'000	2003/04 R'000
<b>11. Cash and cash equivalents</b>		
Consolidated Paymaster General Account	289	7,822
	<u>289</u>	<u>7,822</u>

				2004/05 R'000	2003/04 R'000
<b>12. Receivables</b>					
		<b>Less than one year</b>	<b>One to three years</b>	<b>Older than three years</b>	
				<b>Total</b>	<b>Total</b>
Amounts owing by other entities	<i>Annex 6</i>	-	10,821	-	13,693
Staff debtors	12.1	633	336	-	1,146
Clearing accounts	12.2	22,465	-	-	-
Other debtors	12.3	-	117	-	176
		<u>23,098</u>	<u>11,274</u>	<u>34,372</u>	<u>15,015</u>

Amounts of R 0.00 (2004: R 0.00 ) included above may not be recoverable, but have not been written off in the Statement of financial performance

	2004/05 R'000	2003/04 R'000
<b>12.1 Staff debtors</b>		
Debt Account	336	1,137
Miscellaneous Personnel Debts	633	
Subsistence & travelling		9
	<u>969</u>	<u>1,146</u>

	2004/05 R'000	2003/04 R'000
<b>12.2 Clearing accounts</b>		
Deposit Account: Dom	24	-
Receipt Control Account: Dom	2	-
Exchequer Grant Account: CL	22,439	-
	<u>22,465</u>	<u>-</u>

	2004/05 R'000	2003/04 R'000
<b>12.3 Other debtors</b>		
Dishonoured cheques	117	176
	<u>117</u>	<u>176</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

			Notes Annex 2	2004/05 R'000	2003/04 R'000
13. Investments					
Investee	Nature of investment				
Mayibuye Transport Corporation				56,761	56,761
				<b>56,761</b>	<b>56,761</b>
14 Voted funds to be surrendered to the Revenue Fund					
Opening balance				1,135	78,212
Transfer From Statement of Financial Performance				13,581	3,000
Paid during the year				-1,135	-80,077
Closing balance				<b>13,581</b>	<b>1,135</b>
				<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
15. Departmental receipts to be surrendered to the Revenue Fund					
Opening balance				13,717	6,628
Transfer from Statement of Financial Performance				116,426	151,960
Paid during the year				-121,575	-144,871
Closing balance				<b>8,568</b>	<b>13,717</b>
16 Payables – current					
Description					
	Notes	30 Days	30+ Days	2004/05 Total	2003/04 Total
Clearing accounts	16.1	-	5,211	5,211	-
Other payables	16.2	-	281	281	501
			<b>5,492</b>	<b>5,492</b>	<b>501</b>
				<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
16.1 Clearing accounts					
Description					
Cheques payable: Dom				102	-
Bank Adjustment Acc: Dom				91	-
Receipt Control Account: Dom				28	-
Outstanding Payments: Dom				4,827	-
Unpaid/Recall BAS EBT Control Acc: Dom				163	-
				<b>5,211</b>	<b>-</b>
16.2 Other payables					
Description					
Salaries and deductions				281	501
				<b>281</b>	<b>501</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>17. Reconciliation of net cash flow from operating</b>		
<b>Activities surplus/(deficit)</b>		
Net surplus/(deficit) as per Statement of Financial Performance	129,543	
Non-cash movements		
(Increase)/decrease in receivables – current	-19,357	
Increase/(decrease) in payables – current	4,991	
Surrenders	-122,710	
Capital expenditure	28,486	
Voted funds not requested/not received	-22,439	
<b>Net cash flow generated by operating activities</b>	<b>-1,486</b>	
<b>18. Appropriated funds and departmental revenue surrendered</b>		
Appropriated funds surrendered	13,581	1,135
Departmental revenue surrendered	8,568	13,717
	<b>22,149</b>	<b>14,852</b>



#### 4.11 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

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

		<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>19. Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	<i>Annex 3</i>	5,600	5,782
Other departments (interdepartmental unconfirmed balances)		<i>Annex 7</i>	17	-
			<b>5,617</b>	<b>5,782</b>
<b>20. Commitments per programme</b>			<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>Current expenditure</b>				
Approved and contracted			188,749	224,262
Approved but not yet contracted				
			<b>188,749</b>	<b>224,262</b>
<b>Capital expenditure</b>				
Approved and contracted			14,017	-
			<b>14,017</b>	
<b>Total Commitments</b>			<b>202,766</b>	<b>224,262</b>
<b>21. Accruals</b>			<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Compensation of employees	23	680	703	154
Goods and services	6,695	100	6,795	4,989
Transfers and subsidies	-	853	853	-
Machinery and equipment	60	-	60	104
	<b>6,778</b>	<b>1,633</b>	<b>8,411</b>	<b>5,247</b>
<b>Listed by programme level</b>				
Administration			2,179	1,187
Public Transport			4,627	2,143
Traffic Management			1,605	1,917
			<b>8,411</b>	<b>5,247</b>
<b>Confirmed balances with other departments</b>		<i>Annex 7</i>	437	-
			<b>437</b>	<b>-</b>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

