



# KWAZULU-NATAL DEPARTMENT OF TRANSPORT

**Annual Report**  
**2005/06**



*"prosperity through mobility"*





## KwaZulu-Natal Department of Transport

### ***The Zig-Zag partition***

This alludes to the majestic Drakensberg Mountains, which are green in summer and snow capped in winter.

### ***The Strelitzia flower***

This flower has long been associated with the Province as a floral emblem and represents the natural beauty of the Province.

### ***The Dove Tailed Bordure***

(the green on which the Lion and Wildebeest are standing) indicates the inter-linking and inter-dependence of the inhabitants of the Province.

### ***The White Star***

Represents the star signalling the birth of Christ (Vas coda Gama, the early Portuguese explorer, named the coastal region Natalia on Christmas Day in 1497) (Natal-Birth).

### ***The Lion Supporter***

It plays an important role in African (Zulu) culture. His Majesty the King is referred to as the Ingonyama (Lion). The Lion also represents an important feature of the State Emblems of India as well as in the British Royal Arms. The Lion supporter is therefore a unifying Heraldic Component.

### ***The Black Wildebeest Supporter***

This supporter is associated in a Heraldic Context with the former Province of Natal. Together the Lion and Wildebeest represent the coming together of the former KwaZulu and the former Natal and the unity of all people of the Province (Zulu, Indian and White).

### ***The Hemispherical Zulu Hut***

It rests on the point of the shield, such a hut could form an appropriate head for the Provincial Mace thus linking the Provincial Coat of Arms and the Provincial Mace.

### ***The Cross Assegai and Knob Kierie (Iwisa)***

These are symbols of authority and are placed behind the shield.

### ***The Motto***

Masisukume Sakhe translated to English means "Let us Stand Up and Bulid".

### ***The Head Ring (Isicoco)***

This is a symbol of wisdom and of good standing in the community.

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ISBN: 0-621-36659-5

PR Number: PR 105/2006



## ***Moving Forward Prosperously***

### **Forward**

A corporate identity is more than just a design image. It is an organisation's unique character and a combination of its reputation, name, and organisational culture. It encapsulates the motto: "the way we do things around here". A corporate identity has the purpose of graphically differentiating an organisation or product in a way that is unique, appropriate and relevant.

The KwaZulu-Natal Department of Transport's corporate identity reflects the dynamic nature and innovative credo of the organisation.

The Department prides itself as one of the leading lights in the field of effective service delivery to the people of KwaZulu-Natal and the new South Africa. The identity reflects the values and vision of the Department.

It projects our creative and progressive manner in which we deliver the direly needed services to our communities.



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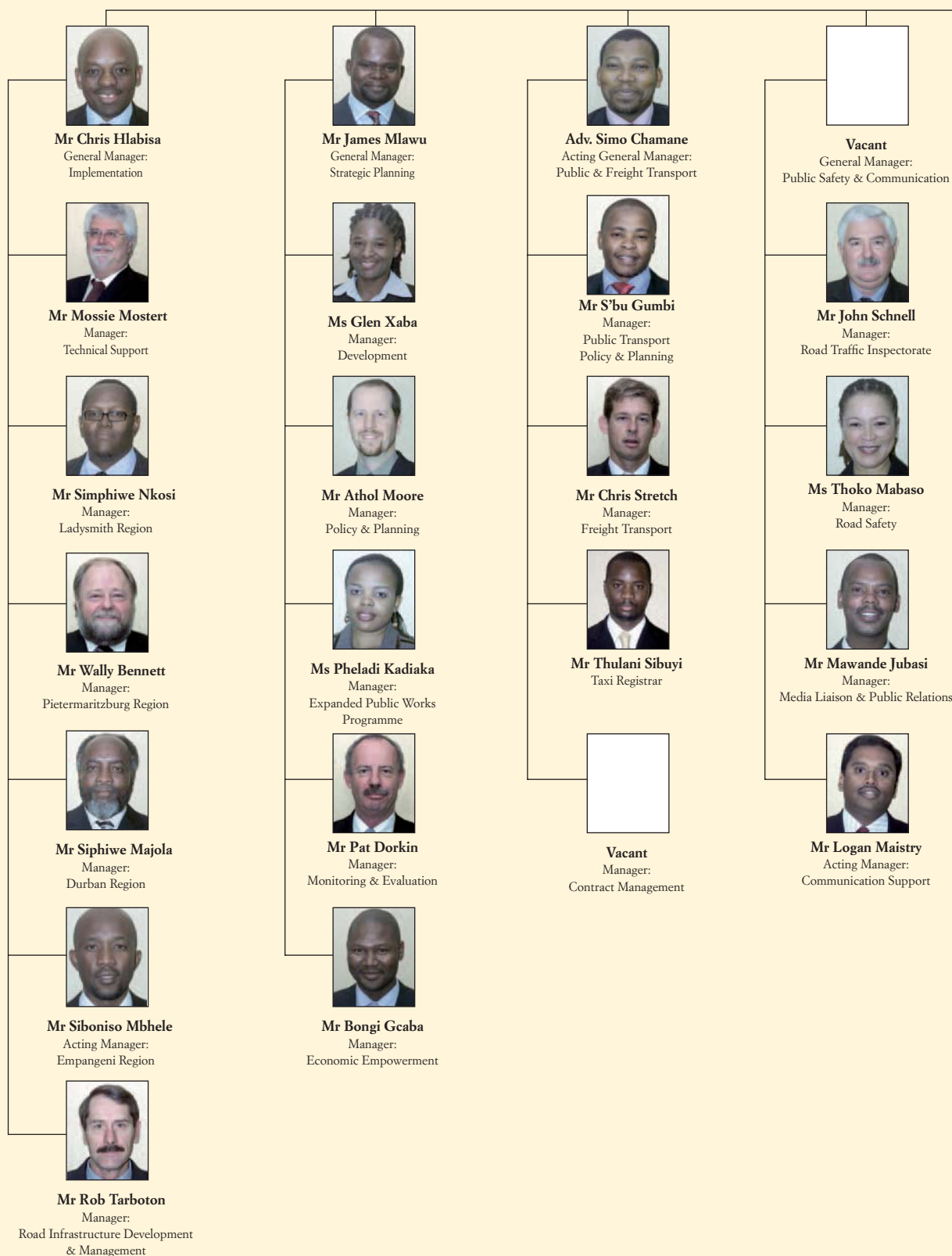
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# ORGAN OGRAM







**Mr Bheki Cele**

KwaZulu-Natal MEC for Transport,  
Community Safety & Liaison



**Dr Kwazi Mbanjwa**  
Head of Department



**Mr Roger Govender**  
Chief Financial Officer



**Ms Bathandwa Nogwanya**  
Manager:  
Financial Accounting & Reporting



**Mr Gavyn Wirth**  
Manager:  
Supply Chain Management



**Mr Shaun Ponnann**  
Acting Manager:  
Financial Management



**Ms Vicky Cunliffe**  
Senior General Manager:  
Corporate Services



**Ms Kamintha Gounder**  
Manager:  
Corporate Support Services



**Ms Cindy Zwane**  
Manager:  
Human Resource Management



**Ms Sue Grobbelaar**  
Manager:  
Motor Transport Services



**Ms Thembi Nzuza**  
Manager:  
Labour Relations



**Adv. Simo Chamane**  
Manager:  
Legal Services



**Dr. Simon Oloo**  
Manager:  
Technology Transfer



**Ms S'thandiwe Duze**  
Manager:  
Office of the MEC



# Part 1





## **GENERAL INFORMATION**

**Section 1: Strategic Vision**

**Section 2: Report of the Executive Authority**

## Section 1

### STRATEGIC VISION

#### Vision

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

***“PROSPERITY THROUGH MOBILITY”***

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

#### Mission Statement

The mission statement of the KwaZulu-Natal Department of Transport reads:

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

**and**

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

#### Values

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



## STRATEGIC VISION

## LEGISLATIVE MANDATE AND CORE FUNCTIONS

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

- The construction, upgrading, maintenance and control of the provincial road network;
- The regulation, management and overall control of public and freight transport operations;
- The registration and licensing of vehicles and drivers;
- The regulation of traffic;
- The implementation of Road Safety Campaigns and awareness programmes; and
- The management of the provincial vehicle fleet.

This responsibility is mandated in terms of the following Acts:

**KwaZulu-Natal Provincial Minibus Taxi Act (Act 4, 1998)**

This legislation mandates the Department within the province of KwaZulu-Natal to enact and implement regulatory mechanisms for the formalization of the minibus taxi industry.

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

**KwaZulu-Natal Provincial Roads Act (Act 4, 2001)**

This Act provides for the transformation, restructuring, establishment and control of the KwaZulu-Natal provincial road network.

The legislation provides framework to develop and implement provincial road policy, norms and standards, to provide for optimum road safety standards, efficient and cost effective management of the provincial road network assets, and the provision and development of equitable road access to all communities within the province, including previous disadvantaged communities, to provide for transparency in the development and implementation of provincial road network policies and practices and to provide for all matters connected therewith.

**KwaZulu-Natal Procurement Act (Act 3, 2001)**

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

**KZN Road Traffic Act (Act 7, 1997)**

This piece of legislation enacted by the Provincial Legislature in 1997 (Act No. 7 of 1997) mandates the Department (MEC) to make determinations in respect of traffic and licensing matters, where these are within provincial competence.

## STRATEGIC VISION

**KwaZulu-Natal Public Transport Act (Act 3, 2005)**

This act provides for the transformation and restructuring of the public transport system in the Province of KwaZulu-Natal; develop and implement provincial public transport policy; provide for an effective institutional framework; facilitate the development and provision of public transport for all communities; enhance the quality of life of historically disadvantaged communities through improved mobility and access to transport services; provides for transparency in the development and implementation of provincial public transport policies and practices; brings about effective regulation and enforcement of the public transport system.

**Other Relevant Acts:**

- Preferential Procurement Policy Framework Act (Act 5, 200)
- Public Finance Management Act (Act 1, 1999)
- Cross-border Act (Act 4, 1998)
- National Road Traffic Act (Act 93, 1996)
- Road Traffic Act (Act 29, 1989)
- National Land Transport Transition Act (Act 22, 2000)
- Broad-Based Black Economic Empowerment Act (Act 53, 2003)
- The Construction Industry Development Board Act (Act 38, 2000)

**CORE FUNCTIONS**

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

**Road Infrastructure**

To construct and maintain a balanced road network that complies with the Provincial Growth and Development Strategy.

**Public and Freight Transport**

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

**Road Traffic**

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

**Support Functions**

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

- Human Resource Management and Development;
- Financial Management;
- Communication;
- Monitoring and Evaluation;
- Procurement; and
- Legal Services.



## REPORT OF THE EXECUTIVE AUTHORITY



**Mr Bheki Cele**  
MEC for  
Transport, Community Safety & Liaison

## Section 2

*REPORT OF THE EXECUTIVE AUTHORITY*

The 2005/06 financial year was extremely hectic with us travelling the length and breadth of our province to see and hear first hand some of the transport challenges that our people experience. I must say that whilst the challenges are indeed enormous, I am happy to report that we are certainly making progress.

During the financial year under review, we remained firmly committed to our ideals of “Defending the Weak” by empowering our citizens to participate in government and in our market economy. We continued to ensure that our programmes were unashamedly pro-poor with the upfront intention of bridging the gap – indeed chasm – between our first and second economies.

It was clearly evident during 2005/06 that access, mobility, safety, affordability and regulation are a requirement that must be fulfilled for every individual and every community of this province if indeed we are serious about improving the quality of lives of our people thereby realizing our vision of “Prosperity through Mobility”. Collaboration within the three spheres of government was central in our efforts of improving the lives of our people as dictated by government policy. In pursuit of these requirements for “Prosperity through Mobility” this Department remained committed to providing access to all communities of KwaZulu-Natal within the constraints of a limited budget. Since the majority of the rural population do not own cars such access was not limited to road access only, but also to pedestrian access. Priority was given to the provision of access to schools, clinics and other public facilities.

The fact that more than 70% of the Department’s budget was allocated towards the upgrading and maintenance of road infrastructure is strongly indicative of how seriously we took our mandated development goal to provide a balanced road network that meets the mobility needs of all KwaZulu-Natal citizens. However, central to that challenge was the implementation of policies, legislation and ideals contained in our Constitution and the Freedom Charter. Implementation of all these ideals suffers when the budget for the Department is inadequate to meet the mobility needs of the KwaZulu-Natal public within reasonable timeframes. The Department remains grossly under-funded when we consider the road and transportation needs of the communities of KwaZulu-Natal.

This state of affairs called upon us to intensify programmes aimed towards uplifting the second economy. As MEC for Transport, I was constantly reminded of this challenge as I witnessed how communities become stagnant due to the unavailability of basic services some of which are local access roads and bridges.

Images of children and women, in particular, who risk their lives on a daily basis crossing swollen rivers to get to school and their respective destinations continuously, haunt us. Increasingly communities are requesting this Department to provide pedestrian bridges and, to date, the total cost of community requested pedestrian bridges amounts to approximately R205, 75m. Many of these requests relate specifically to community concerns for pedestrian safety and the Department is committed to a programme to provide these pedestrian bridges as they will extend community access to essential public facilities.

With regards to public transport, it is a well-known fact that in South Africa more than 60% of all commuter traffic is currently transported by the minibus taxi industry, which increasingly operates with an ageing fleet and is not subsidized. The balance of commuters are carried by subsidized rail and a bus system whose subsidized routes are often still aligned with the needs of industry rather than with the needs of commuters, particularly poor commuters.

I am therefore particularly proud to report that the KwaZulu-Natal Public Transport Act, Act 3 of 2005, which provides for the transformation and restructuring of the public transport system in the province, was assented to on 3 November 2005. Such a development will enable us to re-align taxi and



## REPORT OF THE EXECUTIVE AUTHORITY

bus routes accordingly and ensure that licenses from the Board are driven by commuter needs rather than operators.

Three “pilot” corridors have been identified for the Taxi Recapitalization Programme in the province. The identified corridors are Inanda, Ntuzuma KwaMashu Corridor, Ladysmith and Nongoma. A detailed route management model will be developed to implement the Taxi Recapitalization Programme.

Corridors have also been identified which will exploit the opportunities associated with the 2010 Soccer World Cup. The corridors identified are :-

- Pietermaritzburg
- Ladysmith
- Empangeni
- Port Shepstone

The success of the 2010 World Cup is at the forefront of our planning in the Department of Transport amidst budgetary constraints. Road Infrastructure Development, Integrated Transport Planning, a safe, regulated, affordable and efficient public transport system and overall safety on our roads are critical issues that we have embarked on to ensure that KwaZulu-Natal and South Africa as a whole are ready to host the 2010 Soccer World Cup.

Whilst government is committed to the growth and development of emerging contractors, it would be deemed inappropriate to continuously retain the same consultants within a Department for a period exceeding a three year cycle. Trends would suggest that within this timeframe most businesses would have grown and are thus able to compete in an open market. Government is about creating an enabling environment for all to acquire expertise, skills, experience and not to make millionaires out of specific individuals to the exclusion of the rest.

I must add that the successful implementation of our Road to Wealth and Job Creation Initiative, especially our Zibambele and Vukuzakhe programmes, has stimulated even greater public demand for roads. Indeed, our African Renaissance Roads Upgrading Programme (ARRUP) has created a new awareness within rural KwaZulu-Natal of how the upgrading of major transport corridors from gravel to black-top can kickstart stagnant economies and create new opportunities on an unprecedented scale. Regrettably, a quality black top road costs some R5 million per kilometre and extending our black top network for the benefit of all is not yet feasible.

The Department is committed to managing the roll out of the Expanded Public Works Programme (EPWP) for KwaZulu-Natal. Clearly the co-ordination of the EPWP must succeed in creating new jobs, stimulating the SMME sector and generating new opportunities for self employment through the expansion of community livelihood opportunities. In co-ordinating the Expanded Public Works Programme we will encourage the notion that public facilities such as new hospitals, clinics, schools, libraries, multi-purpose centres, agricultural land, police stations, new rural housing settlements, etc. be established within our planned road infrastructure for easy access. This will create new supply chain opportunities within rural communities such as the manufacture of bricks, windows, doors, roofing, glazing, plumbing, fencing, etc.

A snapshot of the Department, notwithstanding the challenges faced, indicates that there is hope for the weak. Collaboration with national, provincial and the local spheres of government bears testimony to this dawn of hope for the weak.

I am convinced that KwaZulu-Natal has begun to write its own history and it will be a history full of glory and dignity as we continue “Defending the Weak” through the provision of more transport infrastructure such as pedestrian bridges, access roads, a safer road environment and an effective and efficient public transport system.



# Part 2





## REPORT OF THE HEAD OF TRANSPORT

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## REPORT OF THE HEAD OF DEPARTMENT



**Dr Kwazi Mbanjwa**

Head of Department



## Section 1

### *INTRODUCTION*

Looking across the Department as a whole, the 2005/06 financial year was a busy one. However, having worked with our transport colleagues from the National Department of Transport, other provinces, KwaZulu-Natal government departments, local government, the private sector and with ordinary members of the public, we have made significant progress towards achieving our departmental goals.

The KwaZulu-Natal Department of Transport's mandated development goal is to construct and maintain a balanced road network that meets the mobility needs of all the citizens of the province and which supports our national and provincial growth and development objectives. The budget allocations have meant that the Department had to strike a balance between the need to maintain existing road networks inherited from the past and to develop new strategic corridors and provide communities with access roads.

During the 2005/06 financial year, the Department continued with its commitment to growth and development, and provided an effective, professional and consultative service to the public. Numerous job opportunities and an enabling environment were created for all to acquire expertise, skills and experience, especially the small enterprise sector in rural areas. The Department also adopted a data driven approach, which was both consultative and proactive, to prioritizing road investments.

The Department achieved much success towards improving the quality of lives of the citizens of KwaZulu-Natal through our vision "Prosperity through Mobility", which is achieved by access, mobility, safety, affordability and prosperity.

In keeping with government's mandate to achieve equity, the KwaZulu-Natal Department of Transport progressively worked towards its minimum road equity of 42 025 kilometres. However, despite the budget increases received over the past years and the increases proposed over the MTEF period, the Department remains woefully under-funded for the execution of its mandate. The Department requires additional funding to address the network backlog. The backlog has two components, namely, securing a minimal equity road network and restoring the network to its true asset value by increasing the level of maintenance expenditure.

Access still remains a key challenge to service delivery. The demand for pedestrian bridges and access roads is huge, particularly in the rural areas of KwaZulu-Natal.

Economic development, particularly at a local level, also remained a focal point in the transport agenda. Transport corridor development as a flagship project continued to receive attention and support.

The Department conducted a needs assessment study with regard to road infrastructure. This identified a serious backlog shortage of infrastructure needs in the Umzimkhulu Municipality, at an estimated cost of R1,2 billion.

## INTRODUCTION

As pioneers of the Zibambebe Programme, the KwaZulu-Natal Department of Transport continued to play a central role in the replication of this programme throughout other provinces and municipalities in the country. As at the end of the 2005/06 financial year, there were 27 531 Zibambebe members who were responsible for the maintenance of more than 17 895 kilometres of road. The target for the 2006/07 financial year is 32 000 contractors. The success of the Zibambebe Programme receives accolades not only in KwaZulu-Natal but in South Africa as a whole. Previously, the Zibambebe Programme was seen as a poverty alleviation programme. However, there has been a dawn of a new paradigm which has resulted in the programme shifting from poverty alleviation to development. Accordingly, the Department has facilitated the formation of Zibambebe co-operatives to expose Zibambebe Savings Clubs to other income generating activities. A success story of this initiative is the pilot project whereby a savings club, together with the KwaZulu-Natal Department of Agriculture, undertook to growing mushrooms.

The Cabinet of KwaZulu-Natal entrusted the co-ordination of the Expanded Public Works Programme (EPWP) to the Department of Transport. A dedicated EPWP Directorate has been established under the Strategic Planning Chief Directorate to lead this programme. Through EPWP we will also accelerate infrastructure investment in the underdeveloped urban and rural areas of our province to improve service delivery in the areas of the second economy, including the provision of roads and rail. Challenges faced by the EPWP entail the sustainability of this programme as well as the application of EPWP principles in the implementation of projects even at municipal level.

The success of the 2010 Soccer World Cup remains at the forefront of our planning in the Department of Transport amidst budgetary constraints, and we are working tirelessly to ensure that KwaZulu-Natal and South Africa as a whole are ready to host the 2010 Soccer World Cup.

The National Department of Transport has also made a significant contribution to infrastructure development in this province. The John Ross Highway Project, the Isikhwebezi River Bridge, the Nkodibe Interchange and the Road to eQhudeneni are a few examples of this collaboration.

The regulation of the Minibus Taxi Industry is an ongoing process which includes Taxi Recapitalisation and initiatives to diversify the economic base of the taxi industry through the establishment of Taxi Cities, Taxi Co-operatives and other enterprise development. The KwaZulu-Natal Public Transport Act, Act 3 of 2005, was assented to on 3 November 2005. Projects such as Operation Shanela and the establishment of the Public Transport Enforcement Unit (PTEU) have already had a significant impact on the normalisation of the taxi industry in KwaZulu-Natal and will continue to operate as part of the Department's law enforcement operations. Taxi Izimbizos were held during the 2005/06 financial year with leadership from both the taxi industry and enforcement agencies, with the aim of consolidating and diversifying the business interests of the taxi industry, disarming it and changing its mindset to ensure that the taxi industry in KwaZulu-Natal takes its rightful place as a critical pillar of the province's inter-modal transport system. Operation Thath' Iskorokoro targeting un-roadworthy buses was also launched. It is also a priority to develop an efficient freight system in support of a value



## INTRODUCTION

added export economy. The Department has embraced the growing awareness that transport corridors, especially freight transport corridors, are also transmission corridors for communicable diseases. The Department has now included a communication and education component in its programme to raise awareness of appropriate preventative measures for avoiding the transmission of communicable diseases such as HIV and AIDS, and TB.

An integrated human resource development strategy has been developed which effectively aligns the demand and supply factors of the skills required in the transport, construction and civil engineering sectors. The Department's commitment towards targeting the Youth has been accelerated. A Youth Empowerment Programme which focuses on providing practical and experiential training for S3 students, as well as accommodating learnerships by providing placement opportunities, has been implemented.

Significant achievements during the 2005/06 financial year included:

- “Making Transport Your Career” Capacity Development Road Show
- KZN Department of Transport annual Report Back Summit
- Launch of the KEEP LEFT – PASS RIGHT Road Safety Campaign
- Provincial & National Driver of the Year Competition
- Expanded Public Works Programme (EPWP) Media Road Show
- Freight Empowerment Summit
- 2<sup>nd</sup> Africa International Technology Transfer Conference
- Vukuzakhe Symposium
- Launch of High-Tech Mobile Learner Licence Unit
- Public Transport Month & Car-Free Day
- Launch of revamped Rossburgh Driver Certification Centre
- Launch of Operation Thath’ Iskorokoro

In conclusion, I must emphasize that while my Department is doing its utmost best to address the many problems facing transport in KwaZulu-Natal, the paucity of funding makes our efforts exceedingly difficult.

## INTRODUCTION

## MANAGEMENT



### ***Front row from left to right:***

Adv. Simo Chamane, Mr Roger Govender, Dr. Kwazi Mbanjwa; Ms Vicky Cunliffe,  
Mr James Mlawu, Mr Chris Hlabisa

### ***Second row from left to right:***

Mr Gavyn Wirth, Ms Thembi Nzuza, Ms Cindy Zwane, Mr S'bu Gumbi, Ms Pheladi Kadiaka,  
Ms S'thandiwe Duze, Mr Rob Tarboton, Ms Glen Xaba, Mr Siphiwe Majola,  
Ms Kamintha Gounder, Mr Simphiwe Nkosi, Ms Bathandwa Nogwanya,  
Ms Thoko Mabaso

### ***Third row from left to right:***

Ms Sue Grobbelaar, Mr Thulani Sibuyi, Mr Bongzi Gcaba, Mr John Schnell, Mr Wally Bennett,  
Mr Logan Maistry, Mr Chris Stretch, Mr Athol Moore, Mr Mawande Jubasi, Mr Pat Dorkin,  
Mr Shaun Ponnann, Mr Mossie Mostert, Dr. Simon Oloo

### ***Insert:***

Mr Siboniso Mbhele



## INTRODUCTION

## OFFICE OF THE MEC

**Ms S'thandiwe Duze**

Manager:  
Office of the MEC

The Office of the MEC exists to support the MEC in performing his executive obligations in an efficient and effective manner. The Office of the MEC is also a link between the Department and members of the public, Parliament, Legislatures, Cabinet, etc. The role of this office includes the implementation of Cabinet resolutions, generation of Cabinet memoranda and co-ordination of responses to parliamentary questions.

The Media Liaison component in the office of the MEC is fundamentally responsible for liaising with the media on behalf of the MEC by ensuring that all policies and decisions taken by the executing authority, which are in the public interest, are communicated effectively and timeously through the media.

## INTRODUCTION

### CHIEF DIRECTORATE: FINANCIAL SERVICES



**Mr Roger Govender**  
Chief Financial Officer



**Mr Gavyn Wirth**  
Manager:  
Supply Chain Management



**Ms Bathandwa Nogwanya**  
Manager:  
Financial Accounting &  
Reporting



**Mr Shaun Ponnann**  
Acting Manager:  
Financial Management



## INTRODUCTION

The main objective of the Chief Directorate: Financial Services is to ensure that the Department continues to budget towards the upgrading and maintenance of road infrastructure and investment in transport infrastructure in line with investments on a safe, sustainable and affordable public transport system. During the 2005/06 financial year, Financial Services focused its efforts on being an innovative departmental support service.

The Public Finance Management Act and Treasury Regulations are the prescripts that directly influence the financial management operating environment in the Department. Financial Services continued to monitor the Department's expenditure to ensure that the Department remained within its allocated budget. Accordingly, the Department successfully implemented its reform changes and spent its budget in a cost efficient and effective manner in ensuring that achieves its strategic objectives.

The core function of the Internal Compliance Section within this Chief Directorate is to ensure that the Department is administratively 100% compliant, as well to identify, investigate and report fraudulent activities.

The Financial Accounting and Reporting Directorate implements policies and procedures that are compliant with relevant legislation and generally accepted accounting practice.

The main focus area in the Financial Management Directorate is to ensure compliance with all relevant Financial Statutes and Regulations.

During February 2006, the Supply Chain Management Provincial Policy framework was issued by Provincial Treasury thus requiring the Department to implement Supply Chain Management.

## INTRODUCTION

### CHIEF DIRECTORATE: CORPORATE SERVICES



**Ms Vicky Cunliffe**  
Senior General Manager:  
Corporate Services



**Adv. Simo Chamane**  
Manager:  
Legal Services



**Ms Cindy Zwane**  
Manager:  
Human Resource  
Management



**Ms Sue Grobbelaar**  
Manager:  
Motor Transport Services



**Dr. Simon Oloo**  
Manager:  
Technology Transfer



**Ms Kamintha Gounder**  
Manager:  
Corporate Support  
Services



**Ms Thembi Nzuza**  
Manager:  
Labour Relations



## INTRODUCTION

The Chief Directorate: Corporate Services comprises of the following six (6) directorates which perform support services within the Department:

### Motor Transport Services

The Motor Transport Services Directorate consists of the Provincial Motor Transport Component and Motor Vehicle Administration, including the Traffic Camera Office. This Directorate is responsible for the execution of the motor transport, vehicle and driver licensing, and traffic offence administration functions.

### Corporate Support Services

The Corporate Support Services Directorate renders Real Estate Services for expropriation of land for construction and upgrading of provincial roads, Office Services, departmental Transport Services and Information Technology support in an effective and efficient manner, ensuring excellence.

### Legal Services

The Legal Services Directorate renders legal advice to the Department on legal related matters and interprets legislation, including policies and practices.

### Human Resource Management

The Human Resource Management Directorate promotes service excellence through integrated sound human resource management practices.

### Labour Relations

The Labour Relations Directorate facilitates harmonious employer-employee relations.

### Technology Transfer (T<sup>2</sup>) centre

Through technical research, best practices and the effective transfer of skills in technology, the Technology Transfer Centre is responsible for building capacity in road construction and maintenance to ensure the safety of road users.

## INTRODUCTION

### CHIEF DIRECTORATE: STRATEGIC PLANNING



**Mr James Mlawu**  
General Manager:  
Strategic Planning



**Ms Glen Xaba**  
Manager:  
Development



**Mr Athol Moore**  
Manager:  
Policy & Planning



**Mr Bongi Gcaba**  
Manager:  
Economic Empowerment



**Ms Pheladi Kadiaka**  
Manager:  
Expanded Public Works  
Programme



**Mr Pat Dorkin**  
Manager:  
Monitoring & Evaluation



## INTRODUCTION

The mandate of the Chief Directorate: Strategic Planning is to ensure the development and implementation of the strategic objectives of the Department through outputs that are set against clear developmental goals and outcomes which are consistent with the Provincial Growth and Development Strategy. This Chief Directorate leads departmental programmes, facilitates development, monitors service delivery and ensures value for money.

The Chief Directorate's role of "client" includes the responsibility to undertake research to improve service delivery, research and develop policy directives that inform integrated development, enhance democratic governance, promote equity and secure the social and Broad-based Black Economic Empowerment of disadvantaged populations and communities in all programmes of the Department.

The performance of the Department is monitored and reviewed by this Chief Directorate to ensure efficiency, value for money, transparency and compliance to the strategic objectives of the Department.

### The Chief Directorate: Strategic Planning has the following Directorates:

- Policy and Planning
- Development
- Economic Empowerment
- Monitoring and Evaluation
- Expanded Public Works Programme

The Chief Directorate is also responsible for driving new and innovative programmes in the Department and managing service delivery. The following projects are managed through the General Manager's office:

- African Renaissance Roads Upgrading Programme (ARRUP)
- Public Private Partnership (PPP) for sourcing Engineering Plant

### Directorate: Policy and Planning:

The Policy and Planning Directorate ensures the strategic co-ordination and integration of planning and policy within the Department and between the Department and other stakeholders. The Directorate consists of two sub-directorates, namely:

- Policy
- Planning

The Policy sub-directorate is responsible for co-ordinating, guiding and assisting in the development of new policies, and reviewing existing policies within the Department. The sub-directorate ensures that policies comply with legislation and as ensures that policies support the strategic goals and objectives of the Department.

The Planning sub-directorate is responsible for co-ordinating, guiding and undertaking integrated planning within the Department. The sub-directorate ensures that departmental planning, supports the strategic goals and objectives of the Department and is integrated across all programmes of the Department and with other spheres of government.

## INTRODUCTION

**Directorate: Development**

The purpose of this Directorate is to initiate, develop and sustain empowerment programmes that are responsive to community needs, promote participatory democracy and accelerate transformation. The mandate of this Directorate is carried out within the three sub directorates, which are:

- Community Liaison
- Social Development
- Pilot Programmes

**Directorate: Economic Empowerment**

The purpose of this Directorate is to facilitate the development of a sustainable and viable emerging business sector in KwaZulu-Natal through Broad-based Black Economic Empowerment (BBBEE). The Directorate's mission is to identify, create and develop sustainable economic empowerment strategies, which are supported by appropriate procurement policies, training and other programmes designed to remove barriers to entry and performance.

The priorities of the Directorate are :

- Develop BEE policies and manage support systems
- Develop and manage BEE databases
- Assist in the implementation of Pilot Programmes

**Directorate: Monitoring and Evaluation**

The Monitoring and Evaluation Directorate is responsible for monitoring performance and developing suitable evaluating tools to measure the impact of all departmental programmes and plans on targeted audiences to ensure that the desired outcomes of the departmental goals are achieved.

This is done by the following functions:

- Monitor the execution of operational plans
- Undertake research and report on the value added by measures contained in the Business Plans
- Review compliance to standard and the relevance of such standards to the operations of the Department
- Facilitate customer and stakeholder feedback processes focused on continuously improving the level of service delivery
- Monitor and report on the content, quality and value of monthly and quarterly financial reports in relation to overall departmental service delivery objectives
- Evaluate the effectiveness and applicability of policy as applied to developmental initiatives and advise on areas of improvement



## INTRODUCTION

### Directorate: Expanded Public Works Programme

The Expanded Public Works Programme (EPWP) is one of government's short-to-medium term programmes with the objective of creating work opportunities and enhancing skill levels through the delivery of essential services. The programme involves re-orientating line function budgets and conditional grants to leverage public expenditure with the intention of creating short-term work opportunities focused on the unemployed and unskilled labour force.

The EPWP is a nation-wide programme which will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income. The Expanded Public Works Directorate is responsible for co-ordinating the EPWP activities in the province. The directorate is encouraging the implementation of the EPWP principles and guidelines within provincial Government Departments, State owned Enterprises and Municipalities in order to alleviate poverty and create work opportunities for the poor in the province.

The Directorate co-ordinates and ensures the implementation of the EPWP in the province by performing the following functions:

- Develop, implement and manage monitoring and evaluation system for the EPWP data on employment creation
- Develop, implement and manage the EPWP skills development plan for the EPWP beneficiaries in the province
- Develop, implement and monitor labour-intensive techniques for the EPWP projects in the Department as well as in the Province
- Manage and coordinate the relationship between the Department of Transport and various State-owned Enterprises, local, provincial and national government departments involved in the implementation of EPWP

## INTRODUCTION

# CHIEF DIRECTORATE IMPLEMENTATION



**Mr Chris Hlabisa**  
General Manager:  
Implementation



**Mr Mossie Mostert**  
Manager:  
Technical Support



**Mr Sphiwe Majola**  
Manager:  
Durban Region



**Mr Siboniso Mbhele**  
Acting Manager:  
Empangeni Region



**Mr Simphiwe Nkosi**  
Manager:  
Ladysmith Region



**Mr Wally Bennett**  
Manager:  
Pietermaritzburg Region



**Mr Rob Tarboton**  
Manager:  
Road Infrastructure  
Development &  
Management



## INTRODUCTION

The Chief Directorate: Implementation is the execution arm of the Department. All line function activities undertaken in the field, and field officers throughout the province, are under the control of this Chief Directorate.

As a result, all road construction activities (except the ARRUP Road Construction Programme), maintenance of the total road network and the operation of this network through the Road Traffic Inspectorate falls under this Chief Directorate.

In order to control all of these activities, the Province of KwaZulu-Natal is divided into four (4) Regions and eleven (11) Cost Centres. Customers of the Department, such as road users, vehicle owners and public transport operators can, through the Regional Offices, keep in contact with the activities of the Department.