		2004/05 R'000	2003/04 R'000		
22	Employee benefits				
	Leave entitlement	64,332	63,054		
	Thirteenth cheque	4,614	4,010		
		<u>68,946</u>	<u>67,064</u>		
23.	Lease Commitments				
23.1	Operating leases				
		Buildings and other fixed structures	Machinery and equipment	Total	Total
	Not later than 1 year		90,704	90,704	75,847
	Later than 1 year and not later than 3 years		92,457	92,457	151,971
	Later than three years		63,285	63,285	100,267
	Total present value of lease liabilities		<u>246,446</u>	<u>246,446</u>	<u>328,085</u>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005.**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>24. Receivables for services delivered (off balance sheet)</b>		
<b>Nature of service</b>		
Motor vehicle license fees from :		
Nelson Mandela Metropolitan Municipality	142,356	114,162
Qaukeni Municipality	477	2,318
Buffalo City Municipality	1,383	2,603
Amahlathi Municipality	377	461
Great Kei Municipality	133	146
Mnquma Municipality	321	227
Ngqushwa Municipality	25	1
Nkonkobe Municipality	143	130
Nxuba Municipality	113	161
Emalahleni Municipality	505	597
Engcobo Municipality	100	45
Inkwanca Municipality	144	149
Inxuba Yethemba Municipality	2,801	2,929
Lukhanji Municipality	940	1,977
Sakhisizwe Municipality	20	37
Tsolwana Municipality	19	14
Umzimkhulu Municipality	51	2
Umzimvubu Municipality	1,231	1,139
King Sabatha Dalindyebo Municipality	1,130	2,210
Mbizana Municipality	-	4
Elundini Municipality	116	220
Gariep Municipality	952	981
Maletswai Municipality	149	34
Senqu Municipality	43	103
Baviaans Municipality	603	456
Blue Crane Route Municipality	-	360
Camdeboo Municipality	80	173
Ikwezi Municipality	17	85
Kouga Municipality	2,106	3,020
Kou-Kamma Municipality	192	554
Makana Municipality	197	397
Ndlambe Municipality	159	179
Sundays River Municipality	282	703
	<b><u>157,165</u></b>	<b><u>136,577</u></b>

An amount of R0.00 has been written-off during the year.

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05</b> <b>R'000</b>	<b>2003/04</b> <b>R'000</b>
<b>25 Irregular expenditure</b>			
<b>25.1 Reconciliation of irregular expenditure</b>			
Opening balance			
Irregular expenditure – current year		<b>3,661</b>	<b>5,634</b>
Transfer to Statement of Financial Performance – authorised losses (Condoned)		<b>(3,661)</b>	<b>(5,634)</b>
Transfer to receivables for recovery (Not condoned)			
Irregular expenditure awaiting condonement		<u>-</u>	<u>-</u>
<b>Analysis</b>			
Current		3,661	5,634
Prior years		<u>(3,661)</u>	<u>(5,634)</u>
		<u>-</u>	<u>-</u>

**26 Senior management personnel**

The remuneration of the key management of the Department includes the following:

1	Member of Executive Council	101,127
1	Member of Executive Council	445,492
1	Head of Department	348,558
1	Acting Head of Department	478,524
2	Chief Financial Officer	448,695
2	Chief Directors	802,918
14	Directors	5,297,931
		<u><b>7,923,245</b></u>

**27 Public Private Partnership**

As reported in 2003-04 the Eastern Cape Provincial Government (ECPG) entered into a PPP agreement through the Department of Transport with Fleet Africa Eastern (Pty) Ltd on 4 August 2003 for the sole provision of official transport services, maintenance and government garage (GG) operations to all provincial government departments. An estimated amount of R188, 749 million for all provincial departments utilising full maintenance lease is projected as commitment for the remaining 40 months to the expiry of the contract. Upon expiry or termination of this PPP agreement the ECPG has no right to acquire any assets from FAEC for no consideration. Should this PPP agreement be terminated by reason of material breach or expire / lapse through effluxion of time, the ECPG has an option to either re-tender the provision of the services or negotiate the renewal of this agreement with FAEC.

#### 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

##### ANNEXURE 1D STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2003/04
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %
Nelson Mandela Metropolitan	8,791		-325	8,466	8,466	100.0%
Amatole District Municipality	1,835		1780	3,615	3,615	100.0%
Ukhahlamba District Municipality	1,000		-30	970	970	100.0%
Buffalo City Metro Trans Area	6,790		-6790	-	-	-
Umtata Metro Trans Area	3,000		-3000	-	-	-
Alfred Ndzo Distr Municipality	250		-250	-	-	-
OR Tambo Distr Municipality	250		-250	-	-	-
Chris Hani Distr Municipality	1,000		-1000	-	-	-
Cacadu District Municipality	250		-250	-	-	-
Great Kei Municipality	972		-5,000	972	-	0.0%
Maluti Municipality	5,000			-	-	
Mt Frere Municipality	5,000			5,000		0.0%
Spoornet Kei Rail Project						0.0%
Ndlambe Municipality						
	<b>34,138</b>		<b>-15,115</b>	<b>19,023</b>	<b>13,051</b>	
						<b>44,955</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2005

**ANNEXURE 1F**  
**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2003/04
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	
Public Corporations									
Transfers									
Mayibuye Corp	20,500			20,500	20,500	100.0%		20,500	24,435
				</					

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2005

**ANNEXURE 2A**  
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2005**

Name of Public Entities	Nature of business	Relevant Act	31 March	% Held 03/04	% Held 04/05	Number of shares		Cost of investment		Profit/(Loss) for the year		Are the losses Guaranteed
						04/05	03/04	04/05	03/04	04/05	03/04	
						R'000	R'000	R'000	R'000	R'000	R'000	Yes/No
<b>Controlled entities</b>												
Mayibuye Transp Corp	Transport Company	Ciskei Corporation Act and Eastern Cape Corporation Transition Act 12 of 1995						50,000	50,000	5 418	2 283	
<b>TOTAL</b>						<b>50,000</b>	<b>50,000</b>	<b>5 418</b>	<b>2 283</b>			<b>No</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2005

**ANNEXURE 2B**  
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2005 (CONTINUED)**

Name of Public Entities	Cost of investment		Amounts owing to		Amounts owing by		Valuation of investment	
	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000
Controlled entities								
Mayibuye Transport Corporation	50,000	50,000			6,761	6,761	56,761	56,761
<b>TOTAL</b>	<b>50,000</b>	<b>50,000</b>			<b>6,761</b>	<b>6,761</b>	<b>56,761</b>	<b>56,761</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2005

**ANNEXURE 3**  
**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL**

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank			767	439	229		977	
Nedbank			301	7	-		377	
FNB			332	101	-		433	
ABSA			1230	97	315		1012	
African Bank			278	-	278		-	
Peoples Bank			937	19	150		806	
BOE Bank (NBS)			181	42	-		223	
Saambou			185	27	60		152	
Permanent Bank			930	33	231		732	
TNBS Mutual Bank			310	-	52		258	
Meeg Bank			314	88			402	
Hlano Financial			5	-	5		-	
BOE Bank			12	4			16	
Unique Bank			-	212			212	
<b>Total</b>			<b>5,782</b>	<b>1,138</b>	<b>1,320</b>		<b>5,600</b>	

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 4**

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		27,562				27,562
Other structures (Infrastructure assets )		27,562	-	-	-	27,562
			-	-	-	
			-	-	-	
			-	-	-	
<b>MACHINERY AND EQUIPMENT</b>						
Computer equipment	4,043	205	-	-	-	4,248
Furniture and office equipment	1,134	405	-	-	-	1,539
Other machinery and equipment	480	314	-	-	-	794
	5,657	28,486	-	-	-	34,143

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>						
Computer equipment	1,551	2,492	-	-	-	4,043
Furniture and office equipment	473	661	-	-	-	1,134
Other machinery and equipment	97	383	-	-	-	480
	2,121	3,536	-	-	-	5,657

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 6**  
**INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
<b>Departments</b>				
Education	10,117			10,274
Sports	325	1,184	6	-
Premier	362	403	3	-
Justice	-	-	2	-
Land Affairs	-	-	1	-
Housing	-	-	1	-
Other Departments	-	6	4	-
Agriculture	-	322	-	100
Economic Affairs	-	174	-	-
Safety	-	3	-	98
Public Works	-	49	-	-
Home Affairs	-	238	-	-
Environmental Affairs	-	345	-	-
SA Communication Services: First Auto	-	112	-	-
State Expenditure: First Auto	-	2	-	-
Public Works: First Auto	-	205	-	-
Prov. Health: First Auto	-	-	-	117
Prov. Welfare	-	-	-	61
<b>TOTAL</b>	<b>10,804</b>	<b>3,043</b>	<b>17</b>	<b>10,650</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 7**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
<b>Department</b>				
Amounts not included in Statement of financial position				
Current				
Justice	437	-	10	-
Public Works	-	-	7	-
<b>Total</b>	<b>437</b>	<b>-</b>	<b>17</b>	

## PART FIVE

### 5. HUMAN RESOURCES MANAGEMENT

#### 5.1 Organisation

##### 5.1.1 Organisational Structure

The structure which was approved on 29 May 2003 is still in place. Civil Aviation is still undergoing restructuring process and for that reason its old structure created in 1995 for the two (2) airports (Bhisho and Mthatha) has been linked to the main structure and only the head office component of the division has been structured. The departmental structure consists of four (4) branches, namely: Corporate Services, Organisational Development, Traffic Management and Public Transport.

#### 5.2 High level information on key human resource issues.

##### 1. Service Delivery Improvement (SDI) Plan

The department did not establish the plan but as an alternative thereto, a five (5) year strategic plan and an annual business plan were developed. These plans identify the main services to be provided to the different types of actual and potential customers as well as indicating the standards for the main services to be provided. Both in the development of the plans and the implementation thereof, each programme consulted with actual and potential customers of the service to be delivered by the programme

##### 2. Expenditure.

Department budgets in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**TABLE 2.1 – Personnel costs by programme, 2004/05**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Prog.1 Administration	81,189	52,166	0	0	64.3	47
Prog.2 Public Transport	109,710	25,607	0	0	23.3	23
Prog.3 Traffic Management	98,106	65,832	0	0		60
<b>Total</b>	<b>289,005</b>	<b>143,605</b>	<b>0</b>	<b>0</b>	<b>49.6</b>	<b>130</b>