This Chief Directorate controls the largest slice of the departmental budget and is also home to the largest portion of the departmental staff. Empowerment programmes, skills developments processes and personal development programmes are implemented in this Chief Directorate to ensure staff remain abreast of latest developments and technology so that the Department remains at the cutting edge of technology in the industry. The Vukuzakhe Empowerment Programme as well as the Zibambele Poverty Alleviation Programme are managed in this Chief Directorate. Both these programmes have won prestigious awards and are highly recognised by other transport authorities in South Africa.

## INTRODUCTION

# CHIEF DIRECTORATE: PUBLIC & FREIGHT TRANSPORT



**Adv. Simo Chamane**  
Acting General Manager:  
Public & Freight Transport



**Mr S'bu Gumbi**  
Manager:  
Public Transport  
Policy & Planning



**Mr Chris Stretch**  
Manager:  
Freight Transport



**Mr Thulani Sibuyi**  
Taxi Registrar



**Vacant**  
Manager:  
Contract Management



## INTRODUCTION

The aims of the Chief Directorate, Public and Freight Transport are to ensure:

- integrated planning and provision of public transport services and facilities
- the conduct of transportation studies as part of integrated development
- the management and regulation of road transportation industries
- the economic development of the public transport and freight industries; and
- the provision of affordable transportation to the people of KwaZulu-Natal

Key strategic objectives for the Public and Freight Transport Chief Directorate are:

- to establish a sound and effective institutional framework for the overall management of the transportation system in the province
- to develop and promote an effective and efficient transport system
- to establish an effective and enforceable regulatory system
- to ensure a financially and environmentally sustainable transportation system
- to satisfy the requirements of public transport passengers with special needs within affordable limits
- to promote projects which contribute directly to economic development, job creation, capacity building and skills transfer
- to ensure sustainable funding for the development and provision of public transport
- to develop a transportation system that promotes enhancement of rural development and
- to develop a transport system that ensures the safety of operators and users

## INTRODUCTION

# CHIEF DIRECTORATE: PUBLIC SAFETY & COMMUNICATION



**Vacant**

General Manager:  
Public Safety & Communication



**Mr John Schnell**  
Manager:  
Road Traffic Inspectorate



**Mr Mawande Jubasi**  
Manager:  
Media Liaison & Public  
Relations



**Ms Thoko Mabaso**  
Manager:  
Road Safety



**Mr Logan Maistry**  
Acting Manager:  
Communication Support



## INTRODUCTION

The main objective of the Chief Directorate: Public Safety and Communications is to provide a safe road environment and facilitate behavioural and attitude change of road users. This is achieved through the following activities:

### Communication and Media Liaison

Internal and external communication services are provided primarily through information management services, audio-visual services, desktop publishing services as well as the effective and efficient management of the departmental Resource Centre.

### Public Safety

The departmental mandate is to reduce road fatalities by developing and implementing management systems based on a multi-disciplinary and holistic approach, with interrelated activities in a number of fields. Therefore, the strategy that the Department has adopted to fulfill this function is four-fold and has a holistic and co-ordinated effect in the primary areas of concern, concentrating on human behaviour and geographically hazardous locations. The strategy is broad-based, long term, and a sustainable approach to road safety with a community-orientated philosophy. The four-fold strategy comprises enforcement, education of adults and children, engineering remedial measures in the form of high impact low-cost projects and evaluation based on research. This is in line with the National "Road to Safety Strategy" 2001/2005 which focuses on road environment, driver fitness, vehicle fitness, pedestrian safety and targeted communication

The Department, over the years, has realized that in order to implement the four-fold strategy it is imperative to seek buy-in from the communities that we serve. Communities need to understand that the death rate on South African roads is unacceptable, and that the trauma, pain and financial costs of crashes can be substantially reduced by a commitment to behaviour and attitude change. Therefore, the Department mobilizes communities in order to make them aware of their vulnerability as human beings, that road safety is their responsibility and unless they take care and control of it no one will. This has resulted in the formation of community road safety councils throughout the Province of KwaZulu-Natal. Community Road Safety Councils play an integral role in implementing the four-fold strategy.

### Road Traffic Inspectorate

The Road Traffic Inspectorate is a research and policy unit responsible for training, liaison and road traffic law enforcement.

The Department continues promoting professionalism in the ranks of enforcement personnel, train and accredit such personnel, and to promote ethical conduct.

## Section 2

***PROGRAMME 1: ADMINISTRATION*****Sub-programme 1.1: Office of the MEC**

During the 2005/06 financial year, one hundred and ninety (190) media releases on events and statements were made. The Department successfully hosted twenty-six (26) media briefings with major highlights being the 2<sup>nd</sup> Africa Technology Transfer Conference, October Transport Month, Keep Left Pass Right Campaign and the Easter/Summer Holiday launch.

The media impact analysis reports have shown an increase in positive coverage for both print and broadcast media including community media. The Department has interacted with the community by participating in radio talk shows on transport related matters. The MEC actively participated in more than 50% of these talk shows.

**Sub-programme: 1. 2: Corporate Support Services****Security Access Control System**

The upgrading of the security access control system was identified as a priority during the 2005/06 financial year. Accordingly, the following safety and security improvements had been undertaken within the departmental Head Office Complex:

- perimeter lighting system had been extended to improve visibility after sunset
- remedial work on the Access Control System had been completed
- a new turnstile and access control reader had been installed at the L – Block basement entrance
- the Close Circuit Television System, Digital Video Recorder and associated software had been upgraded in order to improve the quality of the footage as well as the memory storage capacity of all footage recorded
- a pedestrian gate and an access control reader has been installed at the lower boom gate in Prince Alfred Street which will serve as an access point for staff stationed at D Block, and
- an Access Control System and a CCTV System had been installed at the D-Block in Prince Alfred Street in order to improve security at the D-Block Complex

In addition, approval had been obtained for the installation of a Kivellert System at the Head Office Complex in order to ensure that perimeter inspections are performed as stipulated by the security procedures.



**PROGRAMME 1: ADMINISTRATION****Telephone Management System (TMS)**

Due to the increased number of staff at Head Office, the TMS had been upgraded to accommodate additional telephone lines.

**Air-conditioning System**

Approval to advertise a tender to upgrade the air-conditioning system had been obtained.

**Records Management System**

A new mobile unit for filing of records and documents had been installed at the Main Registry.

**Real Estate****Expropriation of Land**

During the 2005/06 financial year, eight (8) notices of expropriations were served on owners of land along P577, P700 and P399 roads.

Inspections and assessments were also conducted on P399, P240, P100, P15, P68, P577, P700, P296 and P50 roads. Twenty (20) dwellings among the inspected areas had been identified as improvements on trust land and fifty-two (52) crop sites were inspected and assessed. The land owners had also been compensated.

**Disposal of Land**

- Thirty (30) disposal cases for approximately forty two (42) properties had been registered and the disposal process is in its final stages.
- Twenty-three (23) leases had also been administered of which seven (7) were concluded during the 2005/06 financial year.
- Three hundred and fifty-nine (359) general property queries in ownership had been processed of which two hundred and ninety-six (296) had been resolved.

**Conveyance**

The Department had resolved two hundred and ninety-seven (297) requests for property vesting during the 2005/06 financial year.

**Departmental Transport Services****Physical Vehicle Verification**

A hundred percent (100%) physical verification of the departmental vehicle fleet had been conducted during the 2005/06 financial year and the fleet had complied 100% with policy requirements and principles of fleet management.

**PROGRAMME 1: ADMINISTRATION****Information Technology**

An assessment of the Department's requirements and readiness for Content Management System had been finalized and cost estimates had also been obtained.

Phase 1 of Stage Storage Area Network had been implemented and Traffic Management System server environment had also been upgraded.

**Human Resource Management****Focus on Physically Challenged Employees**

The Department hosted five (5) workshops where the physically challenged departmental employees shared their experiences with attendees. The Green Berets, a local music group, whose members are also physically challenged, entertained the attendees. Viva Hecate Productions also performed a short stage play related to the theme of the day. The aim of the workshops was to increase awareness amongst employees about contributions made to the society, both in the workplace and within the community, by physically challenged people.

**Sixteen (16) Days of Activism on No Violence against Women and Children:**

The following initiatives were undertaken by the Department during the 2005/06 financial year:

**Employee Wellness Programme**

During the 2005/06 financial year, four hundred and ninety seven (497) employees had accessed the Employee Wellness Programme.

The Department also conducted numerous workshops to educate and increase awareness of the many aspects about wellness including HIV and AIDS, Alcohol and Substance Abuse, and Disability.

The wellness clinics had assisted many employees on health issues including chronic diseases. The employees became more aware of their health status. Thus, implementation of the clinics had contributed to an increase in productivity and a decrease in absenteeism.

Fifteen (15) successful roadshows had also been conducted during the 2005/06 financial year.

**World Aids Day**

Departmental employees were encouraged to attend the World Aids Day event that was held at King's Park Stadium in Durban.

**Women's Day Celebration**

On 19 August 2005 the Department, in conjunction with the KwaZulu-Natal Department of Community Safety and Liaison, hosted a Women's Day celebration in Lamontville. In his address, the MEC for Transport, Community Safety and Liaison, Mr Bheki Cele emphasised the importance of the role of women at home, in the workplace and within communities.

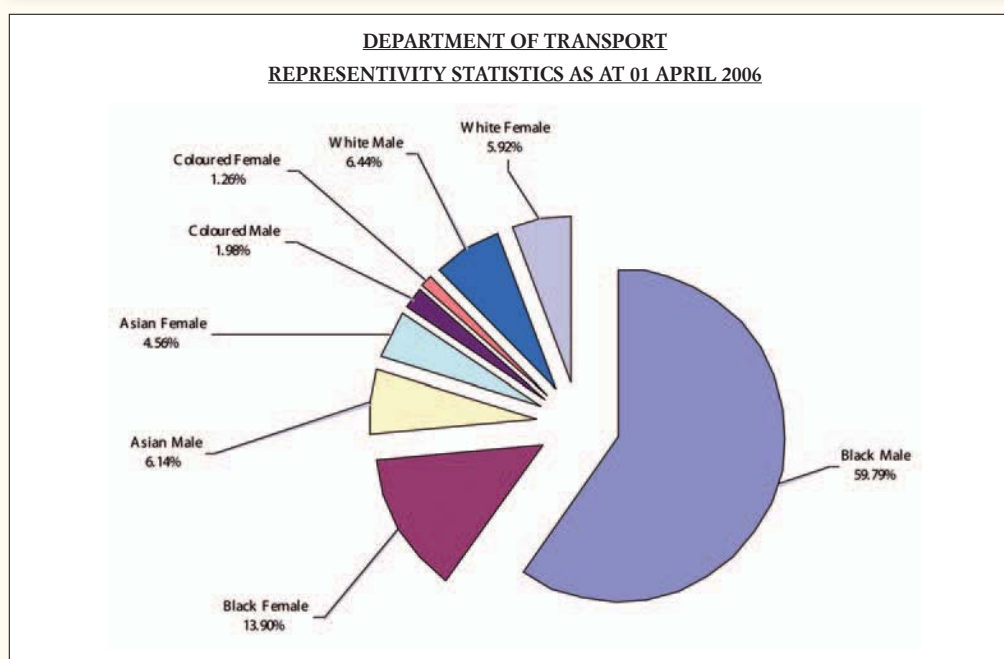
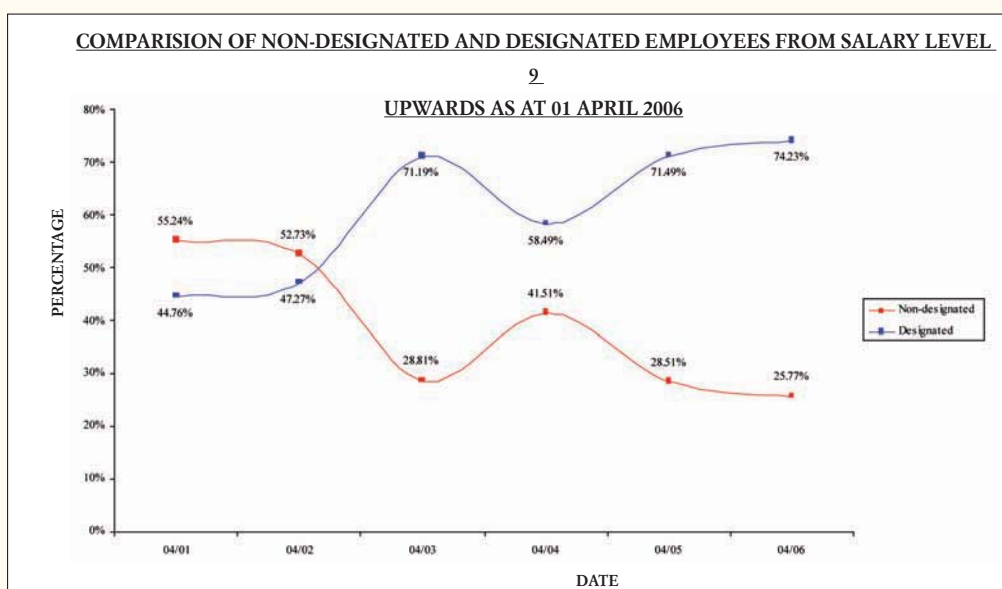
## PROGRAMME 1: ADMINISTRATION

### Stress Management Course

Stress management Course on how to deal with depression related to stress of all types had been also conducted.

### Employment Equity

Currently, 93,66% of the total staff complement from the designated groups and women represent 25,64% of the total staff complement. The representivity of designated groups from salary level nine (9) and upwards has risen from 69,72% in the 2004/05 financial year to 74,23% in the 2005/06 financial year. Correspondingly, the representivity of non-designated groups from salary level nine (9) upwards has decreased from 30,28 % to 25,77% over the same period. Following is a graphical representation of statistics in respect of the representivity of designated and non-designated employees from salary level nine (9) upwards from the 2001/02 financial year to the end of the 2005/06 financial year.





## PROGRAMME 1: ADMINISTRATION

The Department's Employment Equity and Affirmative Action Policy had been approved during the 2005/06 financial year. The Department finalised a five-year employment equity plan and is currently filling vacant posts in terms of its numerical targets. The following table indicates an analysis of filled and vacant posts over past three (3) financial years. The vacancy rate for funded posts was approximately 11% and approximately 28% for unfunded posts during the financial year under review.

Table: Analysis of Filled and Vacant Posts

Categories	Financial Year Ending		
	2003/04	2004/05	2005/06
Number of Posts (including unfunded posts)	4892	6523	6661
Number of Filled Posts	4102	4094	4028
Vacancy Rate (including unfunded posts)	16.2%	37.2%	39.5%

## Adult Basic Education and Training (ABET)

The Department successfully increased the number of ABET learners intake. Due to the expansion of ABET training coverage during the 2005/06 financial year, the number of ABET learners increased from 1018 to 1350. There are four (4) new additional ABET centres that were opened in the Empangeni Region, namely: Regional Office, Phongola, Hluhluwe and Mahlabathini in the 2005/06 financial year.

The establishment of these centres necessitated recruitment of nine (9) additional ABET educators, thus increasing the numbers from twenty (20) to twenty nine (29).

The following table indicates an increase of ABET Educators:

Table: ABET Educators

REGION	NO. RECRUITED 2004/05	NO. RECRUITED 2005/06	TOTAL NO. OF EDUCATORS
Pietermaritzburg	4	0	4
Durban	6	1	7
Ladysmith	5	2	7
Empangeni	5	6	11
<b>Total</b>	<b>20</b>	<b>9</b>	<b>29</b>

## ABET Centres

The Department has thirty eight (38) ABET centres throughout the province that were established based on the need for ABET in respective regions.

## PROGRAMME 1: ADMINISTRATION

The following table indicates the number of ABET centres per region:

**Table: ABET Centres**

REGION	ABET CENTRES
PIETERMARITZBURG	Ixopo Underberg Kokstad Taylors Halt Pietermaritzburg District Office Nottingham Road (Depot)
DURBAN	Port Shepstone Stanger Harding Umzinto Imfume Mandin Maphumulo Merebank Ndwedwe Nyenyezi Uthukela Umhlali
LADYSMITH	Regional Office: Estcourt Dundee Newcastle Greytown
EMPANGENI	Empangeni District Office Eshowe Hluhluwe Jozini Mahlabathini Mbonambi Mkhuze Msebe Nkandla 1 Nkandla 2 Nkandla 3 Nongoma Paulpietersburg Phongola Vryheid

## PROGRAMME 1: ADMINISTRATION

## Labour Relations

## Collective Bargaining

The Department participated in the Collective Bargaining process of the KwaZulu-Natal Provincial Public Service Sector and KwaZulu-Natal General Public Service Sectorial Bargaining Council Meetings. The Department had also been a key stakeholder in the Provincial Labour Relations Forum, where all KwaZulu-Natal government departments meet to formulate Labour Relations strategies. The Department had been instrumental in the preparations of the first Provincial Labour Relations Indaba in November 2005.

## Training

The Department successfully conducted the training courses on disciplinary procedures presented in the following table.

Number of Courses	Language Presented
91	English
50	isiZulu
141	English & isiZulu
<b>Total: 282</b>	

The following table indicates statistics on disciplinary actions taken during the 2005/06 financial year.

Table: Disciplinary Actions

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional Counselling	10	0	0	0	2	0	0	0	12
Verbal warning	9	0	0	1	3	0	1	1	15
Written warning	28	3	3	6	4	0	3	0	47
Final written warning	16	1	2	5	0	0	0	1	25
Suspended with pay	5	0	0	0	0	0	0	0	5
Fine	0	0	0	0	0	0	0	0	0
Demotion	1	0	0	0	0	0	0	0	1
Dismissal	2	0	0	1	1	0	0	0	4
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	1	0	0	0	0	1
<b>Total</b>	<b>71</b>	<b>4</b>	<b>5</b>	<b>14</b>	<b>10</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>110</b>



**PROGRAMME 1: ADMINISTRATION****Legal Services**

During the financial year 2005/06, the Department had ensured establishment and promotion of best legal practice within the organization.

The following projects had been undertaken during the reporting period:

- The KwaZulu-Natal Public Transport Bill had been drafted and been through the legislative process
- The Department had been participating effectively in a project to rationalize provincial laws which is a provincial initiative to strengthen governance in KwaZulu-Natal
- The Department had also dealt with claims against the organization as tabulated below

**Table : Claims against the Department**

Claims	Number of Claims	Number of Claims Finalised
Claims against the Department	69	30

**Strategic Planning****Policy**

In the 2005/06 financial year, the Department developed a business planning policy in order to ensure that the strategic, annual performance and operational planning are aligned to national and provincial planning requirements and processes.

The Department also drafted policies in terms of the Roads Act in order to ensure uniformity and transparency in the application of the Act. These policies require consultation with municipalities and other stakeholders prior to adoption.

**Planning**

A Strategic Assessment of Transport Infrastructure Needs (SATIN) was undertaken to identify the road construction and upgrade needs in the province. This exercise was undertaken to align the Department's activities with the principles of the Provincial Growth and Development Strategy (PGDS) and National Spatial Development Perspective. The objective of the SATIN project was to bridge the gap between the first and second economy by improving transport linkages to historically disadvantaged areas with development potential. Accordingly, primary road network upgrade and construction needs to support industrial, tourism and agricultural development in the province were identified, based on the plans and strategies of the relevant sector Departments and Municipalities. The project also identified access roads requiring betterment to allow all-weather access to communities in order to improve the provision of basic services.

## PROGRAMME 1: ADMINISTRATION

Emanating from the SATIN project will be a prioritised programme of action for the next ten (10) years. This programme of action would need to be developed in consultation with relevant sector departments, municipalities and communities and should be aligned to the priorities of the PGDS.

The Department actively participated in Integrated development Plan (IDP) forums at district and provincial levels in order to ensure better alignment of municipal and departmental planning.

The Department initiated interventions to provide greater planning support to the Rural Road Transport Forums in the identification of needs and in the prioritising of projects in order to improve transparency and integration with municipal planning.

### Sub-programme: 1.3: Programme Support Office

#### Financial Services

##### Financial Management

During the financial year under review, the Department has committed itself to implementing budgetary and financial management reforms, such as BAS, HardCat, etc. with the goal to transform and modernize public financial management. Challenged to meet significant demands for services with limited available resources, the Department under the budget process, reinforced the link between national objectives and the Department's strategic plan aligning policy, planning and budgeting.

Provincial budget format reforms have led to considerable changes in the scope, quality and presentation of the Department's budget, with greater emphasis on:-

- Alignment of planning and budgeting processes
- Specifying measurable objectives and outputs
- Monitoring and measuring service delivery progress and performance
- Introducing new accounting standards and procurement reforms

##### Loss/Debt Control

During the 2005/06 financial year, emphasis has again been placed on preventing the loss of departmental revenue by training Loss Control Sub-agents in the regions. This measure has also assisted in all in-service debts being secured timeously.

##### Payments

Expenditure monitoring, control, close monitoring and analysis of the Department's monthly expenditure reports has ensured early identification of areas with potential to over spend. Accordingly, the Department remained within its allocated budget during the financial year under review.

The Department also processes its own payment for services received and controls its imprest and banking accounts. The following tables indicate payments and key expenditure indicators

## PROGRAMME 1: ADMINISTRATION

**Table: Departmental Payments**

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
Administration	95.691	-	-	95.691	95.656	35
Road Infrastructure	1.728.197	-	-	1.728.197	1.728.183	14
Public Transport	34.103	-	-	34.103	34.097	6
Traffic Management	370.512	-	-	370.512	370.433	79
Community-Based Programme	50.414	-	-	50.414	50.397	17
Special Functions					258	(258)
<b>Total</b>	<b>2.278.917</b>	<b>0</b>	<b>0</b>	<b>2.278.917</b>	<b>2.279.024</b>	<b>-107</b>

**Table: Key Expenditure Indicators**

Category of Expenditure	Percentage or Rands (000's)			Average Annual Change
	2003	2004	2005	
Personnel expenditure as % of total expenditure	22.3%	25.8%	17.07%	4.3%
Expenditure on maintenance of buildings as a % of total expenditure	0.1%	0.65%	0.73%	0.31%
Expenditure on maintenance of road infrastructure as a % of total expenditure	39.4%	39.9%	39.9%	3.1%

### Revenue

The Department prides itself in improving the measurement of Revenue Collection during the financial year under review. As a consequence, the departmental revenue increased during the 2005/06 financial year. The following table demonstrates good performance on revenue during the reporting financial year.



## PROGRAMME 1: ADMINISTRATION

Table: Departmental Revenue

Departmental Revenue	Actual Collection 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from Target
<b>Current Revenue</b>	<b>610,805</b>	<b>636,251</b>	<b>715,314</b>	<b>12,49%</b>
Tax Revenue	515,828	563,000	646,572	14,8%
Non-Tax Revenue	94,977	73,251	68,742	6,1%
<b>Capital Revenue</b>	<b>3406</b>	<b>14,000</b>	<b>8,346</b>	<b>40,3%</b>
Sales of capital assets	2,003	12,000	6,503	45,8%
Financial transactions	1,403	2,000	1,843	7,8%
<b>Departmental Revenue</b>	<b>614,211</b>	<b>650,251</b>	<b>723,660</b>	<b>11,3%</b>

Table: Departmental Own Revenue

Departmental Own Revenue R'000	Actual Collection 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from Target
Motor Vehicle License Tax	515,828	563,000	646,572	<b>14,8%</b>
Fines, Penalties	21,611	23,000	20,234	<b>12,2</b>
<b>Total</b>	<b>537,439</b>	<b>586,000</b>	<b>666,806</b>	<b>13,8%</b>

**Payroll/Voucher Control:**

The Department has provided good service to its customers in respect of terminations of service. Control measures have also been improved to ensure accuracy of the payments of salaries and allowances and also the validity of the vouchers.

**Supply Chain Management (SCM)**

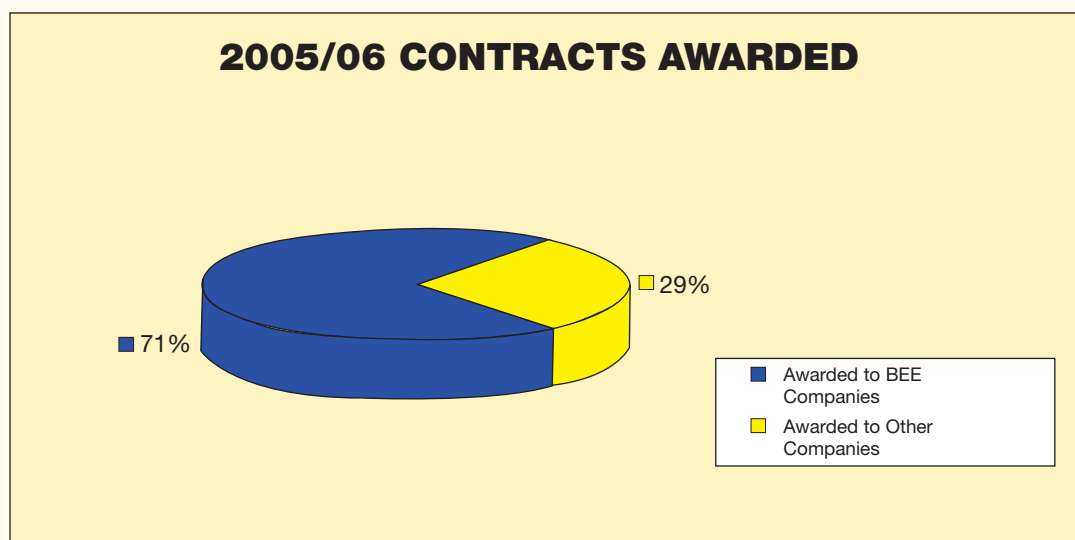
During this reporting period, the Department ensured that the procurement prescripts and processes in terms of the KwaZulu-Natal Procurement Act (Act No. 3 of 2000), were adhered to whilst at the same time gearing up for the impending implementation of SCM after the repeal of the KwaZulu-Natal Procurement Act, by the Provincial Legislature in terms of the KwaZulu-Natal Procurement Act Repeal Act, 2005 (Act No. 4 of 2005).

## PROGRAMME 1: ADMINISTRATION

During February 2006, the Supply Chain Management Provincial Policy framework was issued by Provincial Treasury thus requiring the Department to implement Supply Chain Management.

### Rand Value of Contracts Awarded

The following graph depicts the approximate rand value of contracts that were awarded during the 2005/06 financial year:



**Table: Contracts per Sector**

SECTOR	TOTAL VALUE OF CONTRACTS AWARDED	AWARDED TO BEE COMPANIES	AWARDED TO OTHER COMPANIES
Admin	17,809,373	5,164,718	12,644,655
Construction	1,676,511,133	1,196,660,663	479,850,470
Land & Building	13,047,436	9,263,679	3,783,756
Mechanical	884,647	123,850	760,796
Security & Cleaning Services	8,665,408	7,798,868	866,540
<b>Total</b>	<b>1,716,918,000</b>	<b>1,219,011,780</b>	<b>497,906,220</b>

**Table: BEE Awards**

Encouragement of BEE business	2003/04	2004/05	2005/06
Number of contracts to BEE	15 226	24 469	28 789
Total value of contracts to BEE	R649 m	R702 m	R649 m
% of total contracts to BEE by value	58%	68%	71%
<b>TOTAL value of contracts</b>	<b>R785 m</b>	<b>R829 m</b>	<b>R1,219 b</b>

## PROGRAMME 1: ADMINISTRATION

### Implementation of Supply Chain Management

The Accounting Officer approved a new Supply Chain Management structure as required by legislation. The structure provides for Demand Management, Acquisitions Management and Contract Management in addition to the Disposal and Risk Management components. Bid Specification Committees and Bid Evaluation Committees were approved and appointed in the Regions and Head Office. A Bid Adjudication Committee was appointed at Head Office to award bids based on recommendations received from the Bid Evaluation Committees.

Various training programmes were provided to the Bid Committees and Supply Chain Management practitioners throughout the Department. All formal training was facilitated by accredited service providers which included a consortium of consultants appointed by Provincial Treasury, SAMDI and IPFA.

### Financial Accounting and Reporting

#### Asset Management

To ensure compliance with the Public Finance Management Act (PFMA), fixed asset planning, reporting and monitoring of assets during their useful life have become fundamental to effective management of the Department's business. For the financial year under review, departmental assets have been tagged, counted and captured on the electronic Hardcat Asset Management System. All assets are recorded in the Department's asset register together with their locations, descriptions, unique numbers, custodians, purchase dates and purchase prices, thereby complying with the minimum requirements for an asset register as defined by the Auditor General. Furthermore, all asset management reforms milestones have been complied with.

#### Annual Financial Statements

In the 2005/06 financial year the Annual Financial Statements were prepared on the modified Excel template designed by National Treasury. This Department provided additional input on the shortcomings of the template, which resulted in amendments being made to the document. Data from the accounting/financial systems, Basic Accounting System (BAS) and Vulindlela, were used for the compilation and finalization of the financial statements.

#### Year End Audit

Detailed audit files were prepared to aid the audit process for the Department.

In the 2005/06 financial year, the informal audit queries raised were significantly less than the prior year and action plans are being put into place and procedures modified to improve the overall control environment in the Department, thereby reducing the audit risk.

#### Performance Based Budgeting

Conventional budgeting in government Departments pertains mainly to budgeting for financial inputs and the outputs and outcomes of public spending are not quantified. As a matter of practice, they are not explicitly stated. Consequently, it is almost impossible to quantify their service delivery.



## PROGRAMME 1: ADMINISTRATION

The KwaZulu-Natal Department of Transport has been one of the few Departments that have stated their delivery of services in terms of outputs.

Performance budgeting begins with the objectives of an organisation, and determines what activities contribute to these objectives. The inputs into each activity are then considered to give rise to the outputs and outcomes.

Budgets are in essence an extension of the planning process, and the planned service delivery outputs inform the outcomes and budget prioritization. Hence, budgetary allocations within the Department are guided by the strategic managerial decisions in line with the policy objectives of government.

In terms of the PFMA, Departments are required to do performance based budgeting, which gives government managers the power to monitor and evaluate budgets, expenditure, outputs and performance measures.

The Department of Transport has been identified by Provincial Treasury as a pilot site for the roll-out of performance-based budgeting in KwaZulu-Natal and the development of the system has been undertaken during the 2005/06 financial year with the implementation planned for the forthcoming financial year.

### Internal Compliance

The 2005/06 financial year has proven to be an extremely positive one for the Internal Compliance Services component.

To ensure that the Department was administratively 100% compliant, the following activities were performed during the financial year under review:

- compliance inspections and advisory services in respect of general administration and personnel, finance, procurement, stores and asset control
- identification and reporting on fraudulent activities
- providing advice on office space requirements
- risk management and
- providing advice on formal training needs

## Section 3

**PROGRAMME 2: ROAD INFRASTRUCTURE****Sub-programme: 2.1: Programme Support Office****Technology Transfer Centre**

Part of the conversion of the mechanical workshop had been completed and some mechanical equipment was purchased for the workshop. Some of the existing equipment had been revamped and full sets of modern tools and toolboxes had been purchased for the apprentices.

**Technical Training**

The Department's Technology Transfer Training centre had been very active during the financial year, 2005/06. Eight (8) training posts had also been filled during the year in review.

It must be mentioned that although computer literacy is one of the minimum requirements to fill some vacant posts, computer skills develop with practice. Hence, computer literacy became one of the priorities in the organization during the 2005/06 financial year.

Accordingly, the Department established a computer laboratory to provide training and support to its staff members at no cost. The centre also became a fully registered International Computer Driver's Licence (ICDL) training, testing and certification centre. The ICDL has been adopted as de facto standard for computer literacy in the Department.

The following list of tables present a summary of various courses that had been offered during the 2005/06 financial year.

**Table: Driver and Operator Training**

Course Name	Internal/External	No. of Trainees
Brushcutter	Internal	72
Chainsaw	Internal	37
Wacker	Internal	27
Driver Refresher Training	Internal	83
Dangerous Goods	Internal	87
Truck Mounted Crane	Internal	66
Forklift Refresher Training	Internal	21
Forklift Training	Internal	4
Forklift Training	External	20
Grader Training	Internal	137
Operator Training	Internal	7
Pre-start checks	Internal	39
Plant Returns	Internal	8
<b>Total</b>		<b>608</b>

**PROGRAMME 2: ROAD INFRASTRUCTURE****Part 2****Table: Mechanical Training Courses**

Course Name	Internal/External	No. of Trainees
Basic Arc & Oxyacetylene Welding	External	13
Basic Electrical	External	8
Basic Hydraulics	External	12
Case TLB Maintenance	External	21
Bell Grader	External	9
Section 28 Trade Test Pre-assessment	External	8
Section 28 Trade Tests	External	2
<b>Total</b>		<b>73</b>

**Table: Construction and Maintenance Training**

Course Name	Internal/External	No. of Trainees
Radiation Course	External	37
Construction and Application of Surfacing Seals	External	18
Design of Surfacing Seals	External	9
Bituminous Pavement Repair	External	4
Soil Stabilisation	External	6
Compaction	External	1
<b>Total</b>		<b>75</b>

**Mentorship**

The Department continued to provide practical training opportunities to third year Technikon students to enable them to complete their studies. During the 2005/06 financial year, twenty-four (24) training opportunities for Technikon students were made available.

The Department also awarded bursaries to a number of candidates to study civil and mechanical engineering. In return for receiving financial assistance, the successful graduate has to work off the bursary monies received on a year-for-year basis whilst following a structured training programme. The Department also provided six (6) training (theory & practical) courses that meet requirements by MERSETA designed for engineers and eight (8) needy students had been provided with vacation work.

Ten (10) new apprentices were also employed for a four year contract of which three (3) were females.

The Department also participated in some career days such as the PROTEC and SABC career days in order to provide encouragement to scholars interested in pursuing careers in engineering fields.



## PROGRAMME 2: ROAD INFRASTRUCTURE

The Department also hosted seven (7) scholars during the work experience week to provide them with an opportunity to base their decision making for career choice.

### Mathematics and Science Support Programmes

The Department, in its endeavour to promote the study of mathematics and science in schools, entered into a partnership agreement with PROTEC in Pietermaritzburg to sponsor schooling of fifteen (15) selected learners from disadvantaged township schools for a period of three (3) years. The learners who were sponsored wrote a senior certificate examination in the 2005/06 financial year. This partnership had indicated a positive impact on improving the performance of disadvantaged children, especially in mathematics and science.

The Department also supported the “bridge building competition” that was organized by the South African Institute of Civil Engineers (SAICE) to stimulate interest in civil engineering amongst high school students. Sponsorship was in the form of air tickets for the winners to attend the national competition.