**TABLE 2.2 – Personnel costs by salary bands, 2004/05**

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	8,482	5.9	57,223
Skilled (Levels 3-5)	13,136	8.5	87,573
Highly skilled production (Levels 6-8)	87,086	56.5	131,749
Highly skilled supervision (Levels 9-12)	25,100	16.3	187,313
Senior management (Levels 13-16)	9,801	6.4	490,050
<b>Total</b>	<b>143,605</b>	<b>100</b>	<b>129,599</b>

**TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Office of the MEC	722	61.5	0	0	0	0	48	3.8
Prog.1 Administration	6928	0	20	0	137	0	624	0
Prog.3 Traffic Administration	12878	0	79	0	212	0	1180	0
Prog.4 Public Transport	1807	0	0	0	31	0	147	0
Prog.5 Transport Planning	124	0	0	0	1	0	5	0
Prog.6 Government Motor transport	103	0	0	0	1	0	7	0
Prog.1 Administration	31742	67.8	49	0.1	522	1.1	2442	5.2
Prog.2 Public Transport	11481	69.6	204	1.2	164	1	812	4.9
Prog.3 Traffic Management	34608	61	2128	3.7	555	1	2879	5.1
<b>Total</b>	<b>100443</b>	<b>82.8</b>	<b>2480</b>	<b>2</b>	<b>1623</b>	<b>1.3</b>	<b>8144</b>	<b>6.7</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel Cost (R'000)
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	
Lower skilled (Levels 1-2)	5882	93.3	39	0.6	45	0.7	619	9.8	6304
Skilled (Levels 3-5)	9414	94.1	297	3	79	0.8	1018	10.2	10005
Highly skilled production (Levels 6-8)	60928	86.1	1839	2.6	1253	1.8	5224	7.4	70772
Highly skilled supervision (Levels 9-12)	18375	74	304	1.2	249	1	979	3.9	24816
Senior management (Levels 13-16)	5844	61.8	0	0	-1	0	304	3.2	9450
<b>Total</b>	<b>100 443</b>	<b>82.8</b>	<b>2479</b>	<b>2</b>	<b>1625</b>	<b>1.3</b>	<b>8144</b>	<b>6.7</b>	<b>121347</b>

### 3. Employment and vacancies

**TABLE 3.1 – Employment and vacancies by programme, 31 March 2005**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Office of the MEC	4	4	0	1
Prog.1 Administration	14	2	85.7	0
Prog.3 Traffic Administration	13	4	69.2	0
Prog.4 Public Transport	8	1	87.5	0
Prog.1: Administration	513	433	15.6	0
Prog.2: Pub. Transport	171	147	14	0
Prog.3: Traffic Management	604	513	15.1	0
<b>Total</b>	<b>1327</b>	<b>1104</b>	<b>16.8</b>	<b>1</b>

**TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2005**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	203	173	14.8	0
Skilled (Levels 3-5)	529	434	18	0
Highly skilled production (Levels 6-8)	445	373	16.2	0
Highly skilled supervision (Levels 9-12)	125	104	16.8	1
Senior management (Levels 13-16)	25	20	20	0
<b>Total</b>	<b>1327</b>	<b>1104</b>	<b>16.8</b>	<b>1</b>

**TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2005**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Admin. related, permanent	83	71	14.5	0
Air Traffic Controllers	9	9	0	0
Aircraft pilots & related associate professionals	1	1	0	0
All artisans – building metal machinery	4	4	0	0
Architects- town & traffic planners	9	6	33.3	0
Building & other property caretakers	6	4	33.3	0
Bus & heavy vehicle drivers	21	16	23.8	0
Cleaners in offices, w/shops & hospitals	156	134	14.1	0
Client inform clerks	1	1	0	0
Computer programmers	5	3	40	0
Electrical & electronics engineering technicians	1	1	0	0
Financial & related professionals	27	18	33.3	0
Financial Clerks & Credit Controllers	117	100	14.5	0
Fire fighting & related workers	21	15	28.6	0
Food services aids & waiters	3	2	33.3	0
Head of Department / CEO	3	3	0	0
Human Resources & Org Dev.	39	33	15.4	1
Human Resources Clerks	61	55	9.8	0
Library mail & related clerks	20	17	15	0
Light vehicle drivers	7	5	28.6	0
Logistical Support personnel	20	15	25	0
Material Recording & Transport Clerks	126	94	25.4	0
Messengers, porters,& deliverers	3	3	0	0
Motor vehicle drivers	3	3	0	0
Other admin & related clerks 7 organisers	123	106	13.8	0
Other admin policy & related officers	5	4	20	0
Other occupations	1	1	0	0
Regulatory inspectors	396	330	16.7	0
Secretaries & other keyboard operating clerks	21	21	0	0
Senior Managers	25	19	24	0
Trade labourers	9	9	0	0
Translators & Air Traffic communicators	1	1	0	0
<b>Total</b>	<b>1327</b>	<b>1104</b>	<b>16.8</b>	<b>1</b>



#### 4. Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review.

**TABLE 4.1 – Job Evaluation, 1 April 2004 to 31 March 2005**

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	203	0	0	0	0	0	0
Skilled (Levels 3-5)	529	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	445	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	125	0	0	1	0	0	0
Senior Management Service Band A	19	0	0	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
<b>Total</b>	<b>1327</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

**TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)**

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2003/ 04	None
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## 5. Employment changes

**TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005**

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	163	0	15	9.2
Skilled (Levels 3-5)	140	44	47	33.6
Highly skilled production(Levels 6-8)	661	11	14	2.1
Highly skilled supervision(Levels 9-12)	84	2	3	3.6
Senior Management Service Band A	18	0	0	0
Senior Management Service Band B	2	0	0	0
Senior Management Service Band C	1	0	1	100
Senior Management Service Band D	0	0	0	0
<b>Total</b>	<b>1069</b>	<b>57</b>	<b>80</b>	<b>7.5</b>

**TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005**

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Admin. related, permanent	45	2	1	2.2
Air Traffic Controllers	9	0	0	0
Aircraft pilots & related associate professionals	1	0	0	0
All artisans – building metal machinery	47	0	3	6.4
Architects- town & traffic planners	4	0	0	0
Bus & heavy vehicle drivers	23	0	6	26.1
Cleaners in offices, w/shops & hospitals	162	0	13	8
Client inform clerks	1	0	0	0
Computer programmers	0	2	1	0
Electrical & electronics engineering technicians	1	0	0	0
Engineering sciences related	1	0	0	0
Farm hands & labourers	2	0	0	0
Finance & economics related	3	0	0	0
Financial & related professionals	6	0	0	0
Financial Clerks & Credit Controllers	44	1	0	0
Fire fighting & related workers	18	0	0	0
Household and laundry workers	2	0	0	0
Human Resources & Org Dev.	10	1	0	0
Human Resources Clerks	37	0	2	0
Information Technology related	0	1	0	0
Language practitioners interpreters	10	0	0	0
Library mail & related clerks	8	0	2	25
Light vehicle drivers	3	0	0	0
Logistical Support personnel	60	0	0	0
Material Recording & Transport Clerks	43	2	1	2.3
Messengers, porters, & deliverers	8	0	0	0
Motor vehicle drivers	9	0	0	0
Other admin & related clerks & organisers	143	1	3	2.1
Other admin policy & related officers	70	0	0	0
Other occupations	2	0	0	0

PROVINCE OF THE EASTERN CAPE: VOTE 10 - DEPARTMENT OF ROADS AND TRANSPORT  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Rank: unknown	8	0	0	0
Regulatory inspectors	295	41	40	13.6
Road workers	0	0	4	0
Secretaries & other keyboard operating clerks	19	6	0	0
Security guards	5	0	0	0
Security officers	2	0	1	50
Senior Managers	17	0	1	5.9
Trade labourers	8	0	1	12.5
<b>Total</b>	<b>1069</b>	<b>57</b>	<b>80</b>	<b>7.5</b>

**Table 5.3 – Reasons why staff are leaving the department**

Termination Type	Number	% of total
Death	14	31.1
Resignation	11	24.4
Expiry of contract	1	2.22
Dismissal – operational changes	0	0
Dismissal – misconduct	3	6.66
Dismissal – inefficiency	0	0
Discharged due to ill-health	4	8.88
Retirement	13	28.88
Transfers to other Public Service Departments	1	2.22
Other	0	0
<b>Total</b>	<b>45</b>	<b>100</b>
Total number of employees who left as a % of the total employment		4.2

**Table 5.4 – Promotions by critical occupation**

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Admin. related, permanent	45	0	0	8	17.8
Air Traffic Controllers	9	0	0	0	0
Aircraft pilots & related associate professionals	1	0	0	0	0
All artisans – building metal machinery	47	0	0	5	10.6
Architects- town & traffic planners	4	0	0	0	0
Artisan Project & related superintendents	23	0	0	0	0
Bus & heavy vehicle drivers	162	0	0	6	26.1
Cleaners in offices, w/shops & hospitals	1	0	0	37	22.8
Client inform clerks	0	0	0	0	0
Electrical & electronics engineering technicians	1	0	0	0	0
Engineering sciences related	1	0	0	0	0
Farm hands & labourers	2	0	0	0	0
Finance & economics related	3	0	0	0	0
Financial & related professionals	6	0	0	3	50
Financial Clerks & Credit Controllers	44	0	0	6	13.6
Fire fighting & related workers	18	0	0	0	0

**PROVINCE OF THE EASTERN CAPE: VOTE 10 - DEPARTMENT OF ROADS AND TRANSPORT  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005**

<b>Occupation</b>	<b>Employees as at 1 April 2004</b>	<b>Promotions to another salary level</b>	<b>Salary level promotions as a % of employees by occupation</b>	<b>Progressions to another notch within a salary level</b>	<b>Notch progressions as a % of employees by occupation</b>
Household and laundry workers	2	0	0	0	0
Human Resources & Org Dev.	10	0	0	1	10
Human Resources Clerks	37	0	0	10	27
Human resources related	0	0	0	0	0
Language practitioners interpreters	10	0	0	0	0
Library mail & related clerks	8	0	0	1	12.5
Light vehicle drivers	3	0	0	1	33.3
Logistical Support personnel	60	0	0	2	33.3
Material Recording & Transport Clerks	43	0	0	12	27.9
Messengers, porters, & deliverers	8	0	0	0	0
Motor vehicle drivers	9	0	0	0	0
Other admin & related clerks & organisers	143	0	0	35	24.5
Other admin policy & related officers	70	0	0	20	28.6
Other occupations	2	0	0	0	0
Rank: unknown	8	0	0	0	0
Regulatory inspectors	295	0	0	9	3.1
Secretaries & other keyboard operating clerks	19	0	0	2	10.5
Security guards	5	0	0	0	0
Security officers	2	0	0	0	0
Senior Managers	17	1	5.9	0	0
Trade labourers	8	0	0	4	50
<b>TOTAL</b>	<b>1069</b>	<b>1</b>	<b>0.1</b>	<b>162</b>	<b>15.2</b>