*Winners of the 2005/06 financial year  
SAICE Bridge Building Competition*

### Sub-programme 2.2: Planning

#### Research & Liaison

##### 2<sup>nd</sup> Africa Technology Transfer Conference

The successful hosting of the 2<sup>nd</sup> Africa T<sup>2</sup> Conference in September 2005 had been an undoubted success by the Department.

The three (3) day conference attracted over three hundred (300) international and national visitors. The opening of the conference coincided with the unveiling of the Department's new Technology Transfer Centre by the National Minister of Transport, Mr J. Radebe.



*The Premier of KwaZulu-Natal, MEC  
for Transport, Community Safety &  
Liaison, Head of the Department  
and other delegates at the  
opening of the centre.*

## PROGRAMME 2: ROAD INFRASTRUCTURE

### Development of Manuals

The manuals listed below had been developed during the 2005/06 financial year:

- Road Network Administration Manual
- Project Planning Manual
- Project Design Manual
- Project Implementation Manual

Other manuals that had been prepared during the financial year in review include:

- The Defects Identification Manual to assist with the identification and categorization of maintenance defects of paved and gravel roads, road signs, etc.
- The Maintenance Procedure Manual

### National and International Collaboration

A delegation of engineers and administrators from the National Rural Roads Development Agency (NRRDA) in India visited the Department as part of their fact finding tour of rural road projects in South Africa.

The Department collaborated with industry partners for the development and to conduct technical courses by signing a formal agreement with the South African Road Federation (SARF). In terms of the agreement, the Department's role is to assist SARF with the marketing, administration and hosting of its courses in the Province of KwaZulu-Natal. In return, the courses will be dual branded to include the KwaZulu-Natal Department of Transport, and will be readily available to the Department's personnel.



*Indian delegation &  
other departmental Senior Officials  
on site: P399*



*Signing of the agreement with SARF*



## PROGRAMME 2: ROAD INFRASTRUCTURE

### Laboratory and Field Testing

#### Field Monitoring

The Department tested only thirty-one (31) roads totalling to five hundred and twenty two (522) kilometres.

In the financial year under review, approximately 60% of paved road network was measured. "Road Roughness Testing" is another activity that was carried out by the Field Testing team. Other tests conducted included Dynamic Cone Penetration (DCP), asphalt coring and skid resistance.

#### Laboratory

The Department's T<sup>2</sup> centre conducted a research project with a view to locate, map and classify material sources for road building in the province. Accordingly, a number of material sources in the Ladysmith Region had been tested.

### Infrastructure Management Systems

#### Bridge Management System

The Department continued to use the Bridge Management System software programme developed by the CSIR and Transportek to manage its one thousand, six hundred and ten (1610) bridges and two thousand and eight (2008) culverts. The software package had been upgraded during the financial year under review to include additional modules for the management of retaining walls, road signs and other structures.

During the 2005/06 financial year, visual inspection of three hundred and twenty three (323) bridges and two hundred and sixty-seven (267) culverts had been conducted.

#### Road Management Systems

The following systems had been used by the Department to manage its road network:

- Road Management Systems (RMSs) which provide a scientific basis for evaluating the conditions of paved and unpaved road network and optimize scheduling of preventative maintenance and rehabilitation projects
- Pavement Management System (PMS)
- Gravel Roads Management System (GRMS)
- Beaming Surveys

The abovementioned systems had contributed positively in achieving the following:

- maintaining and improving the average road network condition
- maintaining a stable road network condition distribution
- reducing and minimising the road maintenance backlog length
- maintaining and increasing the road network asset value
- considerable savings in Vehicle Operating Costs for road users



**PROGRAMME 2: ROAD INFRASTRUCTURE**

- an efficient transportation network in good condition that encourages and allows economic development
- extended useful life of roads
- the ability to make objective road maintenance decisions
- the ability to investigate the implications or consequences of different road maintenance strategies
- monitoring trends and assessing funding needs
- the ability to demonstrate future consequences of budget cuts and provide motivations for increased funding requests
- less pressure on routine maintenance resources due to improved road conditions and
- reduced overall costs for maintaining the road network

**Accident Management System**

The following areas in respect of accident data capturing process had been modified during the 2005/06 financial year:

- Capturing of accident data
- Facilities for handling and checking accident location
- Electronic scanning and storage of accident report
- Improve the quality of casualty information

**Traffic Counting System**

The Department developed a wide traffic counting strategy to rationalize and improve the quality of traffic data. The strategy addressed the following areas :

- Duration, location and frequency of counting
- Appropriate locations for permanent counting stations
- Duration, location and frequency of axle load surveys
- Traffic data system

**Sub-programme: 2.3: Design**

As part of the planning and design process, standards of road construction had been evaluated and tested in order to ensure value for money once the road had been constructed.

Input from communities and local land owners also played a major role in ensuring that appropriate design standards had been maintained. Similarly, trends in road usage of heavy vehicles had been monitored to ensure that road design standards remain appropriate.

## PROGRAMME 2: ROAD INFRASTRUCTURE

## Sub-programme: 2.4: Construction

## New Infrastructure

## New Black-top Roads

During the 2005/06 financial year, five (5) kilometres of new black-top road was constructed on Main Road P577. This is a high-standard dual carriageway urban arterial between KwaMashu and New Germany, crossing the Umgeni river near KwaDabeka. This road will not only link the communities of Inanda, Ntuzuma, KwaMashu, Phoenix and Newlands but more importantly provide quick access to job opportunities in the industrial and commercial development node of Pinetown and New Germany.

Construction of the fourteen (14) kilometre link road commenced in April 2003 and it is planned to be complete by December 2009, before the Soccer World Cup. The first five (5) kilometre section from Duffs Road to Inanda Road is complete and together with the Queen Nandi Drive stretch will provide a much needed alternative access to the N2 freeway.



*The completed portion of Main Road P577*

## New Gravel Roads

A total of five-hundred and ninety-eight (598) kilometres of gravel roads were constructed during the 2005/06 financial year of which four hundred and thirty (430) kilometres were local roads. Some examples of local roads constructed are described below.

The construction of Thekwane Local Road (DC25) which is 2.4 kilometres long was identified as a priority by Utrecht Rural Road Transport Forum in the Thekwane Tribal



## PROGRAMME 2: ROAD INFRASTRUCTURE

Authority area. Consequently, a contract was awarded in June 2005 to a Stage 3 contractor and was completed in October 2005. This road allows the community of Thekwane to access other public facilities.



*Portions of Thekwane Local Road: DC25: Utrecht*

The 2.5 kilometre-long extension of Enkunzi Local Road was constructed during the financial year under review under the Ladysmith Rural Road Transport Forum. This extension joins the main road P33-1 and P314-1 to serve communities along this route.



*Enkunzi Local Road before Construction*



*Enkunzi Local Road after Construction*

Another 2.5 kilometre-long Local Road that had been constructed during the 2005/06 financial year is Mthunzini Local Road. This road is a turn-off from main road P176 under Ladysmith Rural Road Transport Forum at Driefontein Area under Abantungwa Tribal Authority.



*Mthunzini Local Road before Construction*



*Mthunzini Local Road after Construction*



## PROGRAMME 2: ROAD INFRASTRUCTURE

The 6.1 kilometre-long Nokopela Local Road was also identified for construction by the Bergville Rural Road Transport Forum. This is a link road between roads P10-2 and P394. This new road serves a community of approximately three thousand (3000) people to access a primary school, mobile clinics and serves as a short route to Emmaus Hospital.



*Nokopela Local Road before Construction*



*Nokopela Local Road after Construction*

The Ntendeka Local Road which is 1.5 kilometres long was also identified as a priority by the Buhlebamakhosi Rural Road Transport Forum in District Council 25 and accordingly constructed during the financial year under review. This road serves as the access road to Ntendeka School.



*Ntendeka Local Road: DC 25*

The Wolwane 8.9 kilometre-long Local Access Road had been constructed during the 2005/06 financial year. This road serves the community of Wolwane who lives on the banks of the Umzinyathi River, in Msinga. This road consisted of a "Fair Weather" track, with gradients in excess of 20%, and was only accessible to 4x4 wheel drive vehicles before construction. Currently, the road provides access to a clinic, two (2) schools and four (4) retail outlets and also has potential for agricultural and tourism purposes.

## PROGRAMME 2: ROAD INFRASTRUCTURE

During construction of this road a number of challenges had to be addressed, namely, topography, unavailability of water for construction, political pressures, etc.



*Wolwane Local Access Road*

### Job Creation and Empowerment

The piloting of labour-based and labour intensive techniques continued into the 2005/06 financial year. A budget of R25m was allocated for the programme. The following table represents information on labour-based and labour-intensive programmes.

**Table: Labour-Based and Labour-Intensive Programmes**

Road Name	Total length (km)	Length completed (km) 2004/05	Length Completed (km) 2005/06	Target (km) 2006/07
Nhlabamkhosi/Ngwebini	6,5	6,5		
Mkonjeni Road-Josini	5		5	
Ntuthuko Road-Inanda	3,8		3,8	0,2
Chibini and A3811	6,75		6,75	
Mngxangala Road	9,5	9,5		
Nsimbini Road	4,9	4,9		
Mnamatha Road	6,9		6,9	
Gwazabanjani Road	10,5			10,5
L170- Ezingolweni	1,6		1,6	
Thwabala Road	2,8		2,8	
Malinga, Turton, Ntuli Ebenezer Roads Umzumbe	5		5	
Manhlahla Road	5		5	
Isibonele Road	4	4		
Inkonjeni Road	5		5	
<b>Total</b>	<b>77,25</b>	<b>24,9</b>	<b>41,85</b>	<b>10,7</b>

The Department contracted the communities directly to construct the roads using labour-intensive methods.



## PROGRAMME 2: ROAD INFRASTRUCTURE

### Community Participation and Empowerment

The principle of community participation was central to the programme. In all the projects, the steering committees were elected. The steering committees consisted of representatives from the traditional leadership, youth, women, Public Transport Associations, local government and Rural Road Transport Forums. These committees formed a link between the Department and the beneficiary communities. The communities were economically empowered as material for construction was sourced from local contractors.



*Mzumbe Steering Committee*

### In-service Training

Twenty five (25) S3 civil engineering students continued to receive training on sites. The students received training on site in supervision and administration. The training was part of the in-service required by technikon for the completion of their diploma. This training was also aimed at broadening their understanding of the technology which will assist in developing a cadre of labour based and labour-intensive specialists. An accredited training provider provided technical training, business skills to the making of bricks.



*S3 Students & Supervisors on duty at iNkonjane road at oNgoye*



## PROGRAMME 2: ROAD INFRASTRUCTURE



*Construction of headwalls training at Chibini Road*



*Brickwork training at Chibini Road*

**Table: Labour Training**

No. of Site	Road Name	No. of people trained
1	Nhlabamkhosi/Ngwebini	12
2	Thwabala	12
3	Nsimbini	12
4	Chibini/ Chili	12
5	Manhlanhla	12
6	iNkonjeni	12
7	Gwazabanjani	12
<b>Total</b>		<b>84</b>

As the training programme is being implemented under the auspices of the Expanded Public Works Programme (EPWP), it continued to receive recognition locally and nationally. Significantly, this programme has managed to put the province on the map. In June 2005, Inkongane project of Ongoye was visited by the National Council of Provinces where labour-intensive methods in road construction were showcased. In July 2005, the same Inkongane project was also visited by the Minister of Public Works, the late Ms Stella Sgcawu and the MEC for Transport, Community Safety & Liaison, Mr Bheki Cele, during the anniversary of the EPWP in the province.

### Bridges and Causeways

#### Bridges

Three (3) new bridges were constructed during the 2005/06 financial year which exceeded the target of two (2).

An example of a bridge that was constructed during the 2005/06 financial year is on A3976, Dumayo Road, that was identified as a priority by Ndwedwe Rural Road Transport Forum. Road A3976 is a community access road that links roads P712 and D1617.

## PROGRAMME 2: ROAD INFRASTRUCTURE

The 17.5m long and 4.1m wide bridge is a two span, simply supported structure with a solid reinforced deck slab.



*Ndwedwe Bridge on Road A 3976*

The Department jointly co-funded and constructed a river bridge on road D1010 with Ethekewini Municipality during the 2005/06 financial year.



*River Bridge on road D1010*

### Pedestrian Bridges

Special allocation was received during August 2005 for the construction of pedestrian bridges and accordingly the construction of fourteen (14) bridges was initiated, of which four (4) were completed by the end of the financial year under review.

The Buhlebamakhosi Rural Road Transport Forum identified Vanjazi Pedestrian Bridge as a need for ease of crossing Vanjazi River by the community including school-going children. The project was completed within four (4) months from start during the financial year under review.



## PROGRAMME 2: ROAD INFRASTRUCTURE

# Part 2



*Vanjazi Pedestrian Bridge*

### Causeways

During the 2005/06 financial year, the Department exceeded the planned output of completing forty-one (41) causeways by completing forty-seven (47).

The Mzamweni area causeway had been constructed to provide access to facilities for the user communities in Vulindlela.



*Mzamweni River Bridge in Vulindlela Area*

The Maphumulo Rural Road Transport Forum identified and prioritised construction of a causeway on community access road A 2880 (Nyezeni Road) during the 2005/06 financial year. Accordingly, this causeway had been constructed.



*A2880 Causeway under Construction*



## PROGRAMME 2: ROAD INFRASTRUCTURE

Another three (3) causeways had been constructed on road A3810 during the financial year under review.



*A3810 1<sup>st</sup> Causeway before Construction*



*A3810 2<sup>nd</sup> Causeway before and after Construction*



*A3810 3<sup>rd</sup> Causeway before and after Construction*

## PROGRAMME 2: ROAD INFRASTRUCTURE

### Road Upgrading

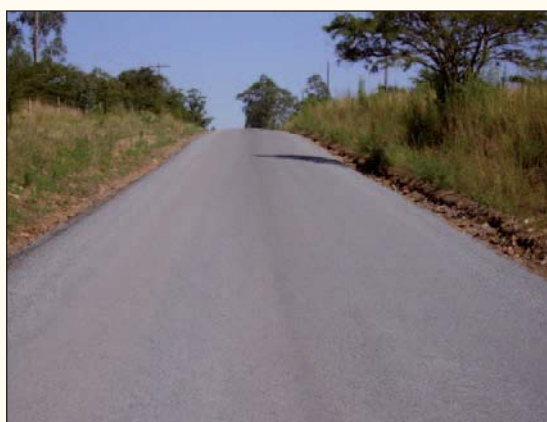
Significant progress was made by the Department in upgrading gravel roads to black-top roads through programmes such as the African Renaissance Roads Upgrading Programme which resulted in rural road development, improving access to community facilities and agricultural activities.

A total of eighty kilometres of road were surfaced during the 2005/06 financial year against the target of seventy seven kilometres.

The following picture is an example of rural road development and upgrading.



*Road P566 before Construction*



*Road P566 after Construction*

### African Renaissance Roads Upgrading Programme

It is common cause that a major legacy of apartheid and separate development is that the democratic government inherited a situation in which the majority of rural communities, and some urban and peri-urban communities, did not have adequate access to transport facilities. Their physical isolation also resulted in their social and economic isolation from the rest of South Africa and it is this isolation that has led President Thabo Mbeki to coin the concept of a “second” economy. An efficient and effective transport system is therefore considered a necessary condition for economic growth and development.

The African Renaissance Roads Upgrading Programme (ARRUP), launched in 2001, currently comprises the upgrading of eight (8) major rural road transport corridors and one (1) urban transport corridor. Collectively, the ARRUP projects provide strong evidence to support the view that the Transport Portfolio in KwaZulu-Natal is making significant progress towards bridging the gap between our first and second economies.

ARRUP projects are specifically designed and planned to result in the integration of complex changes both to the construction industry of KwaZulu-Natal and to the lives of beneficiary communities. ARRUP is expected to renew beneficiary communities in that a minimum target of 67% of total budget allocations is directed towards broad-based black economic empowerment,



## PROGRAMME 2: ROAD INFRASTRUCTURE

including the support of local suppliers, entrepreneurs and work seekers. ARRUP is also expected to kick-start stagnant rural economies by dramatically reducing local transport overheads and accessing communities to a new dispensation in investments concerning the agricultural, tourism and transport sectors.

Through ARRUP, the KwaZulu-Natal Department of Transport has adopted a corridor development approach designed to:

- develop the agricultural potential of the lands adjacent to all ARRUP roads
- develop a black-top road network to provide cost efficient transport systems that link the major initiatives of the KwaZulu-Natal Department of Agriculture and Environmental Affairs to appropriate markets
- develop, by labour intensive methods, a feeder road system to unlock the development potential of agricultural lands
- extend local investment opportunities in agricultural projects to women headed households through our Zibambebe programme
- develop water resources (dams, weirs and boreholes) that can be offset against an alternative budget required to haul water for road construction
- renew small rural towns (e.g. Hlabisa, Nkandla) by beautification projects which include new sidewalks, paved areas and public transport facilities; and
- establish local hospitality facilities along ARRUP roads that promote historical, cultural and eco tourism

Increasingly, ARRUP “development corridors” are resulting in a wide range of government Departments co-operating in planning and pooling their resources in the best interests of beneficiary communities. The introduction of “development corridors”, through ARRUP, promotes a more integrated response to the multi-dimensional and complex nature of poverty.

It is pleasing to report that ARRUP has achieved an on average 71,5% of budget allocations towards securing broad-based black economic empowerment. Indeed, some projects have been designed and managed to achieve a 100% record.

Massive new opportunities have been created for previously disadvantaged South Africans to become entrepreneurs in the fields of civil engineering, road construction and the supply of road construction material. This is readily evident from the growth and development of the Department’s Vukuzakhe emerging contractor programme since the initiation of ARRUP.



## PROGRAMME 2: ROAD INFRASTRUCTURE

Table : ARRUP Summary of Expenditure

				PROJECT	OUTPUTS TO DATE			
PROJ.	ROAD	DESCRIPTION	LENGTH	VALUE	EXPENDI- TURE	ROAD	STRUCTURES	PERSON
	No.		KM	(millions)	(millions)	Km	Major	DAYS
Nkandla	P15/1&2	Woshi River - Komo	25,6	97,70	35,55	4,2	1	38,846
Nkandla	P15/1I	Ntonjami - Woshi River	8,0	38,06	1,05	0,0	0	0
Nkandla	P50/2I	Komo - Entumeni	13,5	53,12	1,20	0,0	0	0
Nkandla	P50/2	Komo - Nkandla Forest	23,0	120,32	43,10	5,0	0	30,043
Nkandla	P50/3	Nkandla - Fort Louis	17,5	38,70	37,43	17,0	1	32,736
St Faiths	P68/1	Highflats - St Faiths	24,0	126,07	47,75	10,5	0	23,215
St Faiths	D168	St Faiths	15,0	25,20	0,61	0,0	0	0
St Faiths	P68/2	St Faiths - Assisi	24,3	142,05	63,56	12,4	0	55,958
Ndwedwe	P100	Ndwedwe - Inanda	31,4	217,60	73,48	12,3	0	62,670
Nongoma	P235/1&2	Hlabisa - Nongoma	60,0	263,30	216,49	32,3	11	91,608
Nongoma	P49/2	Nongoma - Mkhuze River	31,6	232,40	20,44	0,0	0	15,702
Nongoma	P52/3	Nongoma - Ngome	27,7	113,90	2,47	0,0	0	0
Ongoye	P240	Obanjeni - KwaMaqwakazi	27,5	191,76	91,78	9,9	5	53,120
Ongoye	P230	Mandawe - KwaNcekwane	31,0	173,10	6,86	0,0	0	2,180
Osizweni	P296/38	Osizweni - P272	27,3	100,71	48,06	9,0	1	32,251
Vulindlela	P399	Nxamalala - Taylors Halt	12,8	97,89	51,75	3,9	2	26,518
Sub Total			400,2	2,031,88	741,60	116,6	21	464,847
Cabinet Projects	P496	Empangeni-Richards Bay	15,0	450,00	10,00	0	0	475
	P577	Duff's Road - KwaDabeka	14,0	520,00	153,53	5,0	4	95,873
	P700	Ulundi - Richards Bay	95,0	500,00	141,12	23,0	7	54,837
Sub Total			124,0	1,470,00	304,65	28,0	11	151,085
Total			524,2	4501,88	1,046,24	144,6	32	616,032

On 28 October 2005, the South African Institution of Civil Engineering (SAICE), Pietermaritzburg branch, presented the KwaZulu-Natal Department of Transport with an award for the "Best Community-Based Programme" for ARRUP roads. Although ARRUP is still a very young programme, it is already clear that its innovative approach to road construction has contributed significantly to the social and economic empowerment of beneficiary communities.

## PROGRAMME 2: ROAD INFRASTRUCTURE

ARRUP is undoubtedly creating a bridge between the first and second economies in KwaZulu-Natal. It is anticipated that ARRUP policies, procedures and methodologies will provide a new framework and dispensation for road building in South Africa.

### Cabinet Projects

#### Road P700

Main road P700 is an extension gravel link from Ulundi, via the Hluhluwe Mfolozi Game Park to Empangeni totaling some ninety kilometres which is currently being upgraded to a high quality black-top road.

Construction started in 2003 and to date a total of twenty-three (23) kilometres has been completed.



*Completed section of Road P700*

#### Main Road P496: Empangeni to Richards Bay

During the 1980's, the province identified the need to upgrade the John Ross Highway between Empangeni and Richards Bay to four lanes as a result of the traffic growth and the projected economic potential of Richards Bay. However, the high cost of construction delayed its implementation until April 2005 when national, provincial and local spheres of government agreed to jointly fund the R380 m project.

### Structures

Various structures were upgraded during the 2005/06 financial year and the widening of the Droewig River Bridge No. 2505 on road P609 shown in the picture is an example.



*Droewig River Bridge No 2505 during Widening*

## PROGRAMME 2: ROAD INFRASTRUCTURE

**Table: Construction of road Infrastructure by Region**

Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target	
				Unit	%
<b>Region 1: Empangeni</b>					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	43	47,3	35,7	-11,6	-24,5
Gravel roads (no. of km)	348	251	259,4	8,4	3,3%
Bridges with span > 2 metre (no.)	9	1	1	0	0%
Pedestrian bridge (no.)	2	5	1	-4	-80%
Causeways (no.)	20	18	18	0	0%
<b>Region 2: Ladysmith</b>					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	3	9,7	14,5	4,8	49,5%
Gravel roads (no. of km)	157	168	172,5	4,5	2,7%
Bridges with span > 2 metre (no.)	1				
Pedestrian bridge (no.)		6	1	-5	-83,3%
Causeways (no.)	14	5	5	0	0%
<b>Region 3: Pietermaritzburg</b>					
Highways (no. of km)					
Surfaced roads (excluding highways) (no. of km)	6	3,8	16,4	12,6	3,3%
Gravel roads (no. of km)	61	84	74,8	-9,2	-11%
Bridges with span > 2 metre (no.)	1	1	1	0	0%
Pedestrian bridge (no.)		2	0	-2	
Causeways (no.)	9	6	6	0	0%
<b>Region 4: Durban</b>					
Highways (no. of km)		5	5	0	0%
Surfaced roads (excluding highways) (no. of km)	21	16,2	15,9	-0,3	-1,9%
Gravel roads (no. of km)	94	82	91,3	9,3	11,3%
Bridges with span > 2 metre (no.)	11	0	1	1	
Pedestrian bridge (no.)		2	2	0	0%
Causeways (no.)	14	12	18	6	50%



## PROGRAMME 2: ROAD INFRASTRUCTURE

Whole Province					
Highways (no. of km)		5	5	0	0%
Surfaced roads (excluding highways) (no. of km)	73	77	83	6	7,8%
Gravel roads (no. of km)	660	585	598	13	2,2%
Bridges with span > 2 metre (no.)	11	2	3	1	50%
Pedestrian bridge (no.)	2	15	4	-11	-73%
Causeways (no.)	57	41	47	6	14,6%

## Sub-programme: 2.5: Maintenance

To preserve the road network, regular maintenance has to be performed on all black-top roads as well as gravel roads.

Due to the ever increasing traffic using our road network and the higher economic activity in the country, our roads are now under more stress than ever before. As a result, maintenance requirements on the road network have increased significantly. The Department is striving to do its utmost with regards to maintaining the road network adequately, but unfortunately funds made available for this function are limited and only urgent or critical maintenance activities can be performed.

Although the funding situation is far from adequate, staff in the regions have been performing very well with the limited funds using the principles of the "Mission Directed Work Programme". This programme has enabled staff to concentrate activities in the areas where it is most required and to perform maintenance activities against specific targets to ensure high efficiency and good value for money.

Road maintenance is performed under specific programmes and each of these is discussed here-under.

**Preventative Maintenance**

Maintenance work is performed in order to ensure that a road is retained in a good serviceable condition. Furthermore, the road is not allowed to deteriorate to a point where the service level drops or reconstruction of the roads is required.

Some examples of preventative maintenance work are:

- Black-top Resealing:

When the road surface is old, dry and cracked a new layer of bitumen is sprayed on the road with stone chips to ensure that all the cracks are sealed and the surface is rejuvenated again. Once applied the road surface should last for at least another eight (8) to ten (10) years, depending on its condition and the traffic using it. A total of 677,661 square metres of road was resealed during the financial year 2005/06.

**PROGRAMME 2: ROAD INFRASTRUCTURE**

- Gravel Road Regravelling and Betterment:

The more usage of a gravel road by traffic and the effects of rain and wind result in gravel loss to the road once the gravel has worn away, a new layer of gravel needs to be spread and compacted on the road. Due to scarce suitable gravel sources, the cost of regravelling has escalated. This has been aggravated by more areas being classified as being environmentally sensitive, which prevents opening of new quarries. Despite limited gravel resources, a total of 868 kilometres of road was regravelled during the 2005/06 financial year.



*The 37km long P714 from Sibudo to Kingscliff being regravelled during the year*



*A stretch of the 10 km regravelled Road D621 from Brandfontein to Sailors Gift*



## PROGRAMME 2: ROAD INFRASTRUCTURE

### Rehabilitation of Black-top Road

Once a black-top road has deteriorated to the point where routine maintenance or preventative maintenance can no longer ensure an adequate level of service, the road surface needs to be rehabilitated. The rehabilitation process calls for the milling out of the existing top layers of the road which had failed and the placing of new layers to repair the road.

This is a very expensive maintenance operation which is capital intensive as it requires the use of large machines.



*Portions of the route to the Mariannhill testing grounds before construction*



*Portions of the route to Mariannhill testing grounds, during construction*



## PROGRAMME 2: ROAD INFRASTRUCTURE

### Routine Maintenance

#### Zibambele Road Maintenance Programme

Zibambele is a Maintenance Programme using labour intensive methods in which poor women headed households are contracted by the KwaZulu-Natal Department of Transport to maintain a specific length of road on a contract basis.

The Zibambele Contractors are responsible for:

- ensuring good roadside visibility
- maintaining the road surface in good condition and
- maintaining the road drainage system

Currently, 27 531 contracts have been awarded to poor households of which some 95% of those contracts have gone to women-headed households. This programme has made major breakthroughs in terms of addressing gender stereotypes within the construction industry.

This programme is an initiative of the KwaZulu-Natal Department of Transport and its successes are attributed to the support and partnership with the communities, local government as well as other government departments.



*Mrs F. N. Gobo cutting grass along the road edges of A2416 of Izingolweni RRTF Area*

## PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Zibambele Investments

	Financial Years							
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Total
Total payments to Zibambele Contractors (R millions)	R10,0	R18,1	R42,0	R54,6	R66,6	R87,0	R122,4	<b>R400,7</b>
No. of Zibambele contractors (person years)	1 031	6 031	9 856	14 910	17 104	23 451	27 531	<b>27 531</b>
Length of roads maintained by contractors	1 186	3 920	6 406	9 692	11 118	15 423	17 895	<b>17 895</b>
Zibambele training budget (R millions)	R1	R1	R3	R3	R4	R3	R2	<b>R17</b>
Monthly salary paid to Zibambele contractors	R250	R250	R334	R334	R350	R370	R390	

## Flood Damage

The steep topography of this province as well as the incidents of frequent flooding often result in damage to our road network in summer months. The 2005/06 year has been no exception with a number of roads and drainage structures having been damaged as a result of flooding. This damage is repaired as soon as possible, using funds set aside for routing maintenance or funds used for other maintenance activities.



## PROGRAMME 2: ROAD INFRASTRUCTURE

# Part 2



*Repairs in progress on portions of road P89, Nkonzo in Umkomaas*

Heavy rains on road P372 in Nquthu area caused severe damage to the steel drainage pipe. An innovative construction procedure was utilised to place reinforced concrete above and below the pipe. The headwalls were repaired using gabion baskets.



*Repairs of Damaged Headwalls in Progress*



## PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Maintenance Performance

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
<b>Input</b>						
Maintenance as % of Programme 2 budget	Percentage	40%	40.9%	39.8%		-1.1%
<b>Process</b>						
Projects started on schedule	Percentage	67%	70%	58.2%		-11.8%
Projects started more than 3 months late	Percentage	11.5%	10%	25%		15%
% difference between actual and planned expenditures:	% deviation					
• 1 <sup>st</sup> quarter		49%	19.8%	16.2%		-3.6%
• 2 <sup>nd</sup> quarter		61%	46.0%	38.8%		-7.2%
• 3 <sup>rd</sup> quarter		86%	70.5%	67.7%		-2.8%
• 4 <sup>th</sup> quarter		124%	100.0%	97.2%		-2.8%
<b>Output</b>						
Reseal tarred roads	Number of km <sup>2</sup>	0,679942	0,650000	0,677661	0,027661	4.2%
Perform black-top patching	Number of km <sup>2</sup>	0,107826	0,090000	0,095879	0,005879	6.5%
Blade gravel roads	Number of km	79 009	75 000	76 220	1220	1.6%
Re-gravel roads	Number of km	906	850	868	18	2.1%
<b>Efficiency</b>						
Projects completed on schedule	Percentage	80%	70%	61.5%		-8.5%
Projects completed more than 3 months later than scheduled	Percentage	10%	10%	26%		16%

## Section 4

### *PROGRAMME 3: TRANSPORTATION*

#### Sub-programme: 3.1: Planning

##### Freight Transport Policy

Freight transport embraces both national and international conveyance of goods through the five different modes of transport, i.e., road, rail, air, maritime and pipeline. Freight transport provides the link between customers, suppliers, factories, warehouses and manufacturers in supply chains in local, national and international spheres.

South Africa has changed from an import-driven to an export-led growth strategy. This has resulted in longer and more complex supply chains as raw materials can now be sourced internationally at the lowest product and transportation costs, and completed goods can be sold internationally. Any inefficiency in the transportation sector of the supply chain affects the cost of products and diminishes its ability to compete internationally, which ultimately will lead to a weaker economy resulting in job losses and a decline in social standards. The new national strategy based on exports is built on the foundation of value added exports, integration with SADC and correcting the legacy of apartheid. The transportation system was constructed and configured to support a very obscure set of historic choices. It is now aligned to meet new national industrial strategies and the service demands of customers who lie at the heart of these strategies.

The Provincial Freight Transport Policy takes cognisance of the fact that the ports and the road-rail freight corridors of KwaZulu-Natal handle a major proportion of South African import/export cargo. The Policy aims to address deficiencies in the freight industry such as:

- lack of co-ordination between the various planning authorities and transport modes in the freight industry
- lack of intermodal facilities
- port congestion
- overloading control
- rail under-utilization
- improved law enforcement resources
- creation of opportunities for SMMEs
- rural development
- coordinating structures
- liaison and monitoring bodies

## PROGRAMME 3: TRANSPORTATION

### Provincial Public Transport Policy and Strategy

The Department provided guidance on public transport policy and strategy to municipalities, public transport operations and the community at large.

### Policy and Planning

The financial year 2005/06, has been a successful year in respect of public transport policy and planning. The following are some of the achievements that had been made during the financial year under review:

- Public transport related policies and legislation had been reviewed;
- Passenger transport plans had been developed, co-ordinated and managed to ensure an affordable, sustainable, safe and attractive public transport system; and
- Introduction and promotion of transport research special projects.

### Provincial Model for the Promotion of Public Transport Plans

The KwaZulu-Natal Department of Transport had provided support to planning authorities in transport planning. The shift in public transport policies convincingly demonstrated that the development of transport plans is the key in achieving strategic objectives around regulation, safety and enforcement.

Accordingly, the Department had developed a Provincial Communication and Marketing Model for the promotion of transport plans. The project is intended to achieve the following:

- ensure that all stakeholders have a good understanding of transport plans
- ensure that planning authorities fast track the service delivery
- evaluate planning authorities' capacity with regard to transport planning

The project is 90% complete and in the forthcoming financial year will be piloted within uMgungundlovu and Amajuba District Municipalities.

### Passenger Planning

The Department adopted a planning approach as opposed to a data-driven approach as suggested by national Department of Transport guidelines. Furthermore, development of Public Transport Plans (PTP) which incorporates Operating Licence Strategy (OLS) and Rationalisation Plan (Rat Plan), had been undertaken.

During the 2005/06 financial year, planning authorities began developing their own transport plans. However, a lack of adequate alignment, capacity and understanding, as well as a failure to interpret national guidelines has hampered the ability of Transport Plans to be "strategic transportation developmental tools".

Nonetheless, the following progress has been achieved in terms of the legislated transport plans.



**PROGRAMME 3: TRANSPORTATION****Table: Progress on Public Transport Plans**

District Municipality/Metro	Status of Plans
<b>DC 21</b> Ugu	CPTR has been completed and approved by the Municipal Council and they are currently preparing a PTP.
<b>DC 22</b> Umgungundlovu	Both the CPTR and PTP have been completed and approved by the Municipal Council. Currently they are preparing an Integrated Development Plan (IDP).
<b>DC 23</b> UThukela	CPTR has been completed and approved by the Municipal Council. PTP is currently awaiting Municipal Council approval.
<b>DC 24</b> Umzinyathi	CPTR has been completed and approved by the Municipal Council; they are currently finalizing the PTP.
<b>DC 25</b> Amajuba	Both the CPTR and PTP have been approved by the Municipal Council.
<b>DC 26</b> Zululand	CPTR has been completed and approved by the Municipal Council. PTP is currently in the final stage.
<b>DC 27</b> Umkhanyakude	CPTR has been completed and approved by the Municipal Council. PTP is currently in the final stage.
<b>DC 28</b> UThungulu	CPTR, PTP and the ITP have been completed and approved by the Municipal Council.
<b>DC 29</b> ILembe	CPTR has been completed and approved by the Municipal Council. PTP is currently awaiting Municipal Council approval.
<b>DC 43</b> Sisonke	CPTR has been completed and approved by the Municipal Council. PTP is currently awaiting Municipal Council approval.
<b>(Metro)</b> eThekweni Municipality	CPTR, PTP and the ITP have been completed and approved by the Municipal Council.