**Table 5.5 – Promotions by salary band**

<b>Salary Band</b>	<b>Employees 1 April 2004</b>	<b>Promotions to another salary level</b>	<b>Salary bands promotions as a % of employees by salary level</b>	<b>Progressions to another notch within a salary level</b>	<b>Notch progressions as a % of employees by salary band</b>
Lower skilled (Levels 1-2)	163	0	0	37	22.7
Skilled (Levels 3-5)	140	0	0	17	12.1
Highly skilled production (Levels 6-8)	661	0	0	99	15
Highly skilled supervision (Levels 9-12)	84	0	0	9	10.7
Senior management (Levels 13-16)	21	1	4.8	0	0
<b>Total</b>	<b>1069</b>	<b>1</b>	<b>0.1</b>	<b>162</b>	<b>15.2</b>

## 6. Employment equity

### 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	1	0	2	3	0	0	0	17
Professionals	10	0	0	5	22	0	0	2	39
Technicians and associate professionals	328	25	0	27	70	2	0	5	457
Clerks	133	2	1	2	164	1	0	19	322
Service and sales workers	31	0	0	2	0	0	0	0	33
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	40	1	0	1	0	0	0	0	42
Plant and machine operators and assemblers	28	0	0	0	0	0	0	0	28
Elementary occupations	98	4	0	2	54	2	0	0	160
<b>Total</b>	<b>679</b>	<b>33</b>	<b>1</b>	<b>41</b>	<b>313</b>	<b>5</b>	<b>0</b>	<b>26</b>	<b>1098</b>
<b>Other, non – permanent workers</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Total</b>	<b>680</b>	<b>33</b>	<b>1</b>	<b>41</b>	<b>318</b>	<b>5</b>	<b>0</b>	<b>26</b>	<b>1104</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

### 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	11	1	0	2	5	0	0	0	19
Professionally qualified and experienced specialists and mid-management	48	2	0	7	21	0	0	1	79
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	428	20	0	27	209	1	0	24	709
Semi-skilled and discretionary decision making	107	6	1	5	29	2	0	1	151
Unskilled and defined decision making	85	4	0	0	49	2	0	0	140
<b>Total</b>	<b>679</b>	<b>33</b>	<b>1</b>	<b>41</b>	<b>313</b>	<b>5</b>	<b>0</b>	<b>26</b>	<b>1098</b>
<b>Non-permanent workers</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

### 6.3 – Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management									
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	8	0	0	1	11
Semi-skilled and discretionary decision making	15	17	0	1	10	1	0	0	44
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>19</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>57</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 6.4 – Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	7	0	0	0	2	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	40	1	0	6	37	0	0	16	100
Semi-skilled and discretionary decision making	10	1	2	2	2	0	2	0	17
Unskilled and defined decision making	20	4	0	0	12	1	0	13	37
<b>Total</b>	<b>78</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>53</b>	<b>1</b>	<b>54</b>	<b>16</b>	<b>164</b>

Employees with disabilities	0	0	0	0	0	0	0	0	0
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#### 6.5 – Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	0	0	2	3	0	0	0	16
Semi-skilled and discretionary decision making	23	14	0	1	11	0	0	0	49
Unskilled and defined decision making	15	0	0	0	6	0	0	0	21
<b>Total</b>	<b>52</b>	<b>14</b>	<b>0</b>	<b>3</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89</b>

Employees with disabilities	0	0	0	0	0	0	0	0	0
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#### 6.6 – Disciplinary action for the period 1 April 2004 to 31 March 2005

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45

## 6.7 – Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	0	1	2	0	0	0	15
Professionals	335	5	0	4	68	1	0	0	413
Technicians and associate professionals	7	0	0	2	14	0	0	0	23
Clerks	80	5	0	0	22	1	0	4	112
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	13	0	0	0	6	0	0	0	19
<b>Total</b>	<b>447</b>	<b>10</b>	<b>0</b>	<b>7</b>	<b>112</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>582</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 7. Performance rewards

**TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005**

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African Female	3	317	0.9	34	11,276
African Male	2	679	0.3	48	24,172
Coloured Female	0	5	0	0	0
Coloured Male	0	33	0	0	0
Asian male	0	1	0	0	0
Total Black Female	3	322	0.9	34	11,276
Total Black Males	2	713	0.3	48	24,172
White Female	0	26	0	0	0
White Male	0	42	0	0	0
Employees with disability	0	1	0	0	0
<b>Total</b>	<b>5</b>	<b>1104</b>	<b>0.5</b>	<b>82</b>	<b>16.434</b>

**TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	139	0	0	0	0
Skilled (Levels 3-5)	0	150	0	0	0	0
Highly skilled production (Levels 6-8)	1	661	0.2	3	3,000	0
Highly skilled supervision (Levels 9-12)	3	134	2.2	43	14,333	0
<b>Total</b>	<b>4</b>	<b>1084</b>	<b>0.4</b>	<b>46</b>	<b>11500</b>	<b>0</b>

**TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Admin. related, permanent	1	77	1.3	8	8,000
Air Traffic Controllers	0	9	0	0	0
Aircraft pilots & related associate professionals	0	1	0	0	0
All artisans – building metal machinery	0	38	0	0	0
Architects- town & traffic planners	0	4	0	0	0
Artisanproject and related superintendents	0	4	0	0	0
Bus & heavy vehicle drivers	0	15	0	0	0
Cleaners in offices, w/shops & hospitals	0	137	0	0	0
Client inform clerks	0	1	0	0	0
Communication & information related	0	1	0	0	0
Computer programmers	0	1	0	0	0
Electrical & electronics engineering technicians	0	1	0	0	0
Engineering sciences related	0	1	2	13	0
Farm hands & labourers	0	2	0	0	0
Finance & economics related	0	3	0	0	0
Financial & related professionals	0	8	0	0	0
Financial Clerks & Credit Controllers	1	51	2	13	13,000
Fire fighting & related workers	0	18	0	0	0
Household and laundry workers	0	1	0	0	0
Human Resources & Org Dev.	0	15	0	0	0
Human Resources Clerks	1	39	2.6	3	3,000
Human resources related	1	5	20	22	22,000
Information Technology related	0	1	0	0	0
Language practitioners interpreters	0	1	0	0	0
Library mail & related clerks	0	9	0	0	0
Light vehicle drivers	0	3	0	0	0
Logistical Support personnel	0	10	0	0	0
Material Recording & Transport Clerks	0	55	0	0	0
Messengers, porters, & deliverers	0	7	0	0	0
Motor vehicle drivers	0	9	0	0	0
Other admin & related clerks & organisers	0	139	0	0	0
Other admin policy & related officers	0	68	0	0	0
Other occupations	0	6	0	0	0
Rank: unknown	0	4	0	0	0
Regulatory inspectors	0	302	0	0	0
Secretaries & other keyboard operating clerks	0	28	0	0	0
Security guards	0	5	0	0	0



PROVINCE OF THE EASTERN CAPE: VOTE 10 - DEPARTMENT OF ROADS AND TRANSPORT  
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Security officers	0	1	0	0	0
Senior Managers	1	16	6.3	36	36,000
Trade labourers	0	8	0	0	0
<b>Total</b>	<b>5</b>	<b>1104</b>	<b>0.5</b>	<b>82</b>	<b>16400</b>

**TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service**

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	16	0	0	0	0
Band B	0	4	0	0	0	0
Band C	1	0	0	36	3,600	4.6
Band D	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>20</b>	<b>5</b>	<b>36</b>	<b>3600</b>	<b>4.6</b>

## 8. Foreign workers

**TABLE 8.1 – Foreign Workers, 1 April 2004 to 31 March 2005, by salary band**

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	1	100	0	0	0	-1
<b>Total</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>

**TABLE 8.2 – Foreign Worker, 1 April 2004 to 31 March 2005, by major occupation**

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals & managers	1	100	0	0	0	-1
<b>Total</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>

## 9. Leave utilisation for the period 1 January 2004 to 31 December 2004

**TABLE 9.1 – Sick leave, 1 January 2004 to 31 December 2004**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	989	86.7	89	12.2	11	138
Skilled (Levels 3-5)	1007.5	89.6	98	13.4	10	197
Highly skilled production (Levels 6-8)	4933.5	84.7	460	63.1	11	1,672
Highly skilled supervision (Levels 9-12)	510	87.6	68	9.3	8	309
Senior management (Levels 13-16)	43	81.4	12	1.6	4	68
Not available	9	100	2	0.3	5	1
<b>Total</b>	<b>7492</b>	<b>85.8</b>	<b>729</b>	<b>100</b>	<b>10</b>	<b>2385</b>

**TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004**

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	20	100	2	28.6	10	3
Skilled (Levels 3-5)	29	100	1	14.3	29	5
Highly skilled production (Levels 6-8)	91	100	4	57.1	23	28
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>140</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>20</b>	<b>36</b>

**TABLE 9.3 – Annual Leave, 1 January 2004 to 31 December 2004**

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	4070.32	28
Skilled Levels 3-5)	3341.08	24
Highly skilled production (Levels 6-8)	16367.08	26
Highly skilled supervision(Levels 9-12)	2809	22
Senior management (Levels 13-16)	444	21
Not available	9	2
<b>Total</b>	<b>27040.48</b>	<b>25</b>

**TABLE 9.4 – Capped leave, 1 January 2004 to 31 December 2004**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	253	6	130
Skilled Levels 3-5)	211	11	146
Highly skilled production (Levels 6-8)	1210	10	161
Highly skilled supervision(Levels 9-12)	137	10	194
Senior management (Levels 13-16)	4	2	179
<b>Total</b>	<b>1815</b>	<b>9</b>	<b>144</b>