In addition, the Department had posted all CPTR on the Intranet and is currently posting them on the Internet to ensure easy accessibility to public.

The Department also prides itself in developing effective and practical public transport policies and plans that ensure a better life for all the citizens of the province. Two of the achievements can be highlighted in the following projects.

**Shova Kalula**

The Shova Kalula project had been established to address the concerns of public transport in the rural areas. This had resulted in the establishment of self-sustainable micro bicycle businesses.

Since the inception of the project, fifteen (15) Micro Businesses had been established throughout the province. During the 2005/06 financial year, the Department identified a need to build capacity in management of the established bicycle shops as a priority. Accordingly, the Department focused on training the managers of these Micro Businesses to ensure their sustainability.

## PROGRAMME 3: TRANSPORTATION

### Edendale Corridor Project

The Edendale Corridor Project had commenced and the design phase of the project had been completed. However, the corridor will be implemented in the financial year, 2006/07. The construction of a pedestrian and cycle path along the corridor had also been completed. The path is 3.5 km long and 3 m wide. An observation survey had indicated that since the completion of the path in October 2005, there had been an increase of pedestrians and cyclists along the corridor. Cyclists and pedestrians have expressed their satisfaction with the construction of this Non Motorized Transport Infrastructure (NMT), indicating how it has simplified their lives.



*Corridor Pedestrian Usage*



*Corridor Bicycle Usage*

### Co-ordinating and Supportive Role for District Municipalities

A strategy framework workshop where all the Municipalities were invited had been co-ordinated. The issues affecting public transport were also debated at this workshop.

On 11 November 2005, a Long Distance Taxi Industry Workshop was also held at the Pietermaritzburg Regional Offices. The aim of the workshop was to clarify issues affecting long distance operators.

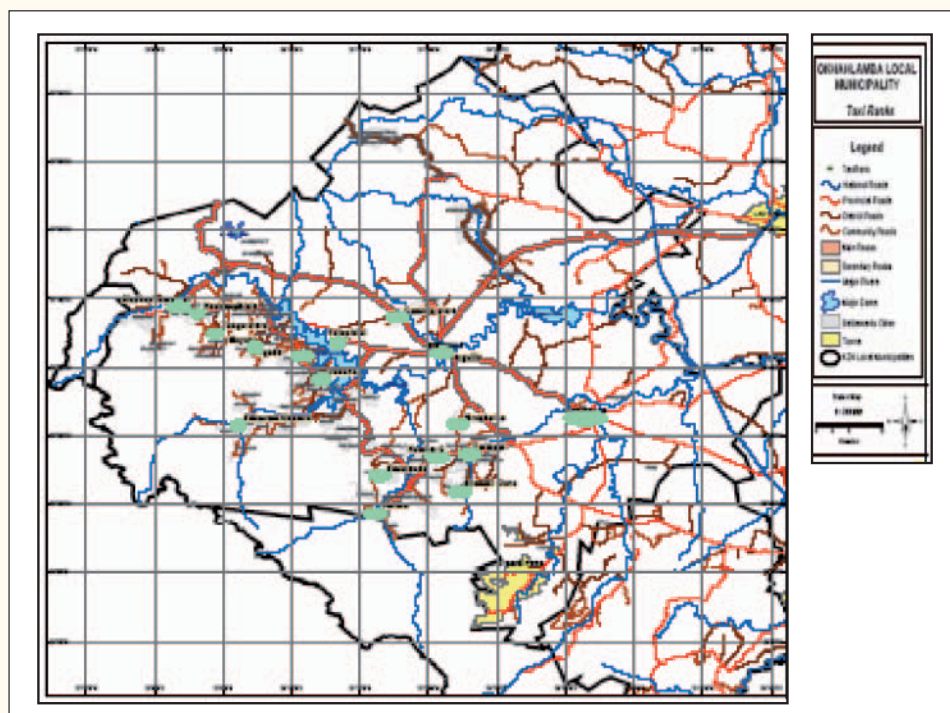
### Public Transport Geographical Information System (GIS) Progress

All CPTR information had been captured in the PPTGIS. This information will be aligned with the National Integrated Land Transport Information System. PPTGIS will assist policy makers such as the board, municipalities and enforcement agencies. The project is envisaged to be completed in the forthcoming financial year.



## PROGRAMME 3: TRANSPORTATION

## Part 2



*Map for Okhahlamba LM showing taxi ranks and routes to be captured*

### Reconstruction and Development Projects (RDP)

Over the 2005/06 financial year, the Department has intensely monitored the subsidised bus operators' contractual obligations in terms of their RDP commitments. Accordingly, several infrastructure projects were completed. Most of these projects involved the building or refurbishment of school classrooms and toilets.

### Public Transport Subsidies

The KwaZulu-Natal Department of Transport continued to act as an agency on behalf of the National Department of Transport with regard to the administering of bus subsidies. The bus subsidy allocation from National Department of Transport has increased from R452 m in 2004/05 to R482 m in the 2005/06 financial year.

### Administration, Monitoring and Control of Subsidised Transport Contracts

During the 2005/06 financial year, approximately 2 500 000 subsidized trips have been provided for commuters. Monitoring firms had been contracted to the Department to ensure that subsidised operators comply with all contractual obligations and provide safe and reliable bus transport services to communities. More than 62% of all trips were monitored. The benefits of monitoring method generating savings in excess of R20 m.

During the financial year under review, more than one hundred (100) new buses had been acquired by subsidised bus operators. This indicates the impact of bus subsidies on socio-economic growth and development.



## PROGRAMME 3: TRANSPORTATION



*Handover of new buses to Ikbwezi Transport*

### Sub-programme: 3.2: Infrastructure

During the 2005/06 financial year, the Department developed a generic model to test the profitability of developing truck stops. The model under various scenarios had proved to be profitable and sustainable. Construction of truck stops is planned to commence during the 2006/07 financial year, possibly using private sector funding.

#### Revival of the Rail Branch-lines

Revival of branch-lines in KwaZulu-Natal had become a centre of concern since the loss of cargo, due to a modal shift from rail to road which had burdened the provincial road network and hence led to the deterioration of our road network.



*KwaZulu-Natal Rail Network*

### PROGRAMME 3: TRANSPORTATION

Accordingly, the Department developed a strategy to revive the branch-line network in the province. Implementation of the strategy had commenced with the support of the National Department of Transport and the Department of Environmental Affairs and Tourism. The work on the Nkwalini line in the Empangeni Region which was chosen as a pilot project in the 2004/05 financial year had commenced and is scheduled to be completed by the 2006/07 financial year. The maintenance contract for the rehabilitation of the off-track and on-track line had been outsourced to two (2) Black Economic Empowerment sub-contractors. One of the conditions is to utilize local labour through which the line traverses.

#### Sub-programme:: 3.3: Empowerment and Institutional Management

The Department had conducted a study on the working conditions of drivers in the freight industry. Some of the findings of the study are as follows:

- Truck drivers are forced to drive excessively long hours which contribute to unsafe driving conditions for truck drivers and other road users.
- Load-based and dual-wage payments are common practices in the freight transport sector.
- There is a lack of regulation in the sector.

#### Capacity Building and Public Participation

The KwaZulu-Natal Department of Transport, in association with the National Department of Transport, conducted a two-day workshop to facilitate capacity building and to give a clearer understanding of the National Land Transport Transition Act. The workshop was held in July 2005 and all District Municipalities were invited.



*Capacity Building Workshop*



### PROGRAMME 3: TRANSPORTATION

The Department is committed to full consultation and public participation which ensures sustainable, effective and efficient transport planning. The Department had successfully supported planning authorities in establishing Public Transport Planning Forums. The Forums comprise of communities, consultants, operators, Municipal and Provincial Departmental officials. To this end, all planning authorities had established Forums. The Department continuously engaged in and offered guidance to these Forums.



*UMzinyathi District Municipal Public Transport Forum*

#### **Business Skills Training**

It had been identified that although small transport operators have economic potential in freight industry, lack of exposure and business skills had detrimental effects to their operations. The Department had also established that a number of small operators operated informally with limited capacity.

Accordingly, four (4) training sessions had been provided on the following modules:

- Business Management
- Bookkeeping
- Marketing Management
- Costing and Pricing
- Freight Policy



*SMME's Training Session*



### PROGRAMME 3: TRANSPORTATION

The Department had also been instrumental in securing contracts for small operators during the 2005/06 financial year. Most of these contractors had never had opportunities before. Only after intervention by the Department, to promote business skills and SMME development, were some of them successful.



*Small Operator Celebrates Success of his Company*

#### Information Sharing with Public Transport Operators

In order to improve service delivery and interaction with public transport operators, the Department hosted a Bus Imbizo. One of the recommendations made in that Imbizo was the establishment of the KwaZulu-Natal Bus Industry Interim Consultative Forum. The main purpose of this forum is to serve as a communication tool between the Department and the bus industry.



*More than 300 Bus Owners at the Bus Imbizo*

## PROGRAMME 3: TRANSPORTATION

## Sub-programme 3.4: Regulation and Control

The Department had ensured that all the weighbridges had been maintained up to standard by undertaking repairs and maintenance minor works on a quarterly basis and calibration. In addition, the following achievements had been made during the 2005/06 financial year:

- The Marburg weighbridge had been built using concrete deck and is the first of its kind in the province
- The Empangeni weighbridge had also been upgraded to a 22m multi-deck weighbridge to ensure effective overloading control in that area
- The Mkondeni, Winklespruit and Park Rynie weighbridges had been repaired and upgraded to improve their life expectancy and enhance the overloading control strategy in the province



*Winklespruit Weighbridge during Upgrading*

### Abnormal Loads

The permissible dimensions and masses of vehicles operating on public roads are limited by the Road Traffic Act and Regulations for road safety and investment purposes. However, under special circumstances it had been necessary to accommodate vehicles or loads that are practically unable to comply with the provisions of the Road Traffic Act and Regulations. In such cases the Act empowers road authorities to issue exemption permits under strictly controlled conditions in terms of guidelines set out. The only major grounds for granting exemption permits are:-

- Technical necessity – e.g. mobile cranes
- National emergencies – e.g. Transformers
- Public interest – e.g. Comrades Marathon



### PROGRAMME 3: TRANSPORTATION

## Part 2



*An Abnormal Load*

The shift from leaded to unleaded fuel had necessitated transportation of many large loads for Sasol. One of the large converters that had been transported during the 2005/06 financial year, as part of the change in fuel from Richards Bay to Secunda, weighed over 300 tons. During the financial year under review, eight (8) large transformers were moved for Eskom, each in excess of 150 tons, to alleviate the power problems experienced recently.

The number of permits that had been issued by the Department's permit office during the 2005/06 financial year totalled to 9 427 and the revenue generated from these permits was R4,38 m.



*Abnormal Load*



**PROGRAMME 3: TRANSPORTATION****KwaZulu-Natal Public Transport Bill and Regulations**

Although implementation of the Public Transport Bill, which is approximately 98% complete, had been successful despite some challenges facing the Department. The following are some of the achievements made as a result of implementation of the Bill:

- Transformation and regulation of the Public Transport system
- Improved powers to the MEC for Transport, Community Safety and Liaison, ensuring that public transport safety levels and security transport service levels, improve
- Creation of awareness of the public on the public transport system

**Regulatory Authority**

The Regulatory Authority consists of two regulatory bodies namely; the Provincial Taxi Registrar and the Local Road Transportation Board (LRTB) which was transformed into the Public Transport Licensing Board (PTLB) in 2002 as required by the National Land Transport Transition Act, 2000 (NLTTA).

The main functions of the Provincial Taxi Registrar include receiving, considering applications for the registration of associations, members, vehicles and routes. Currently, there are 16 145 provisionally registered members and approximately 20 000 provisionally registered vehicles.

The services that had been provided by the Regulatory Authority are as follows:

- Registration of associations
- Conflict resolution
- Applications for road carrier permits/operating licences (new applications, renewals, replacements, additional authority, transfers, change of particulars for buses, minibuses, taxis, metered taxis, scholar transport and tourists)

**Conversion of Permits to Operating Licences**

Section 32 of the National Land Transport Transition Act, 22 of 2000 (NLTTA) states that all permits must be converted to Operating Licences on a date to be determined by the Minister. In Gazette number 27999, the Minister of Transport gazetted that all permits must be converted by 30 November 2005. There are two-hundred and forty-eight (248) associations which are spread into sixteen (16) regional taxi councils within the province. Currently, there are approximately twenty-one thousand (21 000) permits that need to be converted and in terms of the NLTTA the onus of converting the permit to an operating licence rests with the applicant.

The project commenced in October 2005 and will continue to the end of May 2006. The status as at the end of reporting year is represented in the following table:

**PROGRAMME 3: TRANSPORTATION****Table: Conversion of Permits**

<b>Total Number of Associations</b>	<b>248</b>
% of Associations that submitted forms	96%
% of applications submitted to date	45%

**Taxi Recapitalisation**

The revised Taxi Recapitalisation Programme (TRP) is based on the pronouncement by the cabinet of the government of South Africa in November 2004. The Taxi Recapitalisation Programme is a national initiative which also involves the scrapping of old minibus taxis. In KwaZulu-Natal, the Public Transport Licensing Board is responsible for distributing application forms to operators and receiving them for capturing. At the time of reporting, the Board had received thirty (30) applications from the operators who wish to be first in line to receive the scrapping allowance so that they will be able to buy new vehicles and one (1) application from an operator who wishes to exit the Industry. The pronouncement indicates a move away from tenders for the manufacturing of the New Taxi Vehicles (NTVs), and electronic management system (EMS), to the introduction of regulated vehicle specifications, to promote safety. The implementation of the revised TRP had commenced during the 2005/06 financial year and is expected to unfold over a period of seven years. The Department has held road shows throughout the province to facilitate information sharing and build awareness for this initiative.

To ensure that the programme is implemented, the benefits for the taxi industry maximized and services to the public enhanced, the Department has engaged in the following activities:

**Business Model for Taxi Development**

- Corporate structuring
- Supply chain management
- Financial modelling

**Provincial Business Plan for the programme:**

- Regulatory systems
- Business development
- Public Transport infrastructure

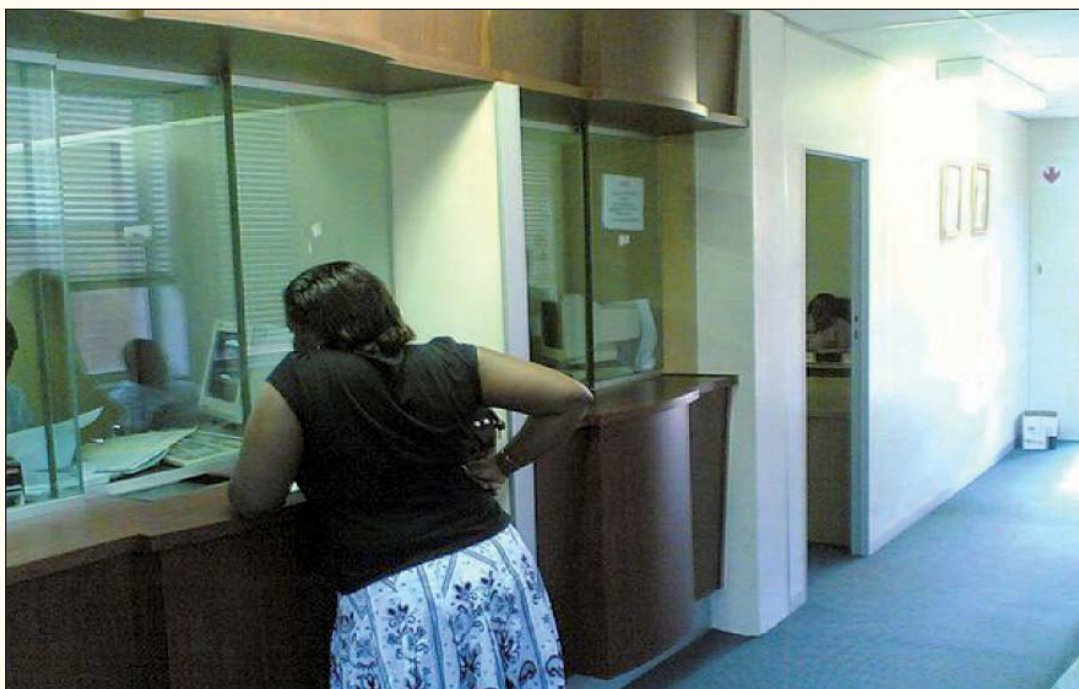
**Conflict Resolution**

There has been conflict amongst public transport operators especially in the minibus taxi industry, predominantly in the Durban, Empangeni and Ladysmith Regions. Some of the conflicts in these regions were resolved and others are in the process of being resolved.



**PROGRAMME 3: TRANSPORTATION****Permits for Different Modes**

The Public Transport Licensing Board deals with the issuing of permits for different modes of transport (buses, minibus taxis and metered taxis). In the 2005/06 financial year, the Board issued 15 006 permits and 378 operating licenses. The Public Transport Licensing Board has generated approximately R438 575 in income during the 2005/06 financial year.



*Client at the Public Counter*

## Section 5

**PROGRAMME 4: TRAFFIC MANAGEMENT****Internal Communication**

“Ezethu News” (which means “Our Izindaba” in isiZulu) and the Intranet site are the Department’s internal means of communication with departmental employees.

“Ezethu News” had been written and designed internally and monthly copies had been distributed to all departmental staff members, irrespective of their location. “Ezethu News” had also provided an opportunity to departmental employees to express their suggestions and views about the Department in general.

The Intranet site had also been successfully utilised as an internal communication tool to keep staff informed about the Department’s activities, goals and achievements. Features of the Intranet include applications and systems providing access to various systems such as the searchable Resource Centre catalogue, Subsidised Vehicle Web, extensive links to related websites, advertisements, vacancy circulars, the online photo album, etc. Provision of electronic information such as circulars, standardised forms, policies and procedures, legal prescripts, manuals, speeches and reports, had made access much easier. During the 2005/06 financial year, an Employee Assistance Programme (EAP) web was developed.



*Internal News Letter*



## PROGRAMME 4: TRAFFIC MANAGEMENT

### Information Management Services

Information had been managed by identification of communication material requirements, co-ordination and standardisation of formats of material generated, development and generation of publicity material, rendering translation services and undertaking research, story writing and speech writing.

During the 2005/06 financial year, all of the afore mentioned services had been rendered for more than sixty (60) departmental events. In addition, sixty nine (69) speeches had been written for delivery by the MEC for Transport, Community Safety and Liaison and the Head of Department. Translation services were also provided for the majority of these events.

### Resource Centre

The Department's Resource Centre had successfully co-ordinated information for Internet and Intranet websites. The Resource Centre made available a collection of books, reports, journals, video, full-text CD-ROM's, including hard and electronic copies of various pieces of legislation, during the financial year under review.

Electronic legislation such as various Butterworth's and Jutastat Electronic Legislation Libraries had been made available via the LAN and Netlaw services, to ease access. The Intranet also served as an electronic information repository of a variety of information sources, including the electronic photograph collection.

Overall, the Resource Centre catalogued 2 341 information sources in various formats into the collection, and dealt with eight hundred and eleven (811) information requests and 2 149 books, articles, gazettes and legislation had been issued.

### External Communication

#### Desktop Publishing Services

A fully functionally graphic design and Desktop Publishing (DTP) section had been established. The departmental Desktop Publishing (DTP) Services had kept in line with current technology and trends in the DTP industry; to ensure quality control and editing of desktop publishing. During the 2005/06 financial year, the production of the Department's monthly internal ('Ezethu') and external newsletter (Igalelo) had been both conceptualized and designed in-house.

"Igalelo" is a monthly external communication tool which is an eight-page full colour tabloid newsletter.

Igalelo is written and designed internally and 350 000 copies (200 000 in isiZulu and 150 000 in English) had been printed each month during 2005/06 financial year. This newsletter is inserted into certain community newspapers and also distributed door-to-door, mainly in rural areas, in order to provide equitable access to departmental information.



## PROGRAMME 4: TRAFFIC MANAGEMENT



*External Newsletter*

Other documents that had been designed in-house include the Departmental Strategic Plan, Annual Performance Plan, Budget Speech book, Technology Transfer Conference booklet and Launch of “No to Fake Licence” campaign booklets.

Other related documents that had been designed are mainstream newspaper advertisements, pamphlets, invitations, brochures, supplements, posters, certificates, programmes, cards, calendars and other paraphernalia.

The Department had also designed and erected its corporate displays, exhibitions and branding at various events including the international Technology Transfer Conference, International Transport Convention, Izimbizos, sod-turning ceremonies, and bridge and road openings.

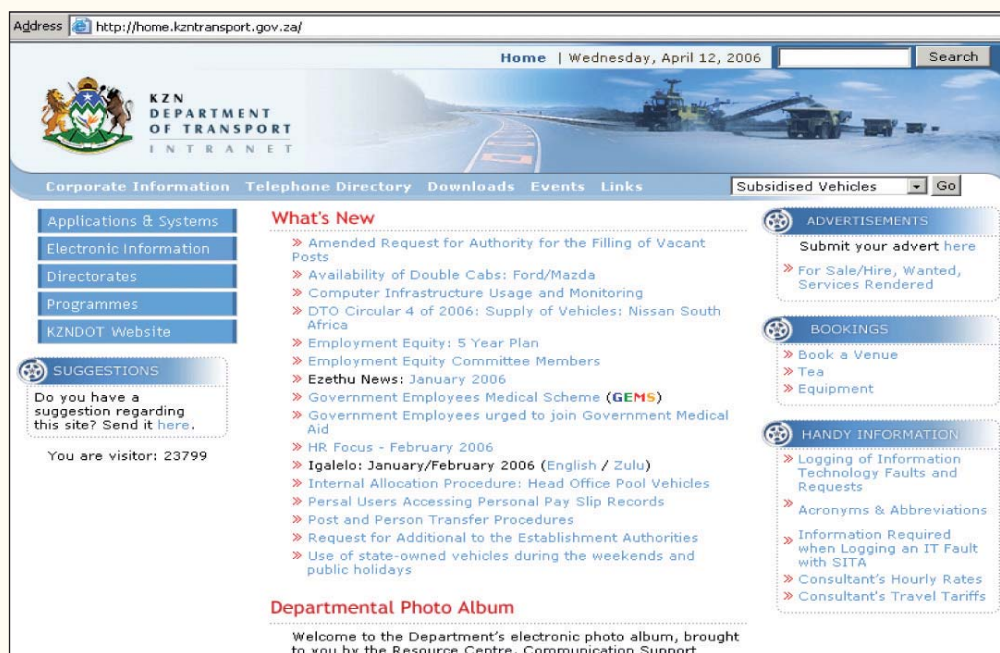
During the 2005/06 financial year, the Department’s DTP section played an important role in enhancing the corporate branding of the Department which included the production of innovative marketing concepts such as street-pole banners, flags, reflective signs at the toll roads, full-colour banners, retractable banners and creative newspaper advertisements.

### Audio-Visual Services

The Audio-Visual Services unit had supplied photographic and video services and ensured quality control of audio-visuals. During the 2005/06 financial year, 95% of departmental events had been captured and recorded through photographs and video. The videos and DVDs had been physically archived in the departmental Resource Centre and photographs had been electronically archived. The photos and videos had been used mainly by internal staff for publications, documents and other communication purposes. From time to time photos and videos had been made available on request to external stakeholders such as the media, other government departments and members of the public.

## PROGRAMME 4: TRAFFIC MANAGEMENT

In addition, the Department had regularly updated the Internet site and, to ensure repeat visits, a new front page had been created almost every month. The public had been able to communicate with the Department via the feedback feature on the website. During the 2005/06 financial year, one hundred and three (103) members of public communicated with the Department via this medium regarding various issues. The top directory accessed was the front page which was accessed 95 756 times and the top file downloaded was “No to Fake Licence” (English version) which was downloaded 30 391 times.



Department's Home Web Page

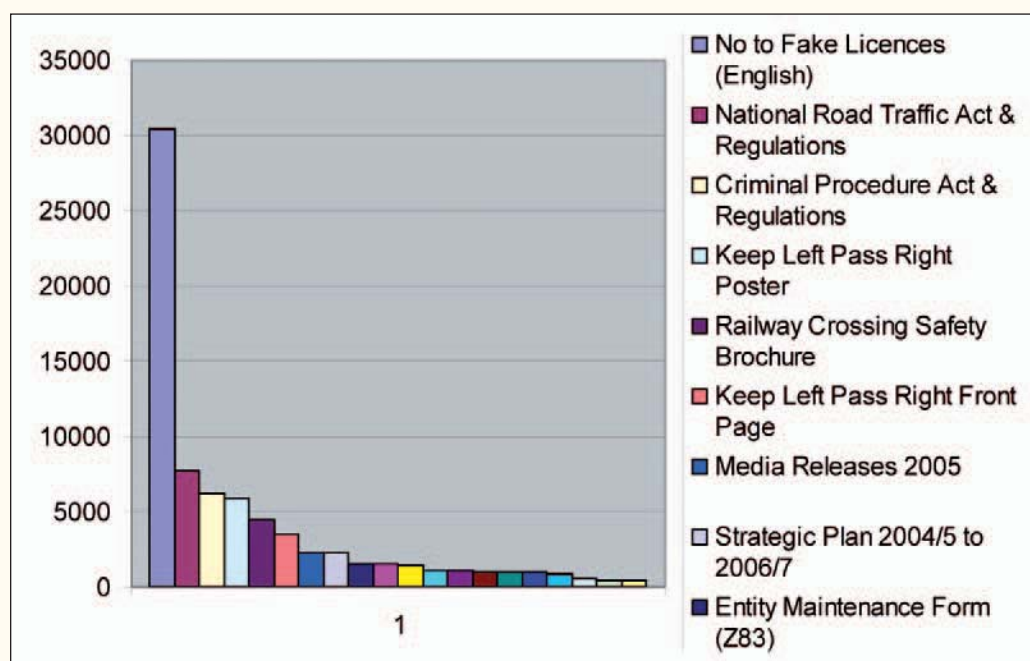
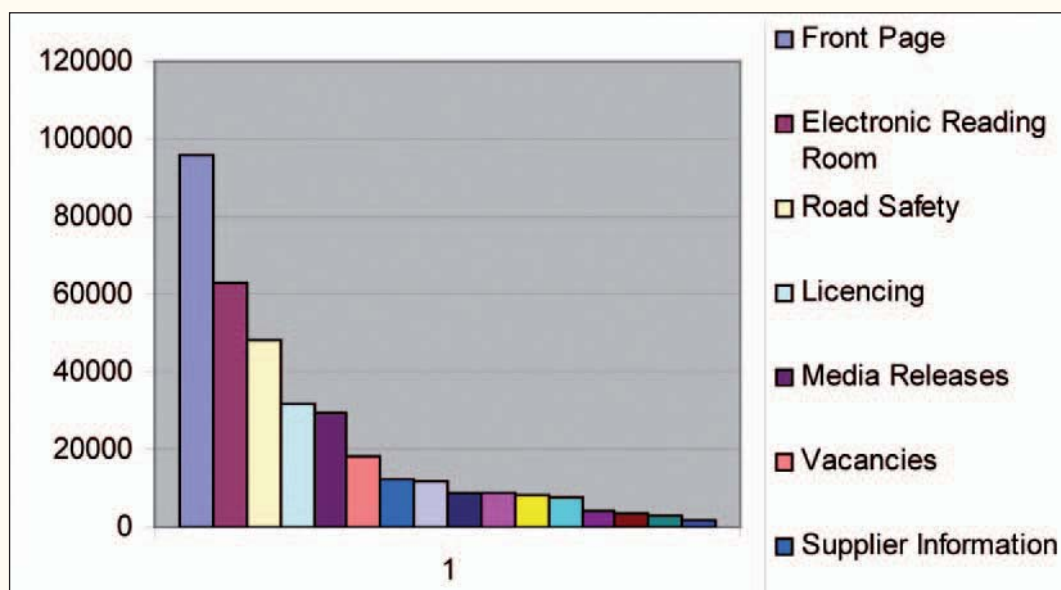


Web Page Showing Road Safety Easter Holiday Campaign



## PROGRAMME 4: TRAFFIC MANAGEMENT

The following graphs presented statistics on issues that had been put on the Department's web-site.



### Media Liaison and Public Relations

The Department continued to maintain a good working relationship with local, provincial and national media groups, both electronically and in print. This relationship had contributed positively in ensuring that the MEC, Head of Department and programme managers receive positive coverage from the media on departmental programmes. Coverage had improved drastically by issuing press alerts, statements and press conferences to be addressed by the MEC, Head of Department and relevant programme managers.



## PROGRAMME 4: TRAFFIC MANAGEMENT

### Media Liaison

The Department has issued in excess, two hundred and thirty two (232) media alerts utilising all forms of communication including cellular phone (SMSs), to inform the media about events and campaigns hosted by the Department. Furthermore, one hundred and twenty-eight (128) media statements on specific issues such as campaigns, launches, statistics on road crashes, taxi conflict issues, etc., were issued. All these efforts resulted in massive coverage for the Department during the financial year under review. Coverage had improved with the Department receiving no less than twenty (20) mentions a week, on average, from the electronic media, and at least one major story a week in the provincial and national print media. The Department continued to enjoy special relations with the local community media.

### Public Relations

The Department continued to manage and coordinate its talk show on Ukhozi (Transport Ibandla). To this end, discussions are being held with the recently established Igagasi FM to facilitate a talk show (similar to its predecessor, P4 Radio) targeting its urban listeners.

Ordinary stakeholders such as the Taxi Association, Zibambele and Vukuzakhe contractors, Rural Road Transport Forums and Community Road Safety Councils will also participate in the talk shows.

Statistics indicated that the show had attracted massive listeners, especially in the rural areas, with community members also contributing by phoning in. Out of the fifty-four (54) slots, the MEC and the Head of Department have also provided leadership by attending no less than 50%, to deal with issues and provide information to the public.

The Department's public relations component also assisted in mass mobilisation for events by producing and distributing pamphlets and posters informing people about departmental events. Loud hailers and radio advertisements to promote departmental events were also used. Advertisements had been designed and placed in the print media to improve public awareness on campaigns and events.

### Sub-programme: 4.2: Safety Engineering

The successful management of a road environment depends on the effective co-ordination of education, enforcement, engineering and evaluation activities. Therefore, a fully interactive approach had been adopted whereby hazardous locations on local roads were identified by trained Community Road Safety Councils. Thus far, of forty-two (42) sites, forty-one (41) sites that had been identified by Community Road Safety Councils had been remediated.

### Sub-programme: 4.3: Traffic Law Enforcement

The Department aims to engender prosperity through mobility and save lives by reducing accidents by 5%, through 100% compliance co-coordinated enforcement programmes.

## PROGRAMME 4: TRAFFIC MANAGEMENT

The Department had also successfully established and managed a sound and effective institutional framework for the regulation and enforcement of the public transport industry in order to reduce conflict and violence and to increase safety.

During the 2005/06 financial year, the Department introduced a computerised learners and driver licence testing system at its Rossburgh office in order to curb fraudulently issued licences. It is envisaged that this programme will be rolled out to other centres in the province in due course.

The table below presents law enforcement for the past three (3) financial years.

**Table: Resources for Traffic Management by Region**

Regions of Province	Number		
	2003/04	2004/05	2005/06
<b>Region 1: Empangeni</b>			
Traffic Officers	68	85	84
Administrative staff	17	19	15
Highway patrol vehicles	56	55	56
<b>Region 2: Ladysmith</b>			
Traffic Officers	67	97	122
Administrative staff	17	20	21
Highway patrol vehicles	57	61	85
<b>Region 3: Pietermaritzburg</b>			
Traffic Officers	44	69	79
Administrative staff	16	17	16
Highway patrol vehicles	34	52	59
<b>Region 4: Durban</b>			
Traffic Officers	150	144	158
Administrative staff	70	79	78
Highway patrol vehicles	101	90	79
<b>PTEU</b>			
Traffic Officers	86	103	94
Administrative staff	6	6	9
Highway patrol vehicles	24	70	28
<b>Whole Province</b>			
Traffic Officers	415	498	537
Administrative staff	126	141	139
Highway patrol vehicles	272	328	307

## PROGRAMME 4: TRAFFIC MANAGEMENT

The following tables indicate traffic management outcomes by region.

**Table: Traffic Management Outcomes by Region**

Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Projected	
				Unit	%
Region 1: Empangeni					
Number of accidents reported	7.093	6.738	670	(6.068)	(90%)
Number of accidents involving mini buses or buses	1.191	1.131	117	(1.014)	(90%)
Number of fatalities	193	183	180	(3)	(2%)
Number of serious injuries	968	919	772	(147)	(16%)
Region 2: Ladysmith					
Number of accidents reported	6.330	6.013	937	(5.076)	(84%)
Number of accidents involving mini-buses or buses	945	897	138	(759)	(85%)
Number of fatalities	192	182	152	(30)	(16%)
Number of serious injuries	679	645	388	(257)	(40%)
Region 3: Pietermaritzburg					
Number of accidents reported	12.406	11.785	807	(10.978)	(93%)
Number of accidents involving mini buses or buses	419	398	99	(299)	(75%)
Number of fatalities	153	145	110	(35)	(24%)
Number of serious injuries	811	770	172	(598)	(78%)
Region 4: Durban					
Number of accidents reported	46.027	43.725	45.859	2.134	5%
Number of accidents involving mini buses or buses	15.651	14.868	9.320	(5.548)	(37%)
Number of fatalities	448	425	689	264	62%
Number of serious injuries	1.906	1.810	2.651	841	46%
Whole Province					
Number of accidents reported	71.856	68.263	48.273	(19.990)	(29%)
Number of accidents involving mini buses or buses	18.206	17.296	9.674	(7.622)	(44%)
Number of fatalities	986	936	1.131	195	21%
Number of serious injuries	4.364	4.145	3.983	(162)	(4%)



# PROGRAMME 4: TRAFFIC MANAGEMENT

**Table: Operator Safety and Compliance**

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
Input						
Ratio of inspectors to registered public transport vehicles	Ratio	1:404	1:299	1:328	29	10%
Process						
Number of inspections conducted per 1000 vehicles registered in province	Number per 1000	4,08	4,28	2,86	(1,42)	(33%)
Number of complaints leading to inspections	Number	56	53	102	49	92%
Output						
Number of operator licences/ permits granted	Number	9 316	20 000	15 340	(4 660)	(23%)
Number of operator licences/ permits withdrawn	Number	52	-	-		
Outcome						
Number of accidents involving public transport vehicles	Number	18 206	17 296	9 674	(7 622)	(44%)
Number of fatalities due to accidents involving public transport vehicles	Number	287	272	110	(162)	(60%)

## PROGRAMME 4: TRAFFIC MANAGEMENT

Table: Traffic Management Performance

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
Input						
Number of traffic officials per km of surfaced road in province	Ratio	1:54	1:47	1:50	8	14%
Number of officers per highway patrol vehicle	Ratio	2:1	2:1	2:1	0	0%
Process						
Number of hours speed-traps operated		72 776	99 000	77 822	(21 178)	(21%)
Number of roadblocks held	Actual number	9 820	23 528	11 593	(11 935)	(50%)
Output						
Number of unroadworthy vehicles impounded	Actual number	6 208	3 675	5 936	2 261	38%
Number of licenses suspended	Actual number	-	85	80	-50	(0.06)
Number of licenses confiscated	Actual number	-	100	109	9	0.08
Efficiency						
Number of registered vehicles per traffic officer	Ratio	1:2.087	1:1.890	1:2.099	209	9%
Ratio of fines issued paid		1:0,18	10:2	10:1.8	-0.20	11%

## Sub-programme: 4.4: Road Safety Education

## Young Road User

The Young Road User programme comprises the following projects

## Child in Traffic Project

The training programme for pre- and primary school learners focused on the limitations of the child in traffic and includes lessons to empower children with road safety knowledge and skills to ensure that they act confidently and safely in traffic. As part of the campaign to educate young pedestrians, the eThekweni Transport Authority identified four (4) high pedestrian statistical areas, namely KwaMashu, Phoenix, Chatsworth and Umlazi.



## PROGRAMME 4: TRAFFIC MANAGEMENT

Indeed, the Department focused on an integrated (education, engineering and enforcement) road safety approach in those areas. The KwaZulu-Natal Departments of Transport and Education in conjunction with Community Road Safety Councils conducted a workshop on the implementation of the Child in Traffic Project for educators who are involved in the foundation and intermediate phases of learners. Learners from surrounding schools in Kwa-Mashu, Phoenix, Chatsworth and Umlazi areas also competed in poster design, stage drama and essay writing on road safety issues. The campaign culminated in a prize giving ceremony.

An International Walk to School Initiative had also been conducted and the following schools participated:

- Phoenix : Stonebridge Primary
- Kwa-Mashu : Ikusasalentsha Primary
- Chatsworth : Greenvale Primary
- Umlazi : Umgijimi Primary

Overall, during the financial year 2005/06, four hundred and eighty (480) schools, which included 480 000 learners and nine hundred and sixty (960) educators, had been reached.

### Scholar Patrol

The scholars in considerably high-risk areas had been targeted for assistance and training in crossing the road to and from school. During the 2005/06 financial year, eighty seven (87) operating scholar patrols, who protect approximately 115 000 child pedestrians daily, were trained. A total of six (6) new schools registered for the programme in the financial year 2005/06, and one hundred and sixty (160) Community Road Safety Council members were trained to assist with the project.

Competitions to ascertain training needs and to acknowledge participation in the project at regional and provincial levels were held. Teams were judged on the theory and practical presentation of a scholar patrol. The following schools received R10 000 each.

- Ladysmith Region : Panorama High School
- Durban Region : Summerfield Primary School
- Empangeni Region : Grantham Park Primary
- Empangeni Region : Veldenvlei Primary

### Junior Traffic-Training Centres

The South African National Roads Agency, in conjunction with the Spatial Development Initiative (SDI), built junior traffic-training centres at Makhasa and Mangusi during the 2005/06 financial year. A total of four (4) other community centres were built by National Department of Transport in Madadeni (Ladysmith Region), Sweetwaters (Pietermaritzburg Region), Gamalakhe (Durban Region) and Hluhluwe (Empangeni Region). The province assisted in fencing off the centre from the Library at Gamalakhe. The Department supplied equipment and material for

## PROGRAMME 4: TRAFFIC MANAGEMENT

the operation of the centre and is currently maintaining these centres . Thus, all these centres are fully operational and are being utilized by local schools on an ongoing basis to enhance and create consciousness of traffic safety without exposure to dangerous traffic situations.

### Student Driver Education

A total number of one hundred and eighty-eight (188) students participated in the Student Driver Education project targeting Grades 11 and 12 learners during the financial year 2005/06. Overall, seventy (70) High Schools were reached and eighty (80) Community Road Safety Council members were trained on the implementation strategies of the project. The aim of the project is to assist school learners to obtain drivers licences by undertaking driving lessons.

### Participatory Education Techniques

The provincial finals for Participatory Education Techniques competition took place at the Coastlands Conference Centre in Durban. A total of twenty-three (23) schools, two hundred and thirty (230) learners, forty-six (46) CRSC members and twenty-three (23) educators participated. The following schools won prizes valued at R10 000 each :-

- Maphuphesizwe High School
- Laduma High School
- Phendukani High School
- Isibonelo High School

The project is aimed at developing learners' research skills, project management skills, presentation skills and the ability to think innovatively and creatively. They are required to identify road safety problems in their communities and research and present proposed solutions to the problem.

### Primary School Pedestrian Programme

The following activities had been undertaken to reinforce road safety education in a fun way compared to the normal classroom routine:

- Puppet shows for primary school learners
- Asiphephe Club
- Holiday programme for libraries

### Puppet Shows for Primary Schools

A total number of three hundred and thirty-six (336) schools and 58 000 learners were reached in the financial year 2005/06 financial year via the medium of road shows. The road shows were staged in mobile Asiphephe Road Safety Trucks to teach basic road safety rules.

### Asiphephe Road Safety Club

The Asiphephe Club for primary school children is an interactive means to share news, advice and road rules by communicating activities and issues to the members of the club on a monthly

## PROGRAMME 4: TRAFFIC MANAGEMENT

basis. In turn, the members submit ideas on safer roads and participate in other activities of the club on a monthly basis. The membership for the club as at the end of the financial year under review, was 3028.

### Holiday Programmes for Libraries

A total number of twenty (20) libraries were visited during the December holiday period reaching a total number of 5800 learners.

### School Crossing Patrol Service

The main aim of this service is to ensure that children cross the road safely and under supervision to and from school. To this end, seventeen (17) municipalities had entered into a Memorandum of Understanding with the Department and forty-seven (47) schools are currently operating the service.

### Alcohol and Substance Abuse

The project aims to develop partnerships with High Schools, Night Club Owners, SAPS and Department of Health in order to gain support and assistance in promoting the dangers of alcohol and substance abuse in relation to road safety. This programme is targeting youth between the ages of fifteen (15) to twenty (20) years. During the 2005/06 financial year, two hundred and seventy one (271) schools and 216 800 learners were reached.

### Adult Pedestrian

It has become imperative to determine the knowledge, attitudes and behaviour of pedestrians in respect of road usage and alcohol consumption. This assists in developing the project that would assist with changing pedestrians' attitudes towards drinking and walking, and road usage.

During the financial year under review, one hundred and sixty five (165) trainers and one hundred and sixty (160) Community Road Safety Council members were trained on the programme. A total number of eight (8) training workshops were held. The total number of adults reached through this programme is 119 134.

In an endeavour to pursue this mission, the Department undertook a campaign focusing on central business districts in partnership with eThekweni Municipality. The aim of the campaign was to educate adults on the correct usage of pedestrian crossings.

The campaign was undertaken in areas that had been considered as high pedestrian accident areas, and was conducted during peak hours.

### Community Outreach

The community outreach programme contributes towards building capacity in road safety skills, which enables members of the community to be part of the Community Road Safety Councils. These Councils consist of twenty (20) members per council and there are forty (40) Councils, currently. Community Road Safety Councils assist the Department by identifying hazardous locations within the communities they serve.



## PROGRAMME 4: TRAFFIC MANAGEMENT

The Department provided ongoing support to road accident victims ranging from processing claims and hospital visits to arranging memorial and funeral services, in the case of fatalities.



*Head of Department comforting an accident victim in hospital bed*

### Omela eKhaya

Patrons of taverns are made aware of the dangers caused by drinking and driving, as well as drinking and walking. Words of wisdom had been shared with patrons drinking at taverns and people are encouraged to rather drink at their homes. Tavern owners had also not been isolated from the problem as they are encouraged to control and take responsibility for patrons who drink excessively in their taverns. This is achieved by usage of board games and educational videos to illustrate how a person's judgement is affected at various stages of intoxication. During the 2005/06 financial year, eighty (80) Omela eKhaya campaigns were conducted.



*Omela eKhaya Awareness Campaign at Ndwedwe*

## PROGRAMME 4: TRAFFIC MANAGEMENT

### Beach Festival

During the financial year under review, a Beach Festival, which was conducted during December 2005 and January 2006, was attended by approximately 40 000 people. The festival targeted drivers, passengers and pedestrians, both international and national, by conveying road safety messages through having fun.

### Peak Period

Road safety awareness had been intensified during long weekends, school holiday, focus days, Easter and the December/January holidays which are peak periods for the province. There had been various activities taking place during this period at rest stops on national and alternate routes, holiday destinations, taxi ranks, social gatherings and bus ranks. The most reinforced themes included dangers of alcohol, speed, fatigue, overloading, the safe usage of seatbelts and vehicle roadworthiness. During the 2005/06 financial year, sixty-six (66) events were held throughout the province.

### Inter-faith Project

The majority of KwaZulu-Natal's population are active members of various religious institutions. The Department had taken advantage of the fact by regularly attending meetings that are held by these structures to share information on road safety issues. The Department had also established partnerships with various religious bodies to promote road safety themes within their respective organisations. Road safety prayer days were also held and were attended by a total number of 31 000 people.



*Siyabakhumbula Campaign in Richmond*

### Billboards and Mass Media Advertising

Billboards and mass media advertising take place throughout the year, with heightened awareness over peak periods when traffic volumes increase. Billboards and mass media advertising support all road safety projects and reinforce the importance of being road- safety wise. Various predominant road safety themes that had been advertised during the financial year 2005/06 include "Minor Offences can be Fatal", "Happy Holidays", etc.



## PROGRAMME 4: TRAFFIC MANAGEMENT



*Minor Offences Billboard in Ulundi*

### Holiday Period Launches

The 2005 festive season road safety plan was unveiled by MEC for Transport, Community Liaison and Safety on the N3 at the Mooi River Toll Plaza.



*MEC Sharing the Plan at Summer Holiday Launch Roadblock*



**PROGRAMME 4: TRAFFIC MANAGEMENT****Part 2****Mpimpa Call Centre**

During the 2005/06 financial year, a total of 2 225 traffic related complaints were logged and attended to by the Mpimpa call centre consultants, of which approximately 70% were addressed. The remaining 30% related to the public transport industry and in particular vehicle unroadworthiness and civil claims. The Department had taken measures to address those complaints.

**Research and Evaluation**

The Department based its road safety projects on scientifically researched data and extensive research on the following themes had been conducted, accordingly :

- People's perception of road safety print media.
- Branding of taxis with road-safety messages
- Effectiveness of the Asiphephe Road Safety campaign with specific reference to:
  - General attitude of road users towards road safety issues
  - Awareness of previous campaigns and perceived message of each
  - Behavioural changes resulting from the campaigns
  - Reactions to the various executions
  - The effectiveness of the Asiphephe Think!, Cabanga!, Zero Tolerance and Stay Refreshed campaigns

Suggestions with regard to future campaigns had also been gathered during this process.

## PROGRAMME 4: TRAFFIC MANAGEMENT

Table: Road Safety Education

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of staff providing road safety education programmes at schools	Number	11	11	11	-	0%
Number of staff providing road safety education programmes to public transport operators	Number	8	8	8	-	0%
<b>Process</b>						
Schools involved in road safety education programmes	Percentage	1422	1200	1471	271	23%
<b>Outcome</b>						
Number of pedestrians killed	Number	660	-	816		
Number of drivers killed	Number		-	357		
Number of passengers killed	Number		-	501		

## Sub-programme: 4.5: Transport Administration and Licensing

## eNaTIS:

Subsequent to the award of the eNaTIS national contract, considerable consultation/negotiation, between the National Department of Transport and this Department, which represents the province in respect of Service Level Agreements, testing of the software and installation of the hardware, had been undertaken. Constant communication was maintained to obviate any negative impact on service delivery or inconvenience to members of the motoring public and to facilitate an efficient and co-ordinated transfer, of the systems.

Accordingly, the Service Level Agreement was completed and this Department is proud to report that the province was the first to finalise this process.

## PROGRAMME 4: TRAFFIC MANAGEMENT

To this end, eNaTIS equipment is being deployed and installed at all the Department's registering authorities. It must also be reported that installation of the equipment is undertaken by a Black Economic Empowerment consortium.

### Debt Management

The Department had successfully established a section that is dedicated to debt management in order to streamline and enhance revenue collection and respective follow-ups. Accordingly, of the outstanding R 3,5 million investigated, a total sum of R955 424 was collected.

### Risk Management

The Department predominantly provides a computerized administrative support service to the over one million motor vehicle owners, throughout KwaZulu-Natal. There are seventy-two (72) appointed agents, which include eight (8) provincial offices that register and license vehicles on behalf of the Department, utilizing the eNaTIS system. However, due to the sensitive nature of transactions, the system is open to abuse.

In an effort to reduce risk, the Department centralized all high risk transactions. All respective transactions are audited regularly and a document tracking system (Task Administration System – TAS) had been implemented.

### Registering Authorities and Vehicle Test Stations

During the 2005/06 financial year, the Department continued to sell personalized numbers and specific licence numbers.

The revision of devolution agreements between the Department and appointed agents throughout the province also remained an ongoing exercise.

The Department is also proud to report that the Umzimkhulu Registering Authority had been successfully incorporated into the province.

### Technical Compliance Inspections

During the 2005/06 financial year, the Department implemented quality improvement measures in support of the Department's road safety initiatives. This exercise has considerably improved the quality of vehicle testing standards in the province.

Furthermore, the Department successfully defended a High Court challenge regarding the importation of secondhand vehicles into the country, and is also awaiting the outcome of an appeal to the Supreme Court of Appeals in Bloemfontein.

### Personalized License Numbers

Sales of personalized numbers continued to exceed expectations and accordingly a dedicated Registering Authority had to be established and the staff complement was also increased by six (6) staff members. The following table tabulates the amount of revenue generated from the sale of both personalized and specific numbers.



## PROGRAMME 4: TRAFFIC MANAGEMENT

Table: Sales of Personalized Number Plates

ACTIVITY	2004/ 05	2005/ 06
Issue of Personalized Licence Numbers	R9 096 664	R11 903 308
Issue of Specific Licence Numbers	R1 226 900	R1 017 155

**Traffic Camera Office**

The Department had processed and administered road speed violations that are monitored by traffic cameras via the Trafman and Remote Communication (Remcom) systems. These systems provide remote communication at roadblocks at which offenders are identified. These operations had been conducted in conjunction with the Municipal Traffic Police and the South African Police Services.

During the 2005/06 financial year, 229 490 speeding violations to the value of R 41 370 307 were captured.

Table: Administration of Road Speed Violations

ACTIVITY	QUANTITY	AMOUNT
Driving Licences scanned	12 785	-
Summonses served	1 738	R500 532
Warrants of Arrest executed	840	R541 120

**Provincial Vehicle Fleet Management:**

The Department plays a major role in facilitating the transport requirements of Provincial Departments, including the purchase, registration, negotiation and implementation of contracts. The Department also drafted policy guidelines for vehicle fleet management in the province. During the financial year under review, the Department had achieved the following in provincial vehicle fleet management:

- Eliminated unnecessary delays in processing vehicle orders and as a result the user Departments managed to spend 80% of the allocated funding for the 2005/06 financial year.
- A 100% physical verification of the Department of Transport vehicle fleet had been conducted and a success rate of 84% was achieved for all provincial departments.
- An increase in the number of vehicles purchased, registered and delivered to client Departments, from 887 during the the 2004/05 financial year to 1106 during the 2005/06 financial year. The total number of official vehicles as at the end of the financial year under review was 5125.
- Approximately 54%, of the provincial fleet of vehicles is (3)three years old, and 46% is three (3) years younger.
- The provincial vehicle maintenance cost decreased by 13%.

## PROGRAMME 4: TRAFFIC MANAGEMENT

- Since 1999, provincial vehicles were purchased in a golden yellow colour. However, there had been an extra cost charged by the manufacturers as golden yellow is not a standard colour. To gain a savings, authority was granted to order all vehicles, in the colour whit

**Table: Transport Administration and Licensing**

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation	
					Unit	%
<b>Output</b>						
Number of vehicles registered and licensed	Number of vehicles registered and licensed	960 000	960 000	960 000	-	0%
<b>Quality</b>						
Number of licence fraud cases prosecuted	%	180	96	4289	4193	4368%
<b>Efficiency</b>						
% of licences paid on time	%	96%	96%	96%	-	0%
Administration costs as % of total licence revenue	Budget Allocated	10%	10%	10%	-	0%

### Sub-programme: 4.6: Overload Control

#### Overloading Control

Research has shown that overloaded heavy vehicles are responsible for approximately 60% of the damage to the road network, and in South Africa this represents at least R750 m KwaZulu-Natal Department of Transport. Currently, overloading of heavy vehicles on South African roads is estimated at 25%. However, in KwaZulu-Natal overloading is recorded at only 12% of all heavy vehicles.

In the 1998/99 financial year, the total number of vehicles weighed on the fourteen (14) provincial weighbridges was 33 312. In the 1999/00 financial year, the number of vehicles weighed had increased substantially to 72 640, equating to 118%. In the 2000/01 financial year, there was a further 90% increase from the previous year. Thus, there had been an increasing trend of vehicles weighed over the past financial years.



*One of the Department's Weighbridge*

## PROGRAMME 4: TRAFFIC MANAGEMENT

During the 2005/06 financial year, a total of 188 467 vehicles were weighed at the thirteen (13) operational provincial weighbridges, of which 143 584 were weighed on the N3 corridor. Generally, there had been a significant decrease in overloading on the N3 corridor, from approximately 16% in 2004/05 financial year to between 10% and 12% during the 2005/06 financial year. Comparing the decreased rate of overloading in the province with the rest of the country which is estimated at 25%, there had been a great achievement made by the Department in controlling overloading of heavy vehicles.

The following table demonstrates the Department's weighbridge performance during 2005/06 financial year.

Table: Weighbridge Performance

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
Input						
Number of weigh-bridges	Number	14	14	14	0	0%
New weighbridges to be constructed	Number	0	0	0	0	0%
Process						
Hours weighbridges to be operated	Number	61 048	27 220	20 423	(6797)	(25%)
Number of transport vehicles inspected	Number	109 224	220 000	188 467	31 538	(14%)
Output						
% of vehicles overloaded (i.e. over the 5% tolerance)	Percentage	6%	4.5%	5%	0.5%	11%
Number of vehicles impounded	Number	6,387	6,099	8,693	2,594	43%
Efficiency						
Number of hours weighbridges operated as % of total hours in year	Percentage	6%	3%	6%	3%	100%
Number of vehicles inspected per hour	Number	2	4	9.2	5.2	130%



## Section 6

### *PROGRAMME 5: COMMUNITY-BASED PROGRAMMES*

#### Sub-programme: 5.1: Programme Support Office

##### Expanded Public Works Programme (EPWP)

The province of KwaZulu-Natal has already identified specific challenges that will have to be addressed by the EPWP challenges, if we are to make a significant impact for participants who are predominantly in the second economy. These challenges are both in line with the overall objectives of the EPWP and also specific to the province of KwaZulu-Natal, namely:

- High unemployment levels (of 42%);
- High levels of illiteracy (of 22%); and
- High levels of dependency on state grants and welfare services.

This means that the success of the EPWP in the province will be measured by the extent to which it is able to address the needs of women, youth and people with disabilities in the various parts of the province. Priority will be given to rural women, people who are not receiving any state grants and also people who are willing and able to work.

The funding of the EPWP is based on the reorientation of existing funding of various departmental programmes to accommodate the EPWP principles. There will be no additional funding for the EPWP in the province.

The identification of programme beneficiaries will be undertaken by the various participating Departments using the targeting strategies set out in each of the provincial programmes earmarked for implementation as EPWP programmes.

The challenge for the KwaZulu-Natal Department of Transport and the various sector co-ordinating Departments is that the implementation momentum for the EPWP has to be maintained.

The implementation of the KwaZulu-Natal EPWP required the establishment of provincial co-ordinating mechanisms, in the form of a Provincial Steering Committee (PSC). A PSC comprises of all the participating Departments in the province. The convener of the PSC is the KwaZulu-Natal Department of Transport.

The PSC is supported by Provincial Sector co-ordinating Committees, which are committees that are convened by the various sector co-ordinating Departments in terms of the four EPWP sectors.

As the provincial co-ordinating Department for the EPWP, the Department's approach to co-ordination is to create a supportive and enabling framework and environment for the successful implementation of the EPWP within its four sectors, namely, Economic, Social, Environment and Culture, and Infrastructure. The Economic sector is co-ordinated by the Department of

**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES**

Economic Development, the Social sector is co-ordinated by the Department of Social Welfare and Population Development, the Environment and Culture is coordinated by the Department of Agriculture and Environmental Affairs and the Infrastructure sector is co-ordinated by the Department of Transport.

The framework for the implementation of KwaZulu-Natal EPWP has been submitted to the Provincial Cabinet for endorsement.

**Social Sector**

The intervention in the Social Sector involves creating work opportunities in public social programmes such as community health workers, home community-based care programmes, and early childhood development.

The Social Sector will be implemented by the KwaZulu-Natal Departments of Health, Education, Social Welfare and Population Development and municipalities.

**Environment and Culture Sector**

This involves creating work opportunities in public environmental programmes (e.g. Working for Water, Water Management Programme, Coastal Care Management Programme, etc.). Most of the programmes will be implemented through the Department of Agriculture and Environmental Affairs, Department of Arts, Culture and Tourism and also Department of Sports and Recreation.

**Economic Sector**

The sector focuses on utilising general government expenditure on goods and services to provide the work experience component of small enterprises through learnerships and or incubation programmes for small and emerging enterprises. This will also involve the support of small business development centres and LED projects (e.g. poultry, sewing, amongst others).

These interventions of the economic sector will be co-ordinated through the KwaZulu-Natal Department of Economic Development. The participants of the sector are municipalities, Ithala, Trade & Investment KwaZulu-Natal and the Department of Economic Development.

**Infrastructure Sector**

The intervention in the Infrastructure Sector involves increasing the labour intensity of government-funded infrastructure projects. In this regard there are a number of infrastructure programmes through the various provincial Departments using EPWP principles and or guidelines. The sector involves the development of SME labour intensive specialists through the Vuk'uphile learnerships.

The sector is co-ordinated by the Department of Transport and the sector participating Departments are Works, Housing, Local Government and Traditional Affairs, Health, Education and Arts, Culture and Tourism (library capital works programme), Sports and Recreation (sports facilities) and the Municipalities. Umgeni Water and the Independent Development Trust (IDT) also participate on the sector committee as implementing agents of the Department of Health and Education.

## PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

### EPWP Partners

#### Independent Development Trust

The Department of Transport as the overall co-ordinator of the EPWP in the province has signed a memorandum of understanding with the IDT to provide support to the co-ordination of the EPWP programme. The support provided by the IDT includes, amongst others, assistance in developing sector plans and targets, implementation of change management on procurement and contract documentation, facilitation of planning and implementation of learnerships, etc.

#### Business Trust/Shisaka

The Business Trust has identified Shisaka Development Management Services (Shisaka) as a strategic partner to provide support to the Expanded Public Works. The Business Trust has also committed itself to support the EPWP for the coming years through the establishment of a facilitation fund. The R100 million commitment of funds of the Business Trust over the period March 2005 to March 2010, through the Business Trust Expanded Public Works Support Programme will be spent on the following:

- Provide operational support to provinces, municipalities and state-owned enterprises;
- Mobilise and provide operational support to established private sector investors, contractors and SMMEs;
- Link beneficiaries to training opportunities; and
- Provide strategic support to the EPWP.

The Business Trust has identified Shisaka Development Management Services (Shisaka) as a strategic partner to provide the Expanded Public Works Support Programme and a Memorandum of Agreement was signed between the two parties to formalise the partnership.

#### National Department of Public Works

The Department of Public Works is assisting with the programme management of the EPWP in the province. The focus of the support has been more on mobilizing the municipalities to participate in the EPWP. The support has borne fruit in some of the municipalities, namely, Amajuba, Sisonke, uMkhanyakude, Newcastle, and uThungulu where EPWP learnerships are currently being implemented.

#### Training and Skills Development

Training and skills development will be programme specific and also linked to a number of potential exit strategies. The linking of training to potential exit strategies will increase the chances of programme beneficiaries to access further opportunities in terms of:

- Formal employment with employer bodies under normal conditions of employment;
- Offering beneficiaries an opportunity to use the EPWP training as a basis for further training and skills development; and
- Opportunity to start their own businesses in the relevant fields of training based on the fields of training received through the EPWP.



**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES****Monitoring, Reporting and Evaluation of the EPWP**

The programme has developed six core monitoring indicators that will be used to report progress on the implementation of the programme across the four sectors.

The reporting and monitoring templates for the EPWP have already been developed and have been cascaded to the various lead sector co-ordinating Departments and the various provincial Departments and project-implementing bodies in the province.

The table below presents the outputs that have been achieved during 2005/06 financial year by the Department.

**Table: EPWP**

Department of Transport	Actual	Target	Actual
	2004/05	2005/06	2005/06
EPWP Project Budget (R millions)	197.8	280.4	261.2
Person days of Work	2.316.000	3.089.230	2.888.873
Number of Jobs Opportunities	38.549	43.655	36.462
Number of Youth Employed	7.189	7.900	8.386
Number of Women Employed	25.420	33.500	29.308
Number of People with Disabilities	0	11	0
Number of Learnerships	88	100	88

**Sub-programme: 5.2: Community Development****Zibambele Savings Clubs**

In 2003, Zibambele training was facilitated through the formation of savings clubs. The programme continues to empower Zibambele beneficiaries through training on technical matters and life skills. By the end of the 2005/06 financial year, seven hundred and twenty-two (722) savings clubs had been established and had collectively saved more than R3,6 m. This achievement needs to be commended when considering that the contractors only receive R390 per month in earnings. This in itself is the evidence of the potential that exists within the rural poor communities when they work collectively.

**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES****Table: Zibambele Savings Clubs**

REGION	NO. OF CLUBS	AMOUNT SAVED
Empangeni	287	R1 646 182.57
Ladysmith	206	R538 818.61
Pietermaritzburg	107	R723 930.16
Durban	122	R783 799.00
<b>Total</b>	<b>722</b>	<b>R3 692 729.89</b>

To enable a holistic approach, partnerships have been formed with other government Departments and private bodies to develop these clubs into enterprises. To this end, relationships have been established with the Department of Agriculture and Environmental Affairs for the savings clubs to have access to food security programmes and other agricultural activities. It is the intention of the Department to convert savings clubs to rural co-operatives and other form of viable business.

A pilot project involving mushroom farming has been initiated in the KwaDindi area in Vulindlela, by the KwaZulu-Natal Departments of Transport and Agriculture. The focus is on testing the viability of the programme and the lessons learnt will inform the rolling out on a larger scale.



*Mushrooms Harvested by the Zamokuhle Savings Clubs Ready for Market in Vulindlela RRTF Area*

**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES**

The following tables present statistics on achievements made by the Department in defending the weak by fighting poverty.

**Table: Poverty Eradication: Zibambele**

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
<b>Input</b>						
Budget	Rands (millions)	92,5	123,6	124,5	0,9	0.7%
<b>Process</b>						
Number of training programmes	Number	2	2	2	0	0.0%
<b>Output</b>						
Number of employment days created	Number	1 946 640	2 369 280	2 423 351	54 071	2.3%
% of employment days going to Youth	Percentage	13.5	20	12	-8	-40.0%
% of employment days going to Females	Percentage	93	95	94	-1	-1.1%
<b>Quality</b>						
Average daily wage paid	Rands	46,25	48,75	48,75	0	0.0%
<b>Efficiency</b>						
Cost per day employment created	Rands	47,52	52,17	51,37	-0,8	-1.5%
Average daily wage as % of cost per employment day	Percentage	97.33	93.45	94.9	1.45	1.6%



## PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

**Table : Poverty Eradication : Labour-based Construction**

Measurable Objective	Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from Target	
					Unit	%
<b>Input</b>						
Budget	Rands	11,6	25	24,2	-0,8	-3.2%
<b>Process</b>						
Number of training programmes	Number	1	2	2	0	0.0%
<b>Output</b>						
Number of employment days created	Number	100 740	200 000	230 063	30 063	15.0%
% of employment days going to youth	Percentage	62.1	70	50	-20	-28.6%
% of employment days going to Females	Percentage	52.9	70	56	-14	-20.0%
<b>Quality</b>						
Average daily wage paid	Rands	44	44	44	0	0.0%
<b>Efficiency</b>						
Cost per day employment created	Rands	115,15	125	105,13	-19,87	-15,9%
Average daily wage as % of cost per employment day	Percentage	38.21	35.2	42	6.8	19.3%

### Rural Road Transport Forums

In realizing that the vast majority of the communities were excluded in the decision-making processes which affect their growth, the department established Rural Road Transport Forums (RRTFs) to spearhead and advocate development by promoting public participation and accelerate transformation in the departmental service delivery process. The RRTFs are a vehicle for facilitating an ongoing dialogue between the communities and the Department in building democracy and participatory development by enhancing a sustainable dialogue with communities. A total of thirty-one (31) RRTF's work with the Department to ensure that an equitable distribution of the road infrastructure is achieved throughout the province.

## PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

### RRTF Capacity-building Workshops

RRTF's received ongoing training which is designed to build their capacity as development activists. In the financial year 2005/06, the RRTFs were trained in development planning. The focus of this was integrated planning and the workshop was held jointly with the Community Road Safety Councils (CRSCs) from 1 August to 9 September 2005. The development planning workshop is critical in enabling the RRTFs to weigh trade-offs and make strategic choices in the face of competing demands. The technical managers from the municipalities were invited to be part of the planning to ensure that the priority lists reflect a shared vision by all key role players and stakeholders.

Monthly meetings are held by each RRTF to review the performance of the Department. These meetings serve as a vehicle for facilitating transparency and getting feedback on the road infrastructure needs from different communities. In some areas, additional ad hoc meetings had been held to deal with urgent issues relating to the projects being implemented in the respective areas.

### Annual General Meetings

The RRTFs are accountable to the communities and constituencies who elected them. Their constitution requires them to report back to the communities and constituencies in annual general meetings. The annual general meetings which were held during 2005/06 financial year attracted interest amongst the community leadership of Amakhosi, Mayors and Councillors. Detailed reports on all the projects implemented were tabled and the communities were given the opportunity to raise questions which were responded to.



*Ladysmith Region Planning Workshop*



*Msinga Report Back Meeting*

# PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

## Sub-programme: 5.3: Emerging Contractor Development

The Department has made significant progress in developing emerging contractors. This is presented in the following table:

# Part 2

Table: Vukuzakhe Investments

ALL CONTRACTS	Financial Years								
	1998/ 99	1999/ 00	2000/ 01	2001/ 02	2002/ 03	2003/ 04	2004/ 05	2005/ 06	Total
Total budget spent (operational budget):					R520,0	R736,1	R635,7	R752,5	R2,644,3
No. of contracts – Stage 1	126	232	295	488	563	549	521	496	3270
No. of contracts – Stage 2	54	142	106	138	232	222	210	229	1333
No. of contracts – Stage 3	8	17	101	82	78	101	142	131	660
No. of contracts – Stage 4	0	0	0	18	18	40	47	39	162
ALL STAGES	188	391	502	726	891	912	920	895	5425
Value of contracts – Stage 1	R12,0	R21,0	R24,4	R20,5	R40,7	R43,9	R60,9	R38,6	R262,0
Value of contracts – Stage 2	R9,0	R15,0	R17,4	R18,1	R48,5	R73,3	R55,0	R79,2	R315,5
Value of contracts – Stage 3	R6,0	R54,0	R62,6	R66,8	R42,1	R69,7	R73,5	R97,6	R472,3
Value of contracts – Stage 4	R0,0	R0,0	R0,0	R0,0	R40,0	R152,8	R96,7	R162,5	R452,0
Value of Contracts on all Stages	R27,0	R90,0	R104,4	R105,4	R171,3	R339,7	R286,1	R377,9	R1,123,9
Vukuzakhe training budget	R0,0	R0,0	R2,1	R6,0	R9,3	R11,2	R11,5	R13,4	R53,5
Employment opportunities over 3–4 months	-	-	12.214	26.907	27.500	28.750	29.258	30.045	154.674
Total budget (incl. supervision, training and overheads)	R49,0	R123,5	R151,6	R171,9	R251,6	R413,3	R359,0	R467,3	R1,987,2



**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES****Compliance with the Construction Industry Development Board (CIDB) Act, 2000**

In compliance with the Construction Industry Development Board Act, 2000, the Department has been able to:

- develop a Standardised Procurement Document for Construction and Maintenance Works which has been approved by the CIDB
- assist four hundred and twenty (420) Vukuzakhe (Emerging) Contractors with the registration of their companies at the CIDB and
- begin to develop a system to register construction and maintenance projects over R200 000 at the CIDB.

The CIDB Act was established to ensure that growth in the construction industry will provide for an improved South African economy through the provision of the physical infrastructure which contributes to the country's development. The specialised and risk-associated nature of construction places an onus on the public sector client to continuously improve its procurement and delivery management skill in a manner that promotes efficiency, value for money, transformation and the sustainable development of the construction industry.

The CIDB Act therefore requires that there should be a national standardisation of the procurement process which is in line with the:

- Regulations in terms of the PFMA: Framework for Supply Chain Management and
- The CIDB Standard for Uniformity in Construction Procurement.

It is also required that all processes must be uniform, transparent, systematic and scientific to allow for growth of the construction industry. During the 2005/06 financial year, the Standardised Procurement Document for Construction and Maintenance Works had been developed and implementation is envisaged to take place during the 2006/07 financial year.

**Occupational Health and Safety**

The Occupational Health and Safety Generic Specification for Construction and Maintenance Works was developed.

**Provincial Emerging Contractor Development Policy**

The Department has made incredible advancements to normalise the road construction industry. This was acknowledged when the Department was requested to partner with the Provincial Treasury to develop the Provincial Emerging Contractor Development Policy for construction and maintenance works which was approved by Cabinet in November 2005. This new policy allows for contractors who are both Building and Civil Engineering Contractors to develop and advance their business through the provision of skills development and contract management support and mentorship by the client.