**TABLE 9.5 – Leave payouts for the period 1 April 2004 to 31 March 2005**

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2004/05	241	57	4228
Current leave payout on termination of service for 2004/05	0	0	0
<b>Total</b>	<b>241</b>	<b>57</b>	<b>4228</b>

## 10. HIV and AIDS & Health promotion programmes

**TABLE 10.1 – Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Law enforcement and Roads division	<ul style="list-style-type: none"> <li>Awareness raising on a continuous basis</li> </ul>
	<ul style="list-style-type: none"> <li>Training of Peer Educators</li> </ul>
	<ul style="list-style-type: none"> <li>Training of Councillors</li> </ul>
	<ul style="list-style-type: none"> <li>Training of Transport sector HIV / AIDS Peer Educators</li> </ul>

**TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Director: Human Resource Management: Mr. M. R. Fonte
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		13 Budget: R120,705
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		To promote the well-being of employees within the workplace.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<p><u>Member:</u>                      <u>Stakeholder:</u></p> <p>1. S Ncaca                      - SHE</p> <p>2. L. Guwa                      - SHE Co-ordinator</p> <p>3. N. Mkhobeni – HIV / AIDS Co-ordinator</p> <p>4. P. N. Tayo - EAP</p> <p>5. E. Krune – HIV/AIDS Councillor</p> <p>6. N. Zono – HIV/AIDS Peer Educator</p> <p>7. T. Ntshuntshe – Organised Labour</p> <p>8. T Khetsi - Transformation</p> <p>9. N. Nogaga – Organised Labour</p> <p>10. M. R. Fonte - SMS</p> <p>11. T. Matwane – Communication</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		√	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		Draft HIV / AIDS Policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Infected and mostly affected employees are coming forward.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		SHE Policy

## 11. Labour relations

**TABLE 11.1 – Collective agreements, 1 April 2004 to 31 March 2005**

Total collective agreements	None
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**TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	4.65
Verbal warning	0	0
Written warning	8	18.6
Final written warning	20	46.5
Suspended without pay	7	16.27
Fine	0	0
Demotion	0	0
Dismissal	1	2.32
Not guilty	4	9.3
Case withdrawn	1	2.32
<b>Total</b>	<b>43</b>	<b>100</b>

**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Improper use of Government property	9	69.2
Drunkenness on duty	4	30.8
<b>Total</b>	<b>13</b>	<b>100</b>

**TABLE 11.4 – Grievances lodged for the period 1 April 2004 to 31 March 2005**

	Number	% of Total
Number of grievances resolved	47	63.5
Number of grievances not resolved	27	36.5
<b>Total number of grievances lodged</b>	<b>74</b>	<b>100</b>

**TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005**

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	3	100
<b>Total number of disputes lodged</b>	<b>3</b>	<b>100</b>

**TABLE 11.6 – Strike actions for the period 1 April 2004 to 31 March 2005**

Total number of person working days lost	155 employees 119 Days 174 Hours
Total cost (R'000) of working days lost	28,554.27
Amount (R'000) recovered as a result of no work no pay	28,554.27

**TABLE 11.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005**

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

## 12. Skills development

### 12.1 – Training needs identified 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2		2		2
	Male	14		13		13
Professionals	Female	17		14		14
	Male	7		7		7
Technicians and associate professionals	Female	69		55	13	68
	Male	361		340	28	368
Clerks	Female	170		89		89
	Male	125		23		23
Service and sales workers	Female	0				
	Male	34				
Skilled agriculture and fishery workers	Female	0				
	Male	53				
Craft and related trades workers	Female	0				
	Male	0				
Plant and machine operators and assemblers	Female	0				
	Male	35				
Elementary occupations	Female	65			6	6
	Male	118			13	13
Sub Total	Female	323				
	Male	747				
Total		1070		543	60	603

### 12.2 – Training provided 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3		2	qualifications	
	Male	15		14		
Professionals	Female	24		10		
	Male	16		5		
Technicians and associate professionals	Female	78		27	13	
	Male	380		74	28	173
Clerks	Female	184		Short courses	Qualifications	
	Male	138		83	FET 7	
Service and sales workers	Female	0		117	14	221
	Male	33				
Skilled agriculture and fishery workers	Female	0				
	Male	42				
Craft and related trades workers	Female	0				
	Male	0				
Plant and machine operators and assemblers	Female	0				
	Male	0				

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Plant and machine operators and assemblers	Female	0				
	Male	0				
Elementary occupations	Female	56		Short courses	ABET	
				6	21	
	Male	105		13	35	75
Sub Total	Female	345				
	Male	757				
<b>Total</b>		<b>1102</b>				<b>469</b>

### 13. Injury on duty

The following tables provide basic information on injury on duty.

**TABLE 13.1 – Injury on duty, 1 April 2004 to 31 March 2005**

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	58.8
Temporary Total Disablement	4	23.53
Permanent Disablement	2	11.76
Fatal	1	5.88
<b>Total</b>	<b>17</b>	<b>100</b>

### 14. Utilisation of consultants

**Table 14.1 – Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
BAS MANAGEMENT	1	90	56891
PERSAL MANAGEMENT	1	59	50000
KEI RAIL PROJECT MANAGEMENT	1	255	340791
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
3	3	404	447682

**Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) = N/A**

**Table 14.3 – Report on consultant appointments using Donor funds = N/A**

**Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) = N/A**