## PROGRAMME 5: COMMUNITY-BASED PROGRAMMES

### Organisational Development Training

During the financial year 2005/06, capacity building of Vukuzakhe Contractors has been offered through the respective thirty-one (31) Associations. Part of this exercise was to empower the Executive Committees for better functioning of the Associations. Meetings were held on a monthly basis where contractors also received business training as well as economic development training.

During the financial year under review, the following three main events in which the Associations participated for input on policy and developmental issues were held:-

- The Transport Summit held on 26 and 27 May 2005: Certain resolutions were taken and have been included in the development of policy and procedures
- Vukuzakhe Indaba held on 30 September 2005: This consultation event prepared for the policy review and the elections of future Executive Committee and
- Vukuzakhe Policy Review Consultation meetings: From 8 November 2005 to 27 January 2006 all the Associations were consulted on issues affecting their constitutional functioning.

**Table: Membership, Meetings/Workshops Held**

Total Membership	Number of Meetings ( EXCO and General)
1728	576



*The MEC for Transport, Community Safety and Liaison and the Manager of Economic Empowerment with Learners at the Vukuzakhe Indaba*



*The General Manager of Strategic Planning, Addressing Contractors at the Vukuzakhe Indaba at Durban*



**PROGRAMME 5: COMMUNITY-BASED PROGRAMMES****Technical Training, Mentoring and Support**

During the reporting financial year, contractors who have been working on various projects have been trained on tendering process. Training had been provided to skill contractors on compiling a tender document, thereby increasing their chances of winning tenders. The training included on site technical training and one hundred and seventy-two (172) contractors had been trained.



*Ogunjini Construction Constructing Gabion Work on Road P100 in Ndwedwe*

**Learnership: Construction Contractor NQF Level 2**

The NQF Level 2 learnership training of eighty-eight (88) learners was completed in December 2005. These contractors have been placed on construction sites for practical training. The Department is finalising CETA processes for the graduation of successful learners.



*Contractors Being Mentored on How to Execute Steel Fixing and Concrete Jointing on P577 in KwaMashu*



## PROGRAMME 5: COMMUNITY-BASED PROGRAMMES



*The CRDC Learner of Sinothemba Construction Being Mentored on the Installation of Road Studs on P154 in Wartburg*

### Legal Compliance

Contractors were trained in financial management and how to register with the Construction Industry Development Board (CIDB). Contractors were also assisted with compliance to SARS and CIDB Act legal recruitments.



# Part 3





## REPORT OF THE AUDIT COMMITTEE



## REPORT OF THE AUDIT COMMITTEE ON VOTE 12 – TRANSPORT

We are pleased to present our report for the financial year ended 31 March 2006.

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

The Audit Committee consists of the members listed hereunder and met 6 times as per its approved terms of reference.

<b>Name of Member</b>	<b>Number of Meetings Attended</b>
R Morar (Chairman)	5
BP Campbell	6
BS Khuzwayo (Adv)	6
ADK Leisegang	6
DSD Shabalala	1
RW Green-Thompson (Prof)	1

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except as stated below:

#### **The Effectiveness of Internal Control**

Our review revealed that the Department has implemented systems of internal control for certain areas of its operations. Weaknesses in such systems of internal control that were identified by Internal Audit have been raised with the Department of Transport.

#### **The quality of in year management and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act**

We cannot comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

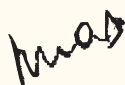
## REPORT OF THE AUDIT COMMITTEE

## Part 3

We have:

- Not reviewed the audited annual financial statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

We accept the conclusions of the Auditor-General on the annual financial statements and are of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



.....  
Chairman: On behalf of the Audit Committee

**Date:** 15 August 2006



# Part 4





## ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for KwaZulu-Natal Department of Transport







# ANNUAL FINANCIAL STATEMENTS FOR KWAZULU-NATAL DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2006

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## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2006

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Province of KwaZulu-Natal, Republic of South Africa.

### 1. General Review of the State of Financial Affairs

#### Important Policy Decisions and Strategic Issues Facing the Department

The Department has achieved much success towards improving the quality of lives of the citizens of KwaZulu-Natal through our vision **“Prosperity through Mobility”**, which is achieved by access, mobility, safety, affordability and prosperity.

In 2005/06, the Department placed major emphasis on economic development strategies, with the aim of narrowing the gap between the first and second economies. Economic opportunities of economic corridors were identified within the context to implementing the Provincial Growth and Development Strategy (PGDS). The major objective of the development of the economic corridors is growing both the first and second economy, while reducing the gap between the two.

The Department continued its commitment to maximize socio-economic development in road corridors in 2005/06, adopting a holistic, integrated and innovative approach to the planning, design and provision of black-top road by integrating water, agriculture, commerce and industry and other developmental infrastructure. It is envisaged that integrating the provision of different forms of infrastructure will create many opportunities, as well as contribute towards the alleviation of poverty.

As in previous years, in 2005/06 the Department's flagship infrastructure programmes, including ARRUP, Roads for Rural Development, the Road to Wealth and Job Creation Initiative, Zibambele and Vukuzakhe, had considerable impact on the socio-economic upliftment of resource-poor communities. These programmes produce measurable and visible results, providing temporary work for the unemployed, while simultaneously ensuring appropriate training, enabling them to become entrants to the labour market. Underpinning this approach, the Department targeted the employment of 75% of women as well as a youth-based construction programme that provides temporary experiential employment which will result in sustainable work opportunities.

In implementing these programmes in 2005/06, the Department provided an effective, professional consultative service to those previously disadvantaged, and created numerous job opportunities and an enabling environment for the emergence of the small enterprise sector, particularly in rural areas. The Department also adopted a data-driven approach to prioritizing road

## MANAGEMENT REPORT for the year ended 31 March 2006

investments that is both consultative and proactive. Programmes such as Zibambeke, Vukuzakhe and Labour Intensive Road Construction, together with the Construction Sector Education and Training Authority (CETA) learnerships, fully support the principles of the Expanded Public Works Programme (EPWP).

The Department continued in its commitment to managing the roll-out of the EPWP for KwaZulu-Natal. This involved working with all provincial Departments and municipalities to develop joint programmes between the different spheres of government. The EPWP was developed in such a way that the creation of short-term employment and skills training opportunities stimulate both formal and informal income-generating opportunities. The Policy Framework document was submitted to cabinet for approval and thereafter implementation.

The Department's collaboration with the eThekweni Municipality was ongoing in 2005/06 in the planning and roll-out of their rural road network. The Department participated in projects that resulted in the black-topping of eight (8) roads and the upgrading of six (6) roads in the eThekweni Municipal area. These projects include the upgrading of a causeway to a properly designed bridge by a Vukuzakhe emerging contractor.

Another focus area in 2005/06 was the process of finalizing the assessment of the payment of public transport subsidies in line with the White Paper on Transport and the National Land Transport Transition Act. The regulation of the Minibus Taxi Industry is an ongoing process, and includes Taxi Recapitalisation and initiatives to diversify the economic base of the taxi industry through the establishment of Taxi Cities, Taxi Co-operatives and other enterprise developments. The Department completed the conversion of Route Based Permits for taxi operators into operating licences as required by the National Land Transport Transitions Act, and is currently preparing a strategy for the provincial implementation of the national taxi recapitalization project.

All transport planning currently undertaken by the Department takes into account the probable effects of the 2010 Soccer World Cup, and the related tourism opportunities presented by the hosting of this event. However, no infrastructure is currently being put in place by the Department solely for the purpose of the 2010 Soccer World Cup. This infrastructure roll-out is controlled by the national sphere of government, and the Department may not start implanting these projects without the specific approval and budget allocation from the co-ordinating committee.

The fundamental objective of the KwaZulu-Natal Department of Transport is to promote the sustainable, safe, cost-efficient and cost-effective movement of people and goods throughout our province and to ensure that our transport system responds to the different needs of our first and second economies. In accordance, the Department continually focuses its efforts on being an innovative service provider and creator of sustainable opportunities among the poor. The extent to which the Department has succeeded in ensuring that previously disenfranchised communities gain a more credible stake in our economy is readily evident from our general procurement performance and specifically evidenced through programmes such as Vukuzakhe, Zibambeke, public transport subsidies and taxi industry empowerment.



### MANAGEMENT REPORT for the year ended 31 March 2006

The fact that the major portion of the Department's budget is allocated towards the upgrading and maintenance of road infrastructure is strongly indicative of the Department's mandated development goal to provide a balanced road network that meets the mobility needs of all the citizens of KwaZulu-Natal.

#### Significant Events

- KZN Premier Sbu Ndebele and MEC Cele launch a multi-million Rand project of all pedestrian bridges in KZN and the opening of Enyokeni Road – Kwanongoma;
- MEC Cele showcases service delivery projects around eThekweni;
- MEC Cele's Report on Safety and Security over the festive season;
- Summer Holiday Road Safety Plan;
- Interfaith Prayer Day in memory of road accident victims;
- Miss SA attends Traffic Officers Graduation;
- Official opening of Jojozi River Bridge;
- Official sod turning of Okhula River Bridge.

#### Major Projects

Project Name	Project Value	Cumulative Expenditure to date
	R' million	R' million
Nongoma African Renaissance Road Upgrading Project	610	239
Ongoye African Renaissance Road Upgrading Project	365	99
Nkandla African Renaissance Road Upgrading Project	348	118
St Faiths African Renaissance Road Upgrading Project	293	112
Osizweni African Renaissance Road Upgrading Project	101	48
Ndwedwe African Renaissance Road Upgrading Project	218	73
Vulindlela African Renaissance Road Upgrading Project	98	52
Duffs Road (P577) Cabinet Projects	520	154
Ulundi-Empangeni (P700)	500	141

**MANAGEMENT REPORT**  
**for the year ended 31 March 2006**

**PROGRAMME 1: ADMINISTRATION****SAVINGS R35 000**

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

One of the major constraints at the beginning of this strategic planning period is the lack of appropriate information technology systems to assist the Department in making data driven decisions. Specifically, there is a need for integrated project management and financial management systems. Accurate and reliable data are needed to be able to advise and administer the core business of the Department effectively.

This programme is dedicated to the overall administration of the Department including the Office of the MEC, Head of Department, Human Resources Management, Finance and other corporate administration support services. This programme also includes the costs in respect of the repair and maintenance of all the buildings occupied by the Department.

**PROGRAMME 2: ROAD INFRASTRUCTURE****SAVINGS R14 000**

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

The purpose of this programme is to provide a balanced, equitable, provincial road network, and the main functions include the upgrade of surfaced roads, and the construction, rehabilitation and maintenance of roads, causeways and bridges. The programme is aimed at determining the needs for the development of infrastructure, implementing maintenance programmes, providing access roads for communities to unlock economic potential, as well as promoting community development and eco-tourism.

**PROGRAMME 3: PUBLIC TRANSPORTATION****SAVINGS R6 000**

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

The challenge facing the Department is that currently more than 60% of all commuter traffic is carried by the Minibus Taxi Industry, which is not subsidized and operates increasingly with an ageing fleet. The balance of commuters are carried by subsidized rail and bus systems, with subsidized routes that are often still aligned with the needs of industry, rather than with the needs of commuters, particularly poor commuters. The challenge facing the Department since 1997, when this function was devolved from the national sphere, was the normalization of an industry that previously operated in a largely unplanned, unregulated and un-enforced environment, often characterised by violent conflict. Since then, the Department has rebuilt trust and partnerships between the industry and government through the re-establishment of planning, regulation and enforcement.



## MANAGEMENT REPORT for the year ended 31 March 2006

### PROGRAMME 4: TRAFFIC MANAGEMENT

SAVINGS R79 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

The Department's integrated road safety programme is aimed at facilitating road safety campaigns and measures, developing policy in consultation with all relevant authorities charged with the responsibility for road safety structures, and encouraging the participation of all in road safety initiatives and awareness programmes.

### PROGRAMME 5: COMMUNITY-BASED PROGRAMME

SAVINGS R17 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

#### Other

The Thefts and Losses for the Department amounted to R258 000.

## 2. Services Rendered by the Department

### 2.1 List of Services

The services rendered by the Department are outlined in the programmes below.

#### PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to conduct the overall management of the Department. The aim of this programme is to ensure policy correlation with the business units, and link budget spending to actual delivery and performance standards

The Administration Programme has been central in transforming the Department's approach to service delivery in order to bring about greater integration, efficiency, effectiveness and sustainability. The Public Finance Management Act governs the financial management and corporate support services of the Department.

#### PROGRAMME 2: ROAD INFRASTRUCTURE

The objectives of this programme are:

- The planning and designing of provincial roads;
- The construction of provincial roads;
- The provision of access roads to rural communities;
- The departmental/contractual maintenance of provincial roads;

## MANAGEMENT REPORT for the year ended 31 March 2006

- The purchase, repair and preventative maintenance of departmental plant and equipment;
- Assistance in respect of the fencing of main roads; and
- Assistance to local authorities in respect of the maintenance of main roads.

### PROGRAMME 3: PUBLIC TRANSPORT

This programme is dedicated to the planning, regulation, enforcement and development of public transport and freight transport in order to ensure balanced, equitable, safe and sustainable public and freight transport services. The Department has compiled an Integrated Development Programme for public and freight transport, with the following needs being identified:-

- To accelerate delivery on the taxi process;
- To improve services to disadvantaged communities;
- To fast-track services that contribute growth and to lend support to other government initiatives;
- Undertake on an agency basis with the National Department of Transport to administer and monitor bus subsidies in the Province;
- Conversion of route-based permits to licences for the taxi industry;
- In conjunction with NDOT to rationalize public transport subsidies in the province.

### PROGRAMME 4: TRAFFIC MANAGEMENT

The services rendered by this programme are as follows:

- To conduct road traffic law enforcement;
- To develop road safety educational programmes and train educators in traffic safety;
- To register and license vehicles;
- To render technical services relating to weigh bridges; and
- To conduct analysis and re-engineering of hazardous locations.

### PROGRAMME 5: COMMUNITY-BASED PROGRAMME

This programme caters for the development of programmes designed to empower and transfer skills to historically disadvantaged communities, thereby facilitating the process of active participation in the economy of the country. These include the development and management of programmes such as Zibambele, Vukuzakhe, Labour-based and Labour-intensive Construction. It includes:-

- The strategic planning and monitoring of programmes to further broad-based Black Economic Empowerment;



## MANAGEMENT REPORT for the year ended 31 March 2006

- The development and training of emerging BEE roads contractors;
- Programmes to bring about the development and empowerment of impoverished communities.

### 2.2 Tariff Policy

There is a disparity in license fees in all nine provinces. A task team has been appointed to address this problem and to rationalize the fees structure in order to implement a uniform fee for licences in South Africa.

In the interim, the Department takes into account the current inflation rate, increases in other provinces and the discrepancies to the rates charged by other provinces. These increases are approved by the MEC for Transport and the Provincial Treasury. This policy will continue until such time as motor vehicle licence fees are better aligned to other provinces and international best practice.

### 2.3 Free Services

None

### 2.4 Inventories

Value of Inventories on hand at year end is R10 426 964 and is made up as follows:

Fuel	R3 946 257
Maintenance Material	R4 816 417
Maintenance and Repairs	R1 064 660
Others	R 599 630

### 2.5 Asset Management

All assets have been recorded on the Department's asset management system (HardCat) and an asset register was extracted as at 31 March 2006. The minimum requirements for the completion of the asset register and all asset management reforms and milestones have been complied with. Although asset management is controlled centrally from head office, asset controllers have been appointed in each responsibility in the Department and they will be responsible for the management of assets and the asset count for their respective responsibilities.

## 3. Capacity Constraints

The Department is addressing the second economy issues of income poverty, past racial discrimination and spatial disparities in the provision of services in a targeted, measurable, sustainable and visible manner. It remains a challenge to try to mobilise communities with

**MANAGEMENT REPORT**  
**for the year ended 31 March 2006**

appropriate access to transport, employment, markets, and an improved quality of life in the areas where they reside.

Access still remains a key challenge to service delivery. The demand for pedestrian bridges and access roads is huge, particularly in the rural areas of KwaZulu-Natal. In a submission to the Finance and Economic Development Portfolio Committee during April 2006 it was placed on record that there is a need to build one hundred and forty-six (146) pedestrian bridges province-wide at an estimated cost of R206 million. With regards to access roads, it was also reported to the Portfolio Committee that 2 740 kilometres still remain to be constructed at an estimated cost of R687 million.

It is of critical importance to ensure that the ideals of a seamless government are upheld. To this end, the Department of Transport continues to support all government-led programmes as per the mandates of the government of the day. Operation Mbo, Project Consolidate as well as the Accelerated and Shared Growth Initiative of South Africa (ASGISA) are amongst such programmes.

The Cabinet of KwaZulu-Natal entrusted the co-ordination of the Expanded Public Works Programme (EPWP) to the Department of Transport. A special EPWP Directorate has been established under the Strategic Planning Chief Directorate to lead this programme. Through EPWP we will also accelerate infrastructure investment in the underdeveloped urban and rural areas of our province to improve service delivery in the areas of the second economy, including the provision of roads and rail. Challenges faced by the EPWP include the sustainability of this programme as well as the application of EPWP principles in the implementation of projects even at municipal level.

The success of the 2010 Soccer World Cup is at the forefront of our planning in the Department of Transport amidst budgetary constraints. Road Infrastructure development, Integrated Transport Planning, a safe, regulated, affordable and efficient public transport system as well as overall safety on our roads are critical issues that we have embarked upon to ensure that KwaZulu-Natal and South Africa as a whole are ready to host the 2010 Soccer World Cup. A report has been submitted to the National Department of Transport detailing the road infrastructure needs for the 2010 Soccer World Cup which amounts to approximately R3 billion.

The safety of people travelling on taxis remains a serious concern, and there has been ongoing and extensive dialogue regarding strategies to improve public safety in line with the mandated development goal to regulate public transport and to ensure public access to a safe, efficient, regulated and affordable mode of transport. For many years now, the Department has campaigned to create a safe road environment for all users in KwaZulu-Natal.

The regulation of the Minibus Taxi Industry is an ongoing process which includes Taxi Recapitalisation and initiatives to diversify the economic base of the taxi industry through the establishment of Taxi Cities, Taxi Co-operatives and other enterprise development. The KwaZulu-Natal Public Transport Act, Act 3 of 2005, which provides for the transformation and restructuring of the public transport system in the province, was assented to on 3 November 2005. Projects such as Operation Shanela and the establishment of the Public Transport

## MANAGEMENT REPORT for the year ended 31 March 2006

Enforcement Unit (PTEU) have already had a significant impact on the normalisation of the taxi industry in KwaZulu-Natal and will continue to operate as part of the Department's law-enforcement operations. Taxi Izimbizo were held during 2005/06 with leadership from both the taxi industry and enforcement agencies, with the aim of consolidating and diversifying the business interests of the taxi industry, disarming it and changing its mindset to ensure that the taxi industry in KwaZulu-Natal takes its rightful place as a critical pillar of the province's inter-modal transport system. It is also a priority to develop an efficient freight system in support of a value-added export economy. The Department has embraced the growing awareness that transport corridors, especially freight transport corridors, are also transmission corridors for communicable diseases. The Department has now included a communication and education component in its programme to raise awareness of appropriate preventative measures for avoiding the transmission of communicable diseases such as HIV and AIDS and TB.

### 4. Utilisation of Donor Funds

No donor funds were received for the year ending 31 March 2006.

### 5. Trading Entities and Public Entities

The KwaZulu-Natal Taxi Council listed on Schedule 3C of the Public Finance Management Act reports to the KwaZulu-Natal Minister of Transport.

### 6. Organisations to Whom Transfer Payments Have Been Made

Transfer Subsidies are made for the following purposes:

- The KZN Taxi Council;
- The District Municipalities for the Regional Services Council (RSC) levies;
- Fencing Subsidies: Payments are made to adjacent landowners on provincial main roads for the maintenance and upkeep-fencing to prevent livestock from entering the road thereby improving road safety;
- Municipalities: Maintenance of provincial roads that traverse built-up areas with local municipalities;
- Local Roads: Paid to various organisations and farmers for maintenance of certain local roads;
- eThekweni Metropolitan Council: Contribution made to the eThekweni Transport Authority

### 7. Public Private Partnerships (PPP)

No Public Private Partnerships have been entered into by the Department during the financial year under review.

### 8. Corporate Governance Arrangements

The Department operates in compliance with the Constitution of the Republic of South Africa, the Public Financial Management Act, the Public Service Act and all other relevant legislation governing its operations.



# MANAGEMENT REPORT for the year ended 31 March 2006

## 9. Discontinued Activities

No activities have been discontinued during the financial year under review.

## 10. New/proposed activities

No new activities were undertaken by the Department during the financial year under review.

## 11. Events after the reporting date

No significant events have occurred after the reporting date which will influence the interpretation of the results under review.

## 12. Performance information

The following are the key services delivered by the Department during the financial year under review:

### Service Delivery Measures – Programme 2: Road Infrastructure

Outputs	Performance Measures	Performance Targets	
		Estimate	Actual
<b>Surfaced Roads</b>			
Rehabilitation of surfaced roads	Number of square metres: Light rehabilitation	320 000	331 895
	Number of square metres: Heavy rehabilitation	340 000	383 198
Maintain surfaced roads	Number of square metres: Tarred road resealed	650 000	677 661
	Number of square metres: Black-top patching	90 000	95 879
Upgrade to surfaced roads	Kilometres upgraded: ARRUP roads	45	27
	Kilometres upgraded: P700 Ulundi-Richards Bay Road	14	9
	Kilometres upgraded: Agricultural roads	9	23
	Kilometres upgraded: Access to community facilities	9	24
	Kilometres upgraded: P577 Duffs Road	5	5
<b>Gravel Roads</b>			
Construct local access roads	Kilometres of gravel roads constructed	420	430
	Kilometres constructed using labour-based construction	60	42

### MANAGEMENT REPORT for the year ended 31 March 2006

Outputs	Performance Measures	Performance Targets	
		Estimate	Actual
Maintain local roads – Zibambele	Kilometres maintained using Zibambele contractors	17 600	17 895
Maintain gravel roads	Kilometres of road: blading	75 000	76 220
	Kilometres of road: regravelling	410	438
	Kilometres of road: betterment and gravelling	440	430
<b>General</b>			
Construction of causeways and bridges	Number of causeways constructed	41	47
	Number of bridges constructed	2	3
	Number of pedestrian bridges constructed	15	3
Remedial safety engineering measures	Number of remedial safety measures	42	41

### Service Delivery Measures – Programme 3: Transportation

Outputs	Performance Measures	Performance Targets	
		Estimate	Actual
Integrated planning of transport	Number of municipalities assisted in the preparation of transport plans	2	2
	Review of public transport framework	Review	Complete
	Develop public transport strategy	Develop Strategy	Complete
	Develop strategy for public transport users with special needs	Develop Strategy	Complete
Promote BEE in the public and freight Transport industry.	Number of BEE and SMME public transport operators trained	100	100
	Number of BEE and SMME freight transport operators trained	172	178
	Number of BEE bicycle sales and service shops established in rural areas	12	0
Development of truck stops on major freight routes.	Number of truck stops whose development has been facilitated by the Department	3	0
	Percentage completion of the plan for the movement of dangerous goods	50%	50%

**MANAGEMENT REPORT**  
for the year ended 31 March 2006

**Service Delivery Measures – Programme 4: Traffic Management**

Outputs	Performance Measures	Performance Targets	
		Estimate	Actual
Reduce road traffic crashes in general and fatalities in particular	Number of crossing patrols provided	74	47
Facilitate behavioural and attitude change of road users	Number of schools participating	1 200	1 471
	Number of adults educated	31 800	35 117
	Number of awareness campaign	21	39
	Number of Community Road Safety Councils trained	42	40
Protect the road environment through the regulation and enforcement of the freight industry	Hours of overloading control enforcement	25 000	20 423
	Number of vehicles weighed	220 000	188 467
	Number of weighbridges maintained/calibrate	13	13
	Number of weighbridges constructed	1	0
Promote safe use of public roads	Number of traffic officers employed	447	537
	Hours of speed timing activities	99 000	77 822
	Number of vehicles checked in road blocks	15 000	11 593
	Number of kilometres patrolled (official and subsidized vehicles)	4 500 000	4 985 148
	Number of officers trained	600	289
To maximize revenue collection through the levying of appropriate charges for services rendered through effective debtor control	% of licenses paid on time	97%	96%



**MANAGEMENT REPORT**  
for the year ended 31 March 2006

**Service delivery measures – Programme 5: Community-Based Programme**

Outputs	Performance Measures	Performance Targets	
		Estimate	Actual
Develop and support Black Economic Empowerment (BEE) programmes	Develop BEE scorecard	Monitor	Complete
	Develop Expanded Public Works (EPWP) implementation framework	Training	Complete
	Number of Zibambebe contractors employed	27 080	27 531
	Number of Zibambebe savings clubs trained	450	722
	Number of Vukuzakhe contractors trained	150	88
	Number of capacity-building and development sessions for RRTFs	93	31
Ensure community supported transportation service delivery	Number of public participation events facilitated – RRTF meetings	400	395
	Number of public participation events facilitated – CRSC meetings	480	480
To construct and maintain the road network utilising labour-intensive means	Number of persons employed – EPWP projects	43 665	36 462
	Number of person days of work created – EPWP projects	3 089 230	2 888 873

**MANAGEMENT REPORT**  
for the year ended 31 March 2006

### 13. SCOPA Resolutions

The following resolutions were made to the Standing Committee on Public Accounts (SCOPA) with regard to the Auditor-General's report on the Departments 2004/2005 financial statements.

Item	Management Comment
Asset Management: Fixed Assets	<ul style="list-style-type: none"> <li>A detailed asset count would be done during the 2005/2006 financial year and this exercise would be completed by 31 March 2006.</li> <li>The results of this asset count would be reconciled to the information on the HardCat Asset Management System.</li> </ul>
Asset Management: Inventory	<ul style="list-style-type: none"> <li>Stock counts are performed on a monthly basis and the results reconciled to the tally cards, SV19/3 and SV20 stock forms.</li> <li>Tally cards are updated when goods have been received or issued and this is done immediately. Tally cards are corrected immediately.</li> <li>The Internal Compliance Division inspects all inventory stores and continues to inspect these stores to ensure that prescribed policies and procedures are being complied with.</li> </ul>
Personnel Expenditure	<ul style="list-style-type: none"> <li>A detailed report is being obtained from PERSAL on a monthly basis, showing all expenditure interfaced to BAS. All variances are being identified and investigated on an ongoing basis.</li> </ul>
Prior Year Error	<ul style="list-style-type: none"> <li>The prior year error related to an over-statement of revenue in 2003/04.</li> <li>An audit adjustment was done and the financial statements for 2004/2005 were adjusted to reflect the correct prior year revenue.</li> </ul>
Financial Management (Weak Control environment)	<ul style="list-style-type: none"> <li>Management is ensuring that documented processes and procedures as designed by Provincial Treasury for each major financial cycle are amended to include the responsibilities that should be specifically followed at each of the regional and area offices of the Department. Regular inspections are being conducted by our Internal Compliance Services to ensure that the processes and procedures are properly followed.</li> </ul>
Provincial Vehicle Fleet	<ul style="list-style-type: none"> <li>The Chief Financial Officer advised that approximately 90% of the departmental, and 80% of the provincial vehicle fleet had been verified.</li> <li>The verification exercise for the 2005/06 was planned in advance and scheduled during periods when most officials were present.</li> <li>Ad-hoc inspections were conducted for Departments that could not bring their vehicles to the relevant inspection sites.</li> </ul>

### MANAGEMENT REPORT for the year ended 31 March 2006

Item	Management Comment
Computer-assisted Audit Technique Exceptions	<ul style="list-style-type: none"> <li>With regard to the NaTIS exceptions, every endeavour will be made to investigate and finalise these exceptions identified by the Auditors. It must be stressed however, that the Department will investigate the records identified and where possible, the records will be amended. However, where no information can be sourced, an Admin Mark will have to be placed on the record compelling the owners to have their vehicles inspected and verified by the South African Police Services. Further than this action, the Department can do no more to compel these vehicle owners to comply.</li> </ul>
Unauthorised Expenditure in the 2004/05 Financial Year	<ul style="list-style-type: none"> <li>The Standing Committee on Public Accounts has recommended that this unauthorised expenditure be approved.</li> </ul>

#### Approval

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



**Dr K.B. MBANJWA**  
**HEAD: TRANSPORT**  
30 May 2006



# REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 12-DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2006

## 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 151 to 205, for the year ended 31 March 2006, have been audited in terms of section 188 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). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

## 2. SCOPE

The audit was conducted in accordance with the International Standards of Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette no. 28723* of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette no. 28954* of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

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

## 3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in accounting policy 1.1 of the financial statements.

## REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2006

### 4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Transport at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in accounting policy 1.1 of the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

### 5. EMPHASIS OF MATTER

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

#### 5.1 Bank reconciliation

Included under cash and cash equivalents and the bank reconciliation are various suspense accounts, totalling R6,3 million, which have not been cleared at year-end.

#### 5.2 Asset management

Although substantial effort has been made in recording and verifying the existence of assets, during the course of the audit certain errors were noted which indicate that weaknesses in ensuring the completeness and accuracy of the asset register, still exist.

A review of the management, safeguarding and maintenance of the department's assets revealed the following:-

- The interface, between the Basic Accounting System (BAS) and the Hardcat asset management system, for the purchasing and recording of assets has not yet been implemented.
- The Hardcat system is manually updated with all purchases and as a result substantial time and resources is required to reconcile Hardcat to the purchases processed on BAS.
- There is no specific documented policies and procedures for the management of assets in accordance with the asset management guideline issued by National Treasury.
- There is no clear guideline on the recording and expensing of minor assets and the classification of expenditure between capital and current.

#### 5.3 Valuation of assets

The closing balance of capital tangible assets, as disclosed in annexure 4 to the financial statements, includes a significant number of assets captured with a value of

## REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2006

R1 in compliance with the accounting policy, as the original cost of the asset could not be established. In the asset register these assets represent 82% of plant, furniture and equipment and 27% of vehicles recorded as the closing balance in the financial statements at a total cost of R258,6 million and R56,7 million respectively.

Furthermore, 83% of other fixed structures recorded at a total cost of R3,7 billion, have been recorded at a nil rand value in the assets register.

### 5.4 Personnel expenditure

At certain regional offices, the monthly performance reports for the Zibambele contractors, as detailed in the "Guideline manual for the implementation of the Zibambele road maintenance system" could not be provided for verification. I was therefore unable to verify that performance is being monitored and that the department is paying contractors for work actually performed. Due to the expansion of this project the department needs to undertake a review of the capacity required to effectively manage this project in terms of the requirements of section 38(1) of the PFMA.

### 5.5 Computer assisted audit technique exceptions

Computer assisted audit techniques were again applied this year for data downloaded from the Motor Licensing Bureau's National Traffic Information System (NATIS). It was noted that some progress in rectifying the errors identified in prior years has taken place during the year. A major area of concern is still the duplicate chassis numbers, which is currently the most important vehicle identification number. As a result the accuracy and completeness of the receivables disclosed in note 24 to the financial statements could not be verified.

### 5.6 Financial management

During the audit various control weaknesses were identified and reported to management. This is an indication that the laid down routine controls were not adequately developed or monitored to ensure that it operated as designed at all regional offices and that the delegated responsibilities had been properly discharged.

### 5.7 Human resource management

During the audit of Human Resources, it was noted that the Employment Relationship Management Strategic Plan for the period 2003/4 to 2005/6 lacked the following:

- The Human Resource plan did not contain statistics for vacancies. It identified the gap between demand and supply of human resources, however, the resultant gap between the two had not been addressed.
- The vacancy rate (funded posts) for the department is 11%. This is considered to be high when compared to an acceptable norm of 5%.
- The strategies in the Human Resource plan have not been costed.



## REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2006

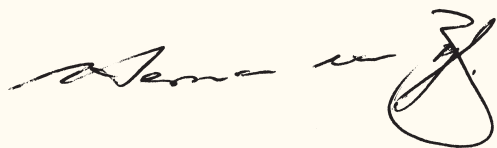
### 5.8 Unauthorised expenditure

The total prior year unauthorised expenditure as recorded in note 9 to the financial statements amounts to R54,7 million.

At 31 March 2006, this expenditure has not yet been approved.

## 6. APPRECIATION

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



**H van Zyl for Auditor-General**

**Pietermaritzburg**

**24 July 2006**



**AUDITOR - GENERAL**

## ACCOUNTING POLICIES for the year ended 31 March 2006

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

### 1. Presentation of the Financial Statements

#### 1.1 Basis of preparation

The 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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

#### 1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

#### 1.3 Rounding

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

#### 1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

## ACCOUNTING POLICIES for the year ended 31 March 2006

### 2. Revenue

#### 2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

#### 2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

##### 2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the Department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

##### 2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

##### 2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.



**ACCOUNTING POLICIES**  
for the year ended 31 March 2006

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

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

#### 2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

#### 2.2.6 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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 re-issued the payment is made from Revenue.

#### 2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

### 2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the Department directly receives the cash from the donor(s). The total cash amounts received during the year are reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

## ACCOUNTING POLICIES for the year ended 31 March 2006

### 3. Expenditure

#### 3.1 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 (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.<sup>1</sup>

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.

#### 3.1.1 Short-term employee benefits

Short term employee benefits comprise leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

#### 3.1.2 Long-term employee benefits

##### 3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

##### 3.1.2.2 Post-employment retirement benefits

The Department provides retirement benefits (pension 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 (by no later than 31 March of each year).

<sup>1</sup> This accounting policy is only relevant where the Department elects to capitalise the compensation paid to employees involved on capital projects.

## ACCOUNTING POLICIES for the year ended 31 March 2006

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer Department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

### 3.2 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

### 3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

### 3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

### 3.5 Unauthorised expenditure

When discovered, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.



## ACCOUNTING POLICIES for the year ended 31 March 2006

### 3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

### 3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

### 3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

### 3.9 Expenditure for capital assets

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 (by no later than 31 March of each year).

## 4. Assets

### 4.1 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### 4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

### 4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

## ACCOUNTING POLICIES for the year ended 31 March 2006

### 4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

### 4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

### 4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

### 4.7 Asset registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

## 5. Liabilities

### 5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

## ACCOUNTING POLICIES for the year ended 31 March 2006

### 5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

### 5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

### 5.4 Contingent liabilities

A contingent liability 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 contingent liability is 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 included in the disclosure notes.

### 5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place as at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as an expenditure in the statement of financial performance, but are included in the disclosure notes.



## ACCOUNTING POLICIES for the year ended 31 March 200

### 6. Net assets

#### 6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

#### 6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

### 7. Related party transactions

Related parties are Departments that control or significantly influence other entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

### 8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

### 9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the Department and a private party in terms of which the private party:

- performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
  - consideration to be paid by the Department which derives from a Revenue Fund;
  - charging fees to be collected by the private party from users or customers of a service provided to them; or
  - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

## APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per Programme										
	2005/06						2004/05			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>1. ADMINISTRATION</b>										
Current payment	82,912	-	-	82,912	82,210	702	99.2%	80,507	81,975	
Transfers and subsidies	333	-	-	333	2,850	(2,517)	855.9%	311	1,638	
Payment for capital assets	12,446	-	-	12,446	10,596	1,850	85.1%	15,653	12,830	
<b>2. ROAD INFRASTRUCTURE</b>										
Current payment	539,813	-	(151,000)	388,813	424,162	(35,349)	109.1%	322,425	363,309	
Transfers and subsidies	13,863	-	(9,000)	4,863	4,646	217	95.5%	7,996	2,583	
Payment for capital assets	1,174,521	-	160,000	1,334,521	1,299,375	35,146	97.4%	1,053,428	1,018,596	
<b>3. TRANSPORTATION</b>										
Current payment	25,303	-	-	25,303	28,154	(2,851)	111.3%	24,825	24,931	
Transfers and subsidies	7,800	-	-	7,800	5,834	1,966	74.8%	5,644	5,631	
Payment for capital assets	1,000	-	-	1,000	109	891	10.9%	500	405	
<b>4. TRAFFIC MANAGEMENT</b>										
Current payment	304,167	-	-	304,167	298,959	5,208	98.3%	239,960	237,612	
Transfers and subsidies	376	-	-	376	643	(267)	171.0%	1,358	260	
Payment for capital assets	65,969	-	-	65,969	70,831	(4,862)	107.4%	25,000	28,022	
<b>5. COMMUNITY-BASED PROGRAMME</b>										
Current payment	31,881	-	-	31,881	37,234	(5,353)	116.8%	27,009	32,259	
Transfers and subsidies	33	-	-	33	30	3	90.9%	31	32	
Payment for capital assets	18,500	-	-	18,500	13,133	5,367	71.0%	5,000	(302)	
<b>6. SPECIAL FUNCTIONS</b>										
Current payment	-	-	-	-	258	(258)	0.0%	-	481	
<b>Total</b>	<b>2,278,917</b>	<b>-</b>	<b>-</b>	<b>2,278,917</b>	<b>2,279,024</b>	<b>(107)</b>	<b>100.0%</b>	<b>1,809,647</b>	<b>1,810,262</b>	
<b>Reconciliation with Statement of Financial Performance</b>										
Add: Departmental receipts				703,249				614,211		
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>2,982,166</b>				<b>2,423,858</b>		

# **APPROPRIATION STATEMENT** **for the year ended 31 March 2006**

Appropriation per Economic Classification									
	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	357,452	-	30,000	387,452	388,972	(1,520)	100.4%	342,286	367,959
Goods and services	626,624	-	(181,000)	445,624	481,704	(36,080)	108.1%	352,440	372,107
Interest and rent on land	-	-	-	-	43	(43)	0.0%	-	18
Financial transactions in assets and liabilities	-	-	-	-	258	(258)	0.0%	-	481
<b>Transfers and subsidies</b>									
Provinces and municipalities	15,798	-	(9,000)	6,798	1,575	5,223	23.2%	7,746	1,408
departmental agencies and accounts	5,974	-	-	5,974	6,737	(763)	112.8%	5,764	6,498
Public corporations and private enterprises	-	-	-	-	225	(225)	0.0%	-	139
Households	633	-	-	633	5,466	(4,833)	863.5%	1,830	2,100
<b>Payments for capital assets</b>									
Buildings and other fixed structures	1,229,281	-	160,000	1,389,281	1,357,348	31,933	97.7%	1,047,660	1,010,107
Machinery and equipment	43,155	-	-	43,155	32,527	10,628	75.4%	51,921	49,375
Software and other intangible assets	-	-	-	-	4,169	(4,169)	0.0%	-	70
<b>Total</b>	<b>2,278,917</b>	<b>-</b>	<b>-</b>	<b>2,278,917</b>	<b>2,279,024</b>	<b>(107)</b>	<b>100.0%</b>	<b>1,809,647</b>	<b>1,810,262</b>



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 1 – ADMINISTRATION**

Programme per Sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the MEC</b>									
Current payment	3,729	-	-	3,729	5,276	(1,547)	141.5%	3,563	3,439
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	29
Payment for capital assets	60	-	-	60	58	2	96.7%	-	111
<b>1.2 Management</b>									
Current payment	13,953	-	-	13,953	8,555	5,398	61.3%	9,439	8,541
Transfers and subsidies	-	-	-	-	-	-	0.0%	164	282
Payment for capital assets	130	-	-	130	115	15	88%	-	737
<b>1.3 Corporate Support</b>									
Current payment	49,490	-	-	49,490	51,231	(1,741)	103.5%	52,455	52,987
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	882
Payment for capital assets	3,811	-	-	3,811	2,009	1,802	52.7%	2,743	1,244
<b>1.4 Programme Support Office</b>									
Current payment	15,740	-	-	15,740	17,148	(1,408)	108.9%	15,050	17,008
Transfers and subsidies	333	-	-	333	2,850	(2,517)	855.9%	147	445
Payment for capital assets	8,445	-	-	8,445	8,414	31	99.6%	12,910	10,738
<b>Total</b>	<b>95,691</b>	<b>-</b>	<b>-</b>	<b>95,691</b>	<b>95,656</b>	<b>35</b>	<b>100.0%</b>	<b>96,471</b>	<b>96,443</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 1 – ADMINISTRATION**

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	36,350	-	-	36,350	39,272	(2,922)	108.0%	31,795	35,940
Goods and services	46,562	-	-	46,562	42,895	3,667	92.1%	48,712	46,017
Interest and rent on land	-	-	-	-	43	(43)	0.0%	-	18
<b>Transfers and subsidies</b>									
Provinces and municipalities	159	-	-	159	159	-	100.0%	147	122
departmental agencies and accounts	174	-	-	174	937	(763)	538.5%	164	898
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	138
Households	-	-	-	-	1,754	(1,754)	0.0%	-	480
<b>Payment for capital assets</b>									
Buildings and other fixed structures	5,119	-	-	5,119	10,193	(5,074)	199.1%	12,910	10,805
Machinery and equipment	7,327	-	-	7,327	403	6,924	5.5%	2,743	2,025
<b>Total</b>	<b>95,691</b>	<b>-</b>	<b>-</b>	<b>95,691</b>	<b>95,656</b>	<b>35</b>	<b>100.0%</b>	<b>96,471</b>	<b>96,443</b>

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2006**  
**DETAIL PER PROGRAMME 2 – ROAD INFRASTRUCTURE**

Programme per Sub-programme	2005/06						2004/05		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Programme Support Office</b>									
Current payment	40,787	-	-	40,787	40,623	164	99.6%	105,056	83,384
Transfers and subsidies	1,888	-	-	1,888	1,881	7	99.6%	5,460	1,174
Payment for capital assets	75,979	-	-	75,979	75,680	299	99.6%	-	24,839
<b>1.2 Planning</b>									
Current payment	10,939	-	-	10,939	10,274	665	93.9%	29,643	7,222
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	(1)
Payment for capital assets	1,390	-	-	1,390	1,295	95	93.2%	-	6,523
<b>1.3 Design</b>									
Current payment	-	-	-	-	-	-	0.0%	9,766	-
Payment for capital assets	10,254	-	-	10,254	6,432	3,822	62.7%	-	13,215
<b>1.4 Construction</b>									
Current payment	3,656	-	-	3,656	4,142	(486)	113.3%	-	400
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	31
Payment for capital assets	892,942	-	-	892,942	926,511	(33,569)	103.8%	641,327	693,078
<b>1.5 Maintenance</b>									
Current payment	480,829	-	(151,000)	329,829	369,123	(39,294)	111.9%	177,960	272,116
Transfers and subsidies	2,314	-	(2,314)	-	-	-	0.0%	-	1,327
Payment for capital assets	193,956	-	160,000	353,956	289,457	64,499	81.8%	412,101	280,188
<b>1.6 Financial Assistance</b>									
Current payment	3,602	-	-	3,602	-	3,602	0.0%	-	187
Transfers and subsidies	9,661	-	(6,686)	2,975	2,765	210	92.9%	2,536	52
Payment for capital assets	-	-	-	-	-	-	0.0%	-	753
<b>Total</b>	<b>1,728,197</b>	<b>-</b>	<b>-</b>	<b>1,728,197</b>	<b>1,728,183</b>	<b>14</b>	<b>100.0%</b>	<b>1,383,849</b>	<b>1,384,488</b>



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 2 – ROAD INFRASTRUCTURE**

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	120,366	-	30,000	150,366	167,604	(17,238)	111.5%	153,570	169,506
Goods and services	419,447	-	(181,000)	238,447	256,558	(18,111)	107.6%	168,855	193,801
<b>Transfers and subsidies</b>									
Provinces and municipalities	13,230	-	(9,000)	4,230	911	3,319	21.5%	6,166	1,171
Public corporations and private enterprises	-	-	-	-	225	(225)	0.0%	-	1
Households	633	-	-	633	3,510	(2,877)	554.5%	1,830	1,412
<b>Payment for capital assets</b>									
Buildings and other fixed structures	1,154,521	-	160,000	1,314,521	1,279,098	35,423	97.3%	1,025,750	993,745
Machinery and equipment	20,000	-	-	20,000	16,108	3,892	80.5%	27,678	24,789
Software and other intangible assets	-	-	-	-	4,169	(4,169)	0.0%	-	63
<b>Total</b>	<b>1,728,197</b>	<b>-</b>	<b>-</b>	<b>1,728,197</b>	<b>1,728,183</b>	<b>14</b>	<b>100.0%</b>	<b>1,383,849</b>	<b>1,384,488</b>

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2006**  
**DETAIL PER PROGRAMME 3 – TRANSPORTATION**

Programme per Subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Programme Support Office</b>									
Current payment	1,811	-	-	1,811	2,774	(963)	153.2%	967	1,623
Transfers and subsidies	-	-	-	-	34	(34)	0.0%	44	31
Payment for capital assets	20	-	-	20	9	11	45.0%	-	29
<b>1.2 Planning</b>									
Current payment	15,471	-	-	15,471	14,981	490	96.8%	18,122	13,702
Transfers and subsidies	2,000	-	-	2,000	-	2,000	0.0%	-	-
Payment for capital assets	950	-	-	950	53	897	5.6%	500	355
<b>1.3 Empowerment and Institutional Management</b>									
Current payment	-	-	-	-	532	(532)	0.0%	-	-
Transfers and subsidies	5,800	-	-	5,800	5,800	-	100.0%	5,600	5,600
<b>1.4 Regulation and Control</b>									
Current payment	7,021	-	-	7,021	9,567	(2,546)	136.3%	5,736	9,606
Payment for capital assets	30	-	-	30	47	(17)	156.7%	-	21
<b>1.5 Infrastructure</b>									
Current payment	1,000	-	-	1,000	300	700	30.0%	-	-
<b>Total</b>	<b>34,103</b>	<b>-</b>	<b>-</b>	<b>34,103</b>	<b>34,097</b>	<b>6</b>	<b>100.0%</b>	<b>30,969</b>	<b>30,967</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 3 – TRANSPORTATION**

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	9,779	-	-	9,779	11,863	(2,084)	121.3%	9,269	9,580
Goods and services	15,524	-	-	15,524	16,291	(767)	104.9%	15,556	15,351
<b>Transfers and subsidies</b>									
Provinces and municipalities	2,000	-	-	2,000	34	1,966	1.7%	44	31
departmental agencies and accounts	5,800	-	-	5,800	5,800	-	100.0%	5,600	5,600
<b>Payment for capital assets</b>									
Buildings and other fixed structures	1,000	-	-	1,000	-	1,000	0.0%	-	42
Machinery and equipment	-	-	-	-	109	(109)	0.0%	500	360
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	3
<b>Total</b>	<b>34,103</b>	<b>-</b>	<b>-</b>	<b>34,103</b>	<b>34,097</b>	<b>6</b>	<b>100.0%</b>	<b>30,969</b>	<b>30,967</b>



**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2006**  
**DETAIL PER PROGRAMME 4 – TRAFFIC MANAGEMENT**

Programme per Sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Programme Support Office</b>									
Current payment	11,010	-	-	11,010	12,137	(1,127)	110.2%	9,142	12,215
Transfers and subsidies	376	-	-	376	643	(267)	171.0%	1,358	625
Payment for capital assets	71	-	-	71	(150)	221	(211.3%)	-	188
<b>1.2 Safety Engineering</b>									
Current payment	-	-	-	-	-	-	0.0%	10,134	-
Payment for capital assets	34,641	-	-	34,641	32,699	1,942	94.4%	5,000	3,570
<b>1.3 Traffic Law Enforcement</b>									
Current payment	147,610	-	-	147,610	154,494	(6,884)	104.7%	123,881	137,802
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	(389)
Payment for capital assets	17,286	-	-	17,286	24,803	(7,517)	143.5%	8,000	9,426
<b>1.4 Road Safety Education</b>									
Current payment	50,582	-	-	50,582	50,767	(185)	100.4%	33,806	34,942
Payment for capital assets	164	-	-	164	164	-	100.0%	5,000	5,317
<b>1.5 Transport Administration and Licencing</b>									
Current payment	89,965	-	-	89,965	79,157	10,808	88.0%	62,737	50,610
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	24
Payment for capital assets	13,807	-	-	13,807	13,315	492	96.4%	7,000	9,521
<b>1.6 Overload Control</b>									
Current payment	5,000	-	-	5,000	2,404	2,596	48.1%	260	2,043
<b>Total</b>	<b>370,512</b>	<b>-</b>	<b>-</b>	<b>370,512</b>	<b>370,433</b>	<b>79</b>	<b>100.0%</b>	<b>266,318</b>	<b>265,894</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 4 – TRAFFIC MANAGEMENT**

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	180,702	-	-	180,702	164,360	16,342	91.0%	137,932	144,507
Goods and services	123,465	-	-	123,465	134,599	(11,134)	109.0%	102,028	93,105
<b>Transfers and subsidies</b>									
Provinces and municipalities	376	-	-	376	441	(65)	117.3%	1,358	52
Households	-	-	-	-	202	(202)	0.0%	-	208
<b>Payment for capital assets</b>									
Buildings and other fixed structures	51,141	-	-	51,141	54,953	(3,812)	107.5%	5,000	5,875
Machinery and equipment	14,828	-	-	14,828	15,878	(1,050)	107.1%	20,000	22,143
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	4
<b>Total</b>	<b>370,512</b>	<b>-</b>	<b>-</b>	<b>370,512</b>	<b>370,433</b>	<b>79</b>	<b>100.0%</b>	<b>266,318</b>	<b>265,894</b>

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2006**  
**DETAIL PER PROGRAMME 5 – COMMUNITY-BASED PROGRAMME**

Programme per Sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Programme Support Office</b>									
Current payment	24,881	-	-	24,881	29,861	(4,980)	120.0%	17,769	32,259
Transfers and subsidies	33	-	-	33	30	3	90.9%	31	32
Payment for capital assets	5,397	-	-	5,397	-	5,397	0.0%	-	(302)
<b>1.2 Community Development</b>									
Current payment	7,000	-	-	7,000	7,378	(378)	105.4%	2,000	-
<b>1.3 Emerging Contractor Development</b>									
Current payment	-	-	-	-	(5)	5	0.0%	7,240	-
Payment for capital assets	13,103	-	-	13,103	13,133	(30)	100.2%	5,000	-
<b>Total</b>	<b>50,414</b>	<b>-</b>	<b>-</b>	<b>50,414</b>	<b>50,397</b>	<b>17</b>	<b>100.0%</b>	<b>32,040</b>	<b>31,989</b>



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2006  
**DETAIL PER PROGRAMME 5 – COMMUNITY-BASED PROGRAMME**

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	10,255	-	-	10,255	5,873	4,382	57.3%	9,720	8,426
Goods and services	21,626	-	-	21,626	31,361	(9,735)	145.0%	17,289	23,833
<b>Transfers and subsidies</b>									
Provinces and municipalities	33	-	-	33	30	3	90.9%	31	32
<b>Payment for capital assets</b>									
Buildings and other fixed structures	17,500	-	-	17,500	13,104	4,396	74.9%	4,000	(360)
Machinery and equipment	1,000	-	-	1,000	29	971	2.9%	1,000	58
<b>Total</b>	<b>50,414</b>	<b>-</b>	<b>-</b>	<b>50,414</b>	<b>50,397</b>	<b>17</b>	<b>100.0%</b>	<b>32,040</b>	<b>31,989</b>

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT for the year ended 31 March 2006 DETAIL PER PROGRAMME 6 – SPECIAL FUNCTIONS

Programme per Sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Authorised Losses</b>									
Current payment	-	-	-	-	258	(258)	0.0%	-	481
<b>Total</b>	-	-	-	-	258	(258)	0.0%	-	481

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Financial transactions in assets and liabilities	-	-	-	-	258	(258)	0.0%	-	481
<b>Total</b>	-	-	-	-	258	(258)	0.0%	-	481

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2006**

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

Details of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (B-E) to the Annual Financial Statements.

**2. Details of specifically and exclusively appropriated amounts voted (after Virement):**

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

**3. Details on financial transactions in assets and liabilities**

Details of these transactions per programme can be viewed in note 6 (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**

Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	95,691	95,656	35	0.04%
Road Infrastructure	1,728,197	1,728,183	14	0.00%
Transportation	34,103	34,097	6	0.02%
Traffic Management	370,512	370,433	79	0.02%
Community-Based Programme	50,414	50,397	17	0.03%
Special Functions	-	258	(258)	0.00%

No material variances



**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2006

**4.2 Per Economic Classification**

	<b>2005/06</b>	<b>2004/05</b>
	<b>R'000</b>	<b>R'000</b>
<b>Current payments:</b>		
Compensation of employees	(1,520)	(25,673)
Goods and services	(36,080)	(19,667)
Interest and rent on land	(43)	(18)
Financial transactions in assets and liabilities	(258)	(481)
<b>Transfers and subsidies:</b>		
Provinces and municipalities	14,223	6338
Departmental agencies and accounts	(763)	(734)
Public corporations and private enterprises	(225)	(139)
Households	(4,833)	(21)
<b>Payments for capital assets:</b>		
Buildings and other fixed structures	31,933	37,553
Machinery and equipment	10,628	2,546
Software and other intangible assets	(4,169)	(70)

# STATEMENT OF FINANCIAL PERFORMANCE

## for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>REVENUE</b>			
Annual appropriation	1	2,278,917	1,809,647
Departmental revenue	2	703,249	614,211
<b>TOTAL REVENUE</b>		<b>2,982,166</b>	<b>2,423,858</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	388,972	367,959
Goods and services	4	481,704	372,107
Interest and rent on land	5	43	18
Financial transactions in assets and liabilities	6	258	481
<b>Total current expenditure</b>		<b>870,977</b>	<b>740,565</b>
<b>Transfers and subsidies</b>	7	14,003	10,145
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	8	1,357,348	1,010,107
Machinery and equipment	8	32,527	49,375
Software and other intangible assets	8	4,169	70
<b>Total expenditure for capital assets</b>		<b>1,394,044</b>	<b>1,059,552</b>
<b>TOTAL EXPENDITURE</b>		<b>2,279,024</b>	<b>1,810,262</b>
<b>SURPLUS</b>		703,142	613,596
Add back unauthorised expenditure	9	258	639
<b>NET SURPLUS FOR THE YEAR</b>		<b>703,400</b>	<b>614,235</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	13	151	24
Departmental Revenue to be surrendered to the Revenue Fund	14	703,249	614,211
<b>NET SURPLUS FOR THE YEAR</b>		<b>703,400</b>	<b>614,235</b>

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>ASSETS</b>			
<b>Current assets</b>		112,977	86,669
Unauthorised expenditure	9	54,926	54,668
Cash and cash equivalents	10	3,282	182
Prepayments and advances	11	141	124
Receivables	12	54,628	31,695
<b>TOTAL ASSETS</b>		<b>112,977</b>	<b>86,669</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		111,716	86,157
Voted funds to be surrendered to the Revenue Fund	13	(19,849)	24
Departmental revenue to be surrendered to the Revenue Fund	14	(18,825)	(21,290)
Bank overdraft	15	116,942	89,252
Payables	16	33,448	18,171
<b>TOTAL LIABILITIES</b>		<b>111,716</b>	<b>86,157</b>
<b>NET ASSETS</b>		<b>1,261</b>	<b>512</b>
<b>Represented by:</b>			
Recoverable revenue		1,261	512
<b>TOTAL</b>		<b>1,261</b>	<b>512</b>



**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>Recoverable revenue</b>			
Opening balance		512	254
Transfers		749	258
Debts written off	6.3	(226)	(371)
Debts raised		975	629
<b>Total</b>		<b>1,261</b>	<b>512</b>

**CASH FLOW STATEMENT**  
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		2,955,664	2,421,844
Annual appropriated funds received	1.1	2,258,917	1,809,647
Departmental revenue received		696,747	612,197
Net (increase)/decrease in working capital		(7,673)	174,660
Surrendered to Revenue Fund		(700,808)	(646,499)
Current payments		(870,977)	(740,565)
Transfers and subsidies paid		(14,003)	(10,145)
<b>Net cash flow available from operating activities</b>	17	<b>1,362,203</b>	<b>1,199,295</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(1,394,044)	(1,059,552)
Proceeds from sale of capital assets	2	6,502	2,014
<b>Net cash flows from investing activities</b>		<b>(1,387,542)</b>	<b>(1,057,538)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		749	258
<b>Net cash flows from financing activities</b>		<b>749</b>	<b>258</b>
Net (decrease)/increase in cash and cash equivalents		(24,590)	142,015
Cash and cash equivalents at the beginning of year		(89,070)	(231,085)
<b>Cash and cash equivalents at end of year</b>	18	<b>(113,660)</b>	<b>(89,070)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## 1. Annual Appropriation

### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments:

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds Not Requested/ Not Received R'000	Appropriation Received 2004/05 R'000
Administration	95,691	95,691	-	96,471
Road Infrastructure	1,728,197	1,708,197	20,000	1,383,849
Transportation	34,103	34,103	-	30,969
Traffic Management	370,512	370,512	-	266,318
Community- Based Programme	50,414	50,414	-	32,040
<b>Total</b>	<b>2,278,917</b>	<b>2,258,917</b>	<b>20,000</b>	<b>1,809,647</b>

Provincial Treasury transferred an amount of R 20 million to the Department of Agriculture erroneously. This error was rectified subsequent to year-end.

2005/06  
R'000

2004/05  
R'000

### 1.2 Conditional grants\*\*

Total grants received	Annexure 1A	315,121	282,594
Provincial grants included in Total Grants received		315,121	282,594

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



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**2. Departmental revenue to be surrendered to Revenue Fund**

Description	Note	2005/06 R'000	2004/05 R'000
Tax revenue		624,302	520,216
Sales of goods and services other than capital assets	2.1	50,422	68,916
Fines, penalties and forfeits		20,158	21,611
Interest, dividends and rent on land	2.2	45	1,038
Sales of capital assets	2.3	6,502	2,014
Financial transactions in assets and liabilities	2.4	1,820	416
<b>Departmental revenue collected</b>		<b>703,249</b>	<b>614,211</b>

**2.1 Sales of goods and services other than capital assets**

Sales of goods and services produced by the Department	48,856	50,908
Administrative fees	393	44
Other sales	48,463	50,864
Sales of scrap, waste and other used current goods	1,566	18,008
<b>Total</b>	<b>50,422</b>	<b>68,916</b>

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

Interest	45	-
Rent on land	-	1,038
<b>Total</b>	<b>45</b>	<b>1,038</b>

**2.3 Sale of capital assets**

Other capital assets	6,502	2,014
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**2.4 Financial transactions in assets and liabilities**

**Nature of loss recovered**

Other Receipts including Recoverable Revenue	1,820	416
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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2006

# Part 4

	Note	2005/06 R'000	2004/05 R'000
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and Wages</b>			
Basic salary		158,715	185,272
Performance award		5,435	4,181
Service Based		1,320	13,957
Compensative/circumstantial		36,377	30,275
Periodic payments		14,515	10,878
Other non-pensionable allowances		139,241	83,815
<b>Sub-Total</b>		<b>355,603</b>	<b>328,378</b>
<b>3.2 Social contributions</b>			
<b>3.2.1 Employer contributions</b>			
Pension		20,597	26,287
Medical		12,659	13,194
Bargaining council		58	80
Insurance		55	20
<b>Sub-Total</b>		<b>33,369</b>	<b>39,581</b>
<b>Total</b>		<b>388,972</b>	<b>367,959</b>
Average number of employees		<b>4,064</b>	<b>4,111</b>
<b>4. Goods and services</b>			
Advertising		8,234	15,905
Attendance fees (including registration fees)		1,120	837
Bursaries (employees)		1,389	1,117
Communication		26,567	14,346
Computer services		40,052	4,880
Consultants, contractors and special services		94,383	99,625
Courier and delivery services		119	131
Drivers licences and permits		47	68
Entertainment		1,927	2,587
External audit fees	4.1	2,125	1,654
Equipment less than R5000		7,166	4,747
Freight service		72	63
Inventory	4.2	54,624	43,339
Legal fees		7,329	3,683
Maintenance, repairs and running cost		169,911	112,889
Medical Services		1,892	242
Operating leases		8,239	10,204
Personnel agency fees		3,097	5,205
Photographic services		51	181
Plant flowers and other decorations		67	194
Printing and publications		2,546	3,663
Professional bodies and membership fees		4	-
Resettlement cost		364	1,553
Roadworthy tests		8	21
Subscriptions		137	256

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
Taking over of contractual obligations		4,726	9,774
Owned leasehold property expenditure		18,084	10,481
Translations and transcriptions		21	22
Travel and subsistence	5.3	22,366	19,564
Venues and facilities		858	820
Protective, special clothing & uniforms		23	18
Training & staff development		4,156	4,038
<b>Total</b>		<b>481,704</b>	<b>372,107</b>
<b>4.1 External audit fees</b>			
Regulatory audits		1,880	1,186
Other audits		245	468
<b>Total</b>		<b>2,125</b>	<b>1,654</b>
<b>4.2 Inventory</b>			
Inventory surcharges		12	-
Domestic consumables		2,752	3,096
Learning and teaching support material		407	168
Food and Food supplies		104	-
Fuel, oil and gas		20,918	9,573
Laboratory consumables		505	651
Other consumables		41	160
Parts and other maintenance material		21,270	20,786
Stationery and printing		8,670	8,896
Road construction and supplies		(153)	(1)
Medical supplies		39	9
Weapons and armaments		59	1
<b>Total</b>		<b>54,624</b>	<b>43,339</b>
<b>4.3 Travel and subsistence</b>			
Local		22,086	19,438
Foreign		280	126
<b>Total</b>		<b>22,366</b>	<b>19,564</b>
<b>5. Interest and rent on land</b>			
Rent on land		<b>43</b>	<b>18</b>
<b>6. Financial transactions in assets and liabilities</b>			
Other material losses written off	6.1	32	109
Debts written off	6.2	226	372
<b>Total</b>		<b>258</b>	<b>481</b>
<b>6.1 Other material losses</b>			
<b>Nature of losses</b>			
Vehicle collisions and damages		<b>32</b>	<b>109</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## Part 4

	Note	2005/06 R'000	2004/05 R'000
<b>6.2 Debts written off</b>			
<b>Nature of debts written off</b>			
Breach of Contract		-	88
Salary overpayment		126	93
Tax Debt		-	1
Other staff related write-off		30	190
State Guarantees		70	-
<b>Total</b>		<b>226</b>	<b>372</b>

<b>6.3 Recoverable revenue debts written off</b>			
Breach of Contract		-	(87)
Salary overpayment		(126)	(93)
Tax Debt		-	(1)
Other staff related write-off		(30)	(190)
State Guarantees		(70)	-
<b>Total</b>		<b>(226)</b>	<b>(371)</b>

## 7. Transfers and subsidies

Provinces and municipalities	Annexure 1B	1,575	1,408
Departmental agencies and accounts	Annexure 1C	6,737	6,498
Public corporations and private enterprises	Annexure 1D	225	139
Households	Annexure 1E	5,466	2,100
<b>Total</b>		<b>14,003</b>	<b>10,145</b>

## 8. Expenditure for capital assets

Buildings and other fixed structures	Annexure 4	1,357,348	1,010,107
Machinery and equipment	Annexure 4	32,527	49,375
Software and other intangible assets	Annexure 5	4,169	70
<b>Total</b>		<b>1,394,044</b>	<b>1,059,552</b>

The following amount for Compensation of employees has been included in Expenditure for capital assets

<b>157,292</b>	<b>100,415</b>
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## 9. Unauthorised expenditure

### 9.1. Reconciliation of unauthorised expenditure

Opening balance	54,668	54,029
Unauthorised expenditure – current year	258	639
<b>Unauthorised expenditure awaiting authorisation</b>	<b>54,926</b>	<b>54,668</b>

### 9.2 Analysis of Current Unauthorised expenditure

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>
Theft and Losses	Recover from third party/write-off/hand over to state attorney
	<b>258</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## Part 4

					2005/06 R'000	2004/05 R'000
<b>10. Cash and cash equivalents</b>						
Cash receipts					3,281	181
Disbursements					(162)	2
Cash on hand					163	(1)
					<b>3,282</b>	<b>182</b>
<b>11. Prepayments and advances</b>						
<b>Description</b>						
Travel and subsistence					<b>141</b>	<b>124</b>
<b>12. Receivables</b>						
	<b>Note</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>
Staff debtors	12.1	2,440	-	-	2,440	2,221
Other Debtors	12.2	2,118	-	-	2,118	151
Claims recoverable	Annexure 6	50,070	-	-	50,070	29,323
<b>Total</b>		<b>54,628</b>	<b>-</b>	<b>-</b>	<b>54,628</b>	<b>31,695</b>
<b>12.1 Staff Debtors</b>						
Debtor Debt					2,461	1,800
Tax Debt					22	41
Theft and Losses awaiting approval					-	37
Salary Disallowance					(43)	68
Salary Income Tax					-	275
<b>Total</b>					<b>2,440</b>	<b>2,221</b>
<b>12.2 Other debtors</b>						
Dishonoured Cheques					147	44
Subsidised Transport Insurance					-	1
Medical Aid Deductions					-	2
Disallowance Miscellaneous					1,968	-
Pension Recoverable					3	-
Bargaining Councils					-	95
Third Party Transactions					-	9
<b>Total</b>					<b>2,118</b>	<b>151</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>13. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		24	-
Transfer from Statement of Financial Performance		151	24
Voted funds not requested/not received	13.1	(20,000)	-
Paid during the year		(24)	-
Closing balance		<u>(19,849)</u>	<u>24</u>

## 13.1 Voted funds not requested/not received

Funds not received	<u>20,000</u>	<u>-</u>
--------------------	---------------	----------

## 14. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	(21,290)	10,998
Transfer from Statement of Financial Performance	703,249	614,211
Paid during the year	(700,784)	(646,499)
Closing balance	<u>(18,825)</u>	<u>(21,290)</u>

## 15. Bank overdraft

Consolidated Paymaster General Account	<u>(116,942)</u>	<u>(89,252)</u>
--	------------------	-----------------

## 16. Payables – current

### Description

	Notes	30 Days	30+ Days	Total	Total
Amounts owing to other entities	Annexure 7	-	-	-	252
Advances received	16.1		33,206	33,206	17,407
Other payables	16.2	-	242	242	512
<b>Total</b>		<b>-</b>	<b>33,448</b>	<b>33,448</b>	<b>18,171</b>

### 16.1 Advances received

National Department of Transport	31,760	17,167
Other	1,446	240
	<u>33,206</u>	<u>17,407</u>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>16.2 Other payables</b>			
Tender Deposits		1	1
Regional Service Council		1	98
Finance – Other Institutions		-	1
Income Tax		39	-
Persal ACB Recalls		196	237
Pension Recoverable		-	5
Pension Deductions		4	170
Other		1	-
<b>Total</b>		<b>242</b>	<b>512</b>
<b>17. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		703,400	614,235
(Increase)/decrease in receivables – current		(22,933)	199,951
(Increase) in prepayments and advances		(17)	(40)
(Increase) in other current assets		(258)	(639)
Increase/(decrease) in payables – current		15,277	(25,251)
Proceeds from sale of capital assets		(6,502)	(2,014)
Surrenders to Revenue Fund		(700,808)	(646,499)
Expenditure on capital assets		1,394,044	1,059,552
Voted funds not received		(20,000)	-
<b>Net cash flow generated by operating activities</b>		<b>1,362,203</b>	<b>1,199,295</b>
<b>18. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General Account		(116,942)	(89,252)
Cash receipts		3,281	181
Disbursements		(162)	2
Cash on hand		163	(1)
<b>Total</b>		<b>(113,660)</b>	<b>(89,070)</b>

## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

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

		Note	2005/06 R'000	2004/05 R'000	
19.	Contingent liabilities				
	Liable to	Nature			
	Housing loan guarantees	Employees    Annexure 3A	2,118	2,540	
	Other Departments	Annexure 7	1,567	2,175	
	Total		3,685	4,715	
20.	Commitments				
	Current expenditure				
	Approved and contracted		-	2,879	
	Sub-total		-	2,879	
	Capital expenditure				
	Approved and contracted		102,590	93,889	
	Approved but not yet contracted		8,917	88,956	
	Sub-total		111,507	182,845	
	Total Commitments		111,507	185,724	
21.	Accruals				
	Listed by economic classification				
		30 Days	30+ Days	Total	Total
	Compensation of employees	196	-	196	425
	Goods and services	26,170	-	26,170	40,783
	Interest and rent on land	22	-	22	4
	Transfers and subsidies	11,309	-	11,309	315
	Buildings and other fixed structures	67,676	-	67,676	14,196
	Machinery and equipment	1,021	-	1,021	14,433
	Software and other intangible assets	-	-	-	2
	Other	-	-	-	28,564
	Total	106,394	-	106,394	98,722

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
<b>Listed by programme level</b>			
Administration		5,027	5,714
Road Infrastructure		89,699	53,929
Transportation		1,289	845
Traffic Management		9,371	8,679
Community-Based Programme		1,008	991
Assets and Liabilities		-	28,564
<b>Total</b>		<b>106,394</b>	<b>98,722</b>
<b>Confirmed balances with other Departments</b>			
	Annexure 7	<b>1,532</b>	<b>4</b>
<b>22. Employee benefits</b>			
Leave entitlement		12,680	11,950
Thirteenth cheque		11,996	9,793
Performance awards		7,595	6,333
Capped leave commitments		65,471	66,804
<b>Total</b>		<b>97,742</b>	<b>94,880</b>
<b>23. Key management personnel</b>			
	<b>No. of Individuals</b>		
Political office bearers (provide detail below)	1	649	651
Officials			
Level 15 to 16	3	2,434	2,443
Level 14	3	1,582	2,025
Family members of key management personnel	2	529	326
<b>Total</b>		<b>5,194</b>	<b>5,445</b>
<b>24. Receivables for departmental revenue</b>			
Tax Revenue			
Licence fees		621	492
Licence arrears		15,798	13,483
Licence penalties		1,580	1,348
<b>Total</b>		<b>17,999</b>	<b>15,323</b>

The total amount disclosed above may not be recoverable and has not been written-off.



## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

### 25. Irregular Expenditure

#### Incident

Fraudulent payments to suppliers.

#### Disciplinary steps/criminal proceedings

The parties concerned have been dismissed and are in prison awaiting trial. Steps are being taken to attach their assets to recover funds.

#### Amount

The fraud perpetrated against the Department has resulted in five suppliers being paid a total amount of R 2,459,000.00. Details of these payments are reflected in the table below:

Ref.	Business Name of Recipient	Amount	Date of Capture	Date of Payment
1.	Tibiyo	R494,000.00	03 October 2005	06 October 2005
2.	Phillip Zanzi	R480,000.00	03 October 2005	06 October 2005
3.	GNA	R497,000.00	03 October 2005	06 October 2005
4.	Shisakhona	R496,000.00	03 October 2005	06 October 2005
5.	Mngoma	R492,000.00	03 October 2005	06 October 2005

The Department managed to contact the bank to stop the payment of R 492,000.00 to Mngoma. The balance of R 1,967,000.00 has been disclosed as a receivable.

### 26. Office buildings

The Department's Executive Office Block, situated at 172 Burger Street, Pietermaritzburg, Lot number ERF 2773/2774 is under the custody of the Department of Works. The Department of Transport incurred substantial construction costs in the region of R22 million during 2003/04 and has occupied the building since completion.

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2006

### ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF Department	GRANT ALLOCATION					SPENT		2004/05	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Provincial Grants</b>									
Provincial Infrastructure Grant	315,121	-	-	-	315,121	315,121	315,121	100.0%	282,594
<b>Total</b>	<b>315,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,121</b>	<b>315,121</b>	<b>315,121</b>		<b>282,594</b>

This grant was received from National Department of Transport for Infrastructure Projects

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

# Part 4

## ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total Available R'000
Regional Service Council Levy										
Indlovu Regional Council	33	-	-	33	26	78.8%	26	26	100.0%	-
Uthukela Regional Council	130	-	-	130	140	107.7%	140	140	100.0%	144
Zululand District Municipality	163	-	-	163	139	85.3%	139	139	100.0%	127
Ilembe District Municipality	56	-	-	56	35	62.5%	35	35	100.0%	39
Amajuba District Municipality	111	-	-	111	65	58.6%	65	65	100.0%	12
Umkhanyakude District Municipality	67	-	-	67	37	55.2%	37	37	100.0%	52
Ethekwini Municipality	13,655	-	-	13,655	206	1.5%	206	206	100.0%	189
Umgungundlovu District Municipality	1,019	-	-	1,019	604	59.3%	604	604	100.0%	542
Ugu District Municipality	252	-	-	252	72	28.6%	72	72	100.0%	66
Uthungulu District Municipality	144	-	-	144	152	105.6%	152	152	100.0%	136
Umkhanyathi District Municipality	168	-	-	168	99	58.9%	99	99	100.0%	83
Sub-total	15,798	-	-	15,798	1,575		1,575	1,575	-	1,390



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## ANNEXURE 1B – CONTINUED STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total Available R'000
Maintenance Subsidies										
KZ5a4 Kokstad	-	-	-	-	-	-	-	-	-	18
Sub-total	-	-	-	-	-	-	-	-	-	18
Total	15,798	-	-	15,798	1,575	-	1,575	1,575	-	1,408

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## Part 4

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
KZN Taxi Council	5,800	-	-	5,800	5,800	100.0%	5,600
Compensation Commissioner	174	-	-	174	937	538.5%	898
<b>Total</b>	<b>5,974</b>	<b>-</b>	<b>-</b>	<b>5,974</b>	<b>6,737</b>		<b>6,498</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

ANNEXURE 1D STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES									
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2004/05		
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
Claims against the State	-	-	-	-	-	0.0%	-	-	15
<b>Sub-total</b>	-	-	-	-	-		-	-	15
<b>Private Enterprises</b>									
Claims against the State	-	-	-	-	225	0.0%	-	-	123
Non-life insurance Premiums	-	-	-	-	-	0.0%	-	-	1
<b>Sub-total</b>	-	-	-	-	225		-	-	124
<b>Total</b>	-	-	-	-	225		-	-	139



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
						%	
<b>Transfers</b>							
Claims against the State	-	-	-	-	62	0.0%	32
Payments as act of Grace	-	-	-	-	2,476	0.0%	59
Retirement/severance/leave gratuity payments	-	-	-	-	3	0.0%	1,680
Gifts and Donations	-	-	-	-	124	0.0%	249
Ethekwini Municipality	633	-	-	633	2,715	428.9%	-
<b>Subsidies</b>							
Fencing Subsidies	-	-	-	-	86	0.0%	80
<b>Total</b>	<b>633</b>	<b>-</b>	<b>-</b>	<b>633</b>	<b>5,466</b>		<b>2,100</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

## for the year ended 31 March 2006

### ANNEXURE 2A

#### STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

#### AS AT 31 MARCH 2006

Name of Public Entity	PFMA Schedule type	% Held 04/05	% Held 05/06	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
				2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	
KwaZulu Taxi Council	3C	0.0%	0.0%	-	-	-	-	-	-	263	181	No

**Total** - - - - - 263 181

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

# Part 4

## ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/ reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA Bank Limited	Housing	3,432	777	18	128	-	667	-
BOE Bank Limited	Housing	80	16	-	-	-	16	-
Peoples Bank FBC Fidelity limited	Housing	65	30	-	17	-	13	-
FNB a Division of Firststrand Bank	Housing	3,490	739	-	102	-	637	-
Ithala Bank Limited	Housing	190	34	-	-	-	34	-
Nedbank Limited	Housing	901	147	17	5	-	159	-
Nedbank NBS	Housing	272	79	-	25	-	54	-
Old Mutual (Nedbank/ Permanent Bank)	Housing	1,326	303	-	45	-	258	-
FNB – Former Saambou Bank Limited	Housing	273	48	-	-	-	48	-
Standard Bank of South Africa Limited	Housing	1,196	367	13	148	-	232	-
<b>Total</b>		<b>11,225</b>	<b>2,540</b>	<b>48</b>	<b>470</b>	<b>-</b>	<b>2,118</b>	<b>-</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**ANNEXURE 4**  
**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE**  
FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>2,364,058</b>	<b>1,357,348</b>	<b>-</b>	<b>3,721,406</b>
Non-residential buildings	22,000	-	-	22,000
Other fixed structures	2,342,058	1,357,348	-	3,699,406
<b>MACHINERY AND EQUIPMENT</b>	<b>279,528</b>	<b>35,701</b>	<b>-</b>	<b>315,229</b>
Transport assets	42,144	14,539	-	56,683
Computer, Office furniture and Other machinery & Equipment	237,384	21,162	-	258,546
<b>TOTAL CAPITAL ASSETS</b>	<b>2,643,586</b>	<b>1,393,049</b>	<b>-</b>	<b>4,036,635</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**ANNEXURE 4.1**  
**ADDITIONS MOVEMENT SCHEDULE**  
FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1,357,348</b>	<b>-</b>	<b>1,357,348</b>
Other fixed structures	1,357,348	-	1,357,348
<b>MACHINERY AND EQUIPMENT</b>	<b>32,527</b>	<b>3,174</b>	<b>35,701</b>
Transport assets	11,365	3,174	14,539
Computer, Office furniture and Other machinery & Equipment	21,162	-	21,162
<b>TOTAL CAPITAL ASSETS</b>	<b>1,389,875</b>	<b>3,174</b>	<b>1,393,049</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**ANNEXURE 4.2**  
**DISPOSALS MOVEMENT SCHEDULE**  
FOR THE YEAR ENDED 31 MARCH 2006

	Carrying Amount	Cash	Profit on Disposal
	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	5	5
Non-residential buildings	-	5	5
<b>MACHINERY AND EQUIPMENT</b>	-	6,497	6,497
Transport assets	-	5,166	5,166
Computer, Office furniture and Other machinery & Equipment	-	1,331	1,331
<b>TOTAL CAPITAL ASSETS</b>	-	<b>6,502</b>	<b>6,502</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

**ANNEXURE 4.3**  
**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE**  
FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1,010,107</b>	<b>-</b>	<b>1,010,107</b>
Non-residential buildings	14,265	-	14,265
Other fixed structures	995,842	-	995,842
<b>MACHINERY AND EQUIPMENT</b>	<b>49,375</b>	<b>-</b>	<b>49,375</b>
Transport assets	15,021	-	15,021
Other machinery and equipment	34,354	-	34,354
<b>TOTAL CAPITAL ASSETS</b>	<b>1,059,482</b>	<b>-</b>	<b>1,059,482</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

### ANNEXURE 5 SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	70	4,169	-	4,239
<b>TOTAL</b>	<b>70</b>	<b>4,169</b>	<b>-</b>	<b>4,239</b>

### ANNEXURE 5.1 ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
Computer Software	4,169	-	4,169
<b>TOTAL</b>	<b>4,169</b>	<b>-</b>	<b>4,169</b>

### ANNEXURE 5.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total Movement R'000
Computer Software	70	-	70
<b>TOTAL</b>	<b>70</b>	<b>-</b>	<b>70</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## ANNEXURE 6 INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000

### NATIONAL DEPARTMENTS

Correctional Services	-	-	326	17	326	17
Education	-	-	3	1	3	1
Government Employees Pension Fund	-	-	-	9	-	9
Government Communications	-	-	71	10	71	10
Home Affairs	-	-	79	102	79	102
Independent Complaints Commission	-	-	11	18	11	18
Judicial Inspectorate of Prisons	-	-	1	1	1	1
Justice	-	-	4,629	3,445	4,629	3,445
Labour	-	-	89	53	89	53
Land Affairs	-	-	40	26	40	26
Office of the President	-	-	29	21	29	21
Public Prosecution	-	-	9	9	9	9
Public Services Commission	-	-	4	1	4	1
SA Human Rights	-	-	10	5	10	5
Social Welfare	-	-	4	1	4	1
South African Police	-	-	14	14	14	14
Sports, Arts and Culture	-	-	102	1	102	1
Statistics South Africa	-	-	8	1	8	1
Transport	-	-	819	2	819	2
Water Affairs and Forestry	-	-	2	2	2	2
Trade and Industry	-	-	1	-	1	-
Treasury	-	-	1	-	1	-
Other	-	-	137	-	137	-
<b>Sub-total</b>	-	-	<b>6,389</b>	<b>3,739</b>	<b>6,389</b>	<b>3,739</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## ANNEXURE 6 (Continued) INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PROVINCIAL DEPARTMENTS</b>						
Agriculture	-	-	2,541	992	2,541	992
Economic Affairs	-	-	2	4	2	4
Education	3,870	-	97	2,041	3,967	2,041
Health	18,382	9,200	903	3,041	19,285	12,241
Housing	1,185	2	5	258	1,190	260
Local Government and Traditional Affairs	327	288	471	200	798	488
Office of the Premier	-	-	232	122	232	122
Provincial Legislature	-	-	454	1	454	1
Provincial Taxi Office	-	-	293	293	293	293
Provincial Treasury	-	-	140	3	140	3
Provincial Treasury-Inventory	-	-	4,178	4,178	4,178	4,178
Royal Household	936	-	-	61	936	61
Safety and Security	-	3	256	168	256	171
Social Welfare	-	1,597	8,692	110	8,692	1,707
Works	-	1,432	490	-	490	1,432
Other	-	-	(1,179)	1,143	(1,179)	1,143
<b>Sub-total</b>	<b>24,700</b>	<b>12,522</b>	<b>17,575</b>	<b>12,615</b>	<b>42,275</b>	<b>25,137</b>
<b>PUBLIC ENTITIES</b>						
National Public Entities	-	-	1,398	439	1,398	439
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>1,398</b>	<b>439</b>	<b>1,398</b>	<b>439</b>
<b>OTHER GOVERNMENT ENTITIES</b>						
Claims recoverable: Departments from other provinces	-	-	8	8	8	8
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Total</b>	<b>-</b>	<b>12,522</b>	<b>50,070</b>	<b>16,801</b>	<b>50,070</b>	<b>29,323</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

## Part 4

### ANNEXURE 7 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000

Amounts NOT  
included in  
statement of  
financial position

#### Current

Office of the Premier	-	4	19	-	19	4
KwaZulu-Natal Works	616	-	-	2,175	616	2,175
Provincial Treasury	916	-	-	-	916	-
Safety and Security	-	-	16	-	16	-
<b>Total</b>	<b>1,532</b>	<b>4</b>	<b>35</b>	<b>2,175</b>	<b>1,567</b>	<b>2,179</b>

Amounts included in  
statement of  
financial position

#### Current

<b>Provincial Departments</b>	-	252	-	-	-	252
<b>Total</b>	<b>-</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>252</b>



# Part 5





## HUMAN RESOURCES

## Service delivery targets for 2005/06

## Programme 2: Road Infrastructure

Financial details are in R'000

Output type	Activities	Performance measures	Target	Actual	Variance
Upgrade to Surfaced Roads	Upgrade gravel to black-top				
	ARRUP projects	Kilometres upgraded	45	27	(18)
	P700 Ulundi - Richards Bay Road	Kilometres upgraded	14	9	(5)
	Agricultural Roads	Kilometres upgraded	9	23	14
	New Infrastructure				0
	P577 Duffs Road	Kilometres constructed	5	5	-
	Access to Community facility grant	Kilometres constructed	9	24	15
Rehabilitation of Surfaced Roads	Light Rehabilitation	Square metres	320,000	331,895	11,895
	Heavy Rehabilitation	Square metres	340,000	383,198	43,198
Maintain Surfaced Roads	Reseal Tarred Roads	Square metres	650,000	677,661	27,661
	Black-top Patching	Square metres	90,000	95,879	5,879
Construct Gravel Roads	Construction of gravel roads	Kilometres constructed	420	430	10
	Construction of gravel roads (Access to schools)	Kilometres constructed	105	126	21
	Labour-Based Construction	Kilometres constructed	60	42	(18)
Maintain Gravel Roads	Blade roads	Kilometres bladed	75,000	76,220	1,220
	Regravel roads	Kilometres of roads maintained	410	438	28
	Betterment and gravelling	Kilometres of roads maintained	440	430	(10)
	Kilometres maintained by Zibambele contractors	Kilometres of roads maintained	17,600	17,895	295

Service delivery targets for 2005/06  
 Programme 2: Road Infrastructure  
 Financial details are in R'000

Output type	Activities	Performance measures	Annual Totals		
			Target	Actual	Variance
Construction of Causeways and Bridges	Construct causeways	Number	41	47	6
	Construct bridges (span > 2m)	Number	2	3	1
	Construct pedestrian bridges	Number	1	1	-
	Construct pedestrian bridges (Access to schools)	Number	14	3	(11)
	Remedial safety engineering measures	No. of measures	42	41	(1)



**Programme 3: Transportation**  
**Financial details are in R'000**

Output type	Activities	Performance measures	Annual Totals		
			Target	Actual	Variance
Integrated planning of transport	Assist Municipalities in preparing legislated transport plans	Milestone Achieved	4 CPTR 2 PTP	4 CPTR 2 PTP	-
	Review provincial public transport framework	Milestone Achieved	Finalise review	Finalise Review	-
	Develop public transport strategy	Milestone Achieved	Develop strategy	Develop strategy	-
	Develop strategy for public transport users with special needs	Milestone Achieved	Develop strategy	Develop strategy	-
Promote BEE in the public and freight transport industry	Provide training to BEE public transport operators and SMME development	Number Trained	100	100	-
	Provide training to BEE freight operators and SMME development	Number Trained	172	178	6
Development of truck stops on major freight routes	Establish BEE bicycle sales & service shops serving rural areas	Number established	12	-	(12)
	Facilitate the development of truck stops in major freight routes	number	3	-	(3)
	Develop plan for Movement of Dangerous Goods	Milestone Achieved	50% Complete	50% Complete	-

**Programme 4: Traffic Management**  
Financial details are in R'000

**Annexure C**

Output type	Activities	Performance measures	Annual Totals		
			Target	Actual	Variance
Provide a safe roads environment through community, outreach and development	Crossing patrol services	No. of patrols	74	47	(27)
	Learners' education programme	No. of schools reached	1,200	1,471	271
	Adult education programme	No. of adults reached	31,800	35,117	3,317
	Awareness campaigns	No. of campaigns	21	39	18
	Training of CRSCs	No. trained	42	40	(2)
Protect road infrastructure through the regulation and enforcement of the freight industry	Provide overloading control enforcement	No. of vehicles weighed	220,000	188,467	(31,533)
	Maintain and calibrate weighbridges	No. maintained	13	13	-
	Weighbridge constructed				
Promote safe use of public roads	Speed timing operations	Vehicles timed	6,000,000	6,312,950	312,950
	Roadblocks	Vehicles checked	15,000	11,593	(3,407)
	Vehicle Patrols	Kilometres patrolled	4,500,000	4,985,148	485,148
	Roadside courts	Days in operation	145	12	(133)
	Provide training for law enforcement officers	No. of officers trained	600	289	(311)

**Programme 5: Community-Based Programmes**  
Financial details are in R'000

Output type	Activities	Performance measures	Annual Totals		
			Target	Actual	Variance
Develop and support Black economic empowerment programmes					
	Develop a BEE scorecard	Milestone Achieved	Monitor Compliance	Monitor Compliance	-
	Develop an EPWP implementation framework	Milestone Achieved	Undertake training	Undertake training	-
	Zibambele contractors employed	Number employed	27,080	27,531	451
	Zibambele savings clubs training	Number trained	450	722	272
	Vukuzakhe contractor training	Number trained	150	88	(62)
Ensure community supported transportation service delivery	Capacity building and development sessions for empowerment programmes	Number of sessions	9	10	1
	Public participation events facilitated	Number of meetings	400	395	(5)



**Programme 5: Community-Based Programmes**  
Financial details are in R'000

Output type	Activities	Performance measures	Annual Totals		
			Target	Actual	Variance
Entrepreneurial opportunities	Award contracts to Vukuzakhe contractors	No. of contracts			
		Stage 1	595	496	(99)
		Stage 2	264	229	(35)
		Stage 3	168	131	(37)
		Stage 4	56	39	(17)
EPWP Employment Opportunities created	Total persons employed	No. job opportunities	43,665	36,462	(7,203)
	Women employed	No. job opportunities	33,500	29,308	(4,192)
	Youth employed	No. job opportunities	7,900	8,386	486
	Disabled employed	No. job opportunities	11	-	(11)
	Person days of employment	Person days	3,089,230	2,888,873	(200,357)

TABLE 2.1: Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	92,405	39,272	1025	7,787	42.5	10	242
Road Infrastructure	1,734,627	167,604	2621	173,975	9.66	80	2570
Public Transport	33,797	11,863	5	9,853	35.1	3	55
Traffic Management	368,135	164,360	505	44,900	44.64	41	1167
Community-Based Prog	50,261	5,873	0	30,520	11.68	2	9
Theft and losses	245	0	0	-	0	0	
Z=Total as on Financial Systems (BAS)	2,279,468	388,972	4156	267,035	17	135	4043

TABLE 2.2 : Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Compensation of Employees Cost (R'000)	Number of Employees
Lower skilled (Levels 1-2)	85,256	100	62,920	85,256	1355
Skilled (Levels 3-5)	98,336	100	69,891	98,336	1407
Highly skilled production (Levels 6-8)	160,134	100	160,455	160,134	998
Highly skilled supervision (Levels 9-12)	64,300	100	255,159	64,300	252
Senior management (Levels 13-16)	17,282	100	557,484	17,282	31
<b>TOTAL</b>	<b>425308</b>	<b>100</b>	<b>105196</b>	<b>425308</b>	<b>4043</b>



TABLE 2.3: Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Over-time (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	25821	64.8	588	1.5	511	1.3	1793	4.5	39836
Road Infrastructure	146914	44.7	1685	0.5	4727	1.4	7345	2.2	328960
Public Transport	5931	47.1	138	1.1	111	0.9	324	2.6	12602
Traffic Management	94099	53.1	30790	17.4	1975	1.1	8369	4.7	177319
Community-Based Programme	2605	23.8	15	0.1	35	0.3	79	0.7	10934
<b>TOTAL</b>	<b>275370</b>	<b>48.3</b>	<b>33216</b>	<b>5.8</b>	<b>7359</b>	<b>1.3</b>	<b>17910</b>	<b>3.1</b>	<b>569651</b>

TABLE 2.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Over- time (R'000)	Overtime as % of Person- nel Cost	HOA (R'000)	HOA as % of Person- nel Cost	Medi- cal Ass. (R'000)	Medical Ass. as % of Person- nel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	60829	72.3	1163	1.4	2439	2.9	1711	2	84147
Skilled (Levels 3-5)	67051	65.4	8170	8	1907	1.9	4594	4.5	102498
Highly skilled production (Levels 6-8)	98253	58.3	18186	10.8	2126	1.3	8649	5.1	168615
Highly skilled supervision (Levels 9-12)	39491	57.6	5697	8.3	775	1.1	2447	3.6	68584
Senior management (Levels 13-16)	9754	53.6	0	0	112	0.6	509	2.8	18204
<b>TOTAL</b>	<b>275378</b>	<b>62.3</b>	<b>33216</b>	<b>7.5</b>	<b>7359</b>	<b>1.7</b>	<b>17910</b>	<b>4.1</b>	<b>442048</b>

TABLE 3.1: Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	415	242	41.7	17
Road Infrastructure	4164	2570	38.3	3
Public Transport	101	55	45.5	10
Traffic Management	1957	1167	40.4	1
Community-Based Programme	21	9	57.1	0
<b>TOTAL</b>	<b>6658</b>	<b>4043</b>	<b>39.3</b>	<b>31</b>

TABLE 3.2: Employment and Vacancies by Salary Band at end of period

Salary Bands	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	2327	1485	36.2	2
Skilled (Levels 3-5)	2336	1274	45.4	27
Highly skilled production (Levels 6-8)	1598	1023	36	1
Highly skilled supervision (Levels 9-12)	360	230	36.1	0
Senior management (Levels 13-16)	37	31	16.2	1
<b>TOTAL</b>	<b>6658</b>	<b>4043</b>	<b>39.3</b>	<b>31</b>



**TABLE 3.3: Employment and Vacancies by Critical Occupation at end of period**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
<b>TOTAL</b>	-	0	0	0

**TABLE 4.1: Job Evaluation**

Salary Bands	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	2327	5	0.2	0	0	2	40
Skilled (Levels 3-5)	2336	197	8.4	12	6.1	0	0
Highly skilled production (Levels 6-8)	1598	107	6.7	15	14	0	0
Highly skilled supervision (Levels 9-12)	360	24	6.7	1	4.1	1	4.1
Senior Management Service Band A	30	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	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>6658</b>	<b>333</b>	<b>5</b>	<b>28</b>	<b>8.4</b>	<b>3</b>	<b>0.9</b>

TABLE 4.2 : Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Employees with a Disability	0	0	0	0	0

TABLE 4.3: Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
NIL	0				
<b>TOTAL</b>	<b>0</b>				<b>4043</b>
Percentage of Total Employment	0				

TABLE 4.4 : Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

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	0	0	0

TABLE 5.1: Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE 5.2: Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	1606	0	0	1484	92.4
Skilled (Levels 3-5)	1255	17	1.4	880	70.1
Highly skilled production (Levels 6-8)	995	39	3.9	761	76.4
Highly skilled supervision (Levels 9-12)	207	18	8.7	73	35.2
Senior management (Levels 13-16)	32	1	3.1	0	0
<b>TOTAL</b>	<b>4095</b>	<b>75</b>	<b>1.8</b>	<b>3198</b>	<b>78.1</b>



TABLE 6.1: Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	9	0	0	9	6	5	0	0	5	1	21
Professionals	385	47	165	597	161	146	16	52	214	60	1032
Clerks	120	16	39	175	23	261	35	130	426	178	802
Service and sales workers	69	3	3	75	2	4	0	0	4	0	81
Craft and related trades workers	117	12	30	159	61	3	0	1	4	0	224
Plant and machine operators and assemblers	347	0	1	348	0	1	0	0	1	0	349
Elementary occupations	1371	2	9	1382	7	140	0	1	141	1	1531
Other	0	0	1	1	0	2	0	0	2	0	3
<b>TOTAL</b>	<b>2418</b>	<b>80</b>	<b>248</b>	<b>2746</b>	<b>260</b>	<b>562</b>	<b>51</b>	<b>184</b>	<b>797</b>	<b>240</b>	<b>4043</b>
Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	4	0	0	4	2	3	0	2	5	0	11

TABLE 6.2 : Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	3	0	1	4	0	0	0	0	0	1	5
Senior Management	8	0	0	8	9	7	0	1	8	1	26
Professionally qualified and experienced specialists and mid-management	74	7	26	107	67	42	2	14	58	20	252
Skilled technical and academically qualified workers, junior management, supervisors, foremen	251	36	134	421	145	136	22	89	247	184	997
Semi-skilled and discretionary decision making	878	34	79	991	33	245	26	79	350	33	1407
Unskilled and defined decision making	1204	3	8	1215	6	132	1	1	134	1	1356
<b>TOTAL</b>	<b>2418</b>	<b>80</b>	<b>248</b>	<b>2746</b>	<b>260</b>	<b>562</b>	<b>51</b>	<b>184</b>	<b>797</b>	<b>240</b>	<b>4043</b>

TABLE 6.3: Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	2	1	4	1	1	6	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen	25	0	7	32	1	12	2	1	15	3	51
Semi-skilled and discretionary decision making	84	7	34	125	4	94	6	30	130	7	266
Unskilled and defined decision making	2	0	1	3	0	3	0	0	3	0	6
<b>TOTAL</b>	<b>113</b>	<b>7</b>	<b>42</b>	<b>162</b>	<b>6</b>	<b>114</b>	<b>9</b>	<b>32</b>	<b>155</b>	<b>10</b>	<b>333</b>
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	1	0	0	1	0	2



TABLE 6.4: Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female African	Female Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management	34	3	10	47	28	10	1	4	15	1	91
Skilled technical and academically qualified workers, junior management, supervisors, foremen	166	32	108	306	139	98	14	68	180	175	800
Semi-skilled and discretionary decision making	605	18	34	657	28	123	19	47	189	23	897
Unskilled and defined decision making	1325	3	6	1334	8	138	1	1	140	2	1484
<b>TOTAL</b>	<b>2130</b>	<b>56</b>	<b>158</b>	<b>2344</b>	<b>203</b>	<b>370</b>	<b>35</b>	<b>120</b>	<b>525</b>	<b>201</b>	<b>3273</b>
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female African	Female Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	2	1	0	1	2	0	7

TABLE 6.5: Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	3	0	0	3	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	2	0	2	4	5	1	0	0	1	1	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen	8	3	4	15	15	1	1	1	3	12	45
Semi-skilled and discretionary decision making	108	2	17	127	4	45	3	18	66	4	201
Unskilled and defined decision making	134	0	0	134	2	10	0	0	10	1	147
<b>TOTAL</b>	<b>255</b>	<b>5</b>	<b>23</b>	<b>283</b>	<b>27</b>	<b>57</b>	<b>4</b>	<b>19</b>	<b>80</b>	<b>18</b>	<b>408</b>
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.6: Disciplinary Action

Disciplinary Action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Correctional Counselling	10	0	0	10	0	2	0	0	2	0	12
Verbal warning	9	0	0	9	1	3	0	1	4	1	15
Written warning	28	3	3	34	6	4	0	3	7	0	47
Final Written warning	16	1	2	19	5	0	0	0	0	1	25
Suspended with pay	5	0	0	5	0	0	0	0	0	0	5
Fine	0	0	0	0	0	0	0	0	0	0	0
Demotion	1	0	0	1	0	0	0	0	0	0	1
Dismissal	2	0	0	2	1	1	0	0	1	0	4
Not guilty	0	0	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>71</b>	<b>4</b>	<b>5</b>	<b>80</b>	<b>14</b>	<b>10</b>	<b>0</b>	<b>4</b>	<b>14</b>	<b>2</b>	<b>110</b>



TABLE 6.7: Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	77	1	30	108	51	77	0	21	98	30	287
Professionals	36	0	18	54	35	39	9	22	70	21	180
Technicians and Associate Professionals	248	42	100	390	106	50	2	13	65	8	569
Clerks	114	18	37	169	45	310	23	122	455	270	939
Service and Sales Workers	5	1	1	7	0	0	0	0	0	1	8
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	12	5	4	21	13	0	0	0	0	0	34
Plant and Machine Operators and Assemblers	40	2	0	42	10	0	0	0	0	0	52
Elementary Occupations	56	0	7	63	1	15	0	0	15	0	79
<b>TOTAL</b>	<b>588</b>	<b>69</b>	<b>197</b>	<b>854</b>	<b>261</b>	<b>491</b>	<b>34</b>	<b>178</b>	<b>703</b>	<b>330</b>	<b>2148</b>
Employees with disabilities	7	0	0	7	4	1	0	0	1	1	13

TABLE 7.1: Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	195	559	34.9	1,059	5,433
African, Male	741	2414	30.7	3,247	4,382
Asian, Female	77	182	42.3	592	7,691
Asian, Male	74	248	29.8	752	10,156
Coloured, Female	21	51	41.2	140	6,647
Coloured, Male	31	80	38.8	266	8,589
<b>Total Blacks, Female</b>	<b>296</b>	<b>792</b>	<b>37.4</b>	<b>1,815</b>	<b>6,131</b>
<b>Total Blacks, Male</b>	<b>849</b>	<b>2742</b>	<b>31</b>	<b>4,276</b>	<b>5,037</b>
White, Female	141	240	58.8	1,083	7,680
White, Male	134	258	51.9	1,454	10,848
Employees with a disability	7	11	63.6	48	6,849
<b>TOTAL</b>	<b>1427</b>	<b>4043</b>	<b>35.3</b>	<b>8,675</b>	<b>6,079</b>

TABLE 7.2: Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	439	1355	32.4	1,270	2,893
Skilled (Levels 3-5)	369	1407	26.2	1,495	4,051
Highly skilled production (Levels 6-8)	475	998	47.6	3,523	7,417
Highly skilled supervision (Levels 9-12)	114	251	45.4	1,645	14,430
<b>TOTAL</b>	<b>1397</b>	<b>4011</b>	<b>34.8</b>	<b>7933</b>	<b>5679</b>

TABLE 7.3: Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



TABLE 7.4: Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	20	23	87	512	2,560	3.8	13,560
Band B	2	3	66.7	87	4,350	4.3	2,030
Band C	2	2	100	108	5,400	7	1,544
Band D	0	3	0	0	0	0	0
<b>TOTAL</b>	<b>24</b>	<b>31</b>	<b>77.4</b>	<b>707</b>	<b>2945.8</b>	<b>4.1</b>	<b>17134</b>

TABLE 8.1: Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower Skilled (Levels 1-2)	2	33.3	2	33.3	0	0	6	6	0
Skilled (Levels 3-5)	1	16.7	1	16.7	0	0	6	6	0
Highly skilled supervision (Levels 9-12)	3	50	3	50	0	0	6	6	0
<b>TOTAL</b>	<b>6</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>

TABLE 8.2: Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	1	16.7	1	16.7	0	0	6	6	0
Other occupations	2	33.3	2	33.3	0	0	6	6	0
Professionals and managers	3	50	3	50	0	0	6	6	0
<b>TOTAL</b>	<b>6</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>

**TABLE 9.1: Sick Leave for Jan 2005 to Dec 2005**

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)	Total number of days with medical certification
Lower skilled (Levels 1-2)	6763	88.7	817	31.2	8	1,005	5999
Skilled (Levels 3-5)	6613	76.9	801	30.6	8	1,350	5088
Highly skilled production (Levels 6-8)	7217	71.7	827	31.6	9	2,597	5173
Highly skilled supervision (Levels 9-12)	1245	79.5	159	6.1	8	829	990
Senior management (Levels 13-16)	98	85.7	16	0.6	6	187	84
<b>TOTAL</b>	<b>21936</b>	<b>79</b>	<b>2620</b>	<b>100</b>	<b>8</b>	<b>5968</b>	<b>17334</b>

**TABLE 9.2: Disability Leave (Temporary and Permanent) for Jan 2005 to Dec 2005**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	2059	92.6	58	29.4	36	306	1906
Skilled (Levels 3-5)	1458	93.6	50	25.4	29	307	1365
Highly skilled production (Levels 6-8)	2129	90.9	84	42.6	25	765	1935
Highly skilled supervision (Levels 9-12)	263	100	5	2	53	199	263
<b>TOTAL</b>	<b>5909</b>	<b>92.6</b>	<b>197</b>	<b>100</b>	<b>30</b>	<b>1577</b>	<b>5469</b>



TABLE 9.3: Annual Leave for Jan 2005 to Dec 2005

Salary Bands	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	36232.16	23	1555
Skilled (Levels 3-5)	24338.08	20	1204
Highly skilled production (Levels 6-8)	23863	23	1026
Highly skilled supervision (Levels 9-12)	4826	20	236
Senior management (Levels 13-16)	490	15	32
<b>TOTAL</b>	<b>89749.24</b>	<b>22</b>	<b>4053</b>

TABLE 9.4: Capped Leave for Jan 2005 to Dec 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2005	Number of Employees as at 31 December 2005
Lower skilled (Levels 1-2)	637	5	72	134	103735	1432
Skilled (Levels 3-5)	398	6	81	67	63612	781
Highly skilled production (Levels 6-8)	558	6	69	99	60160	876
Highly skilled supervision (Levels 9-12)	123	10	85	12	15451	182
<b>TOTAL</b>	<b>1716</b>	<b>6</b>	<b>74</b>	<b>312</b>	<b>242958</b>	<b>3271</b>

TABLE 9.5: Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	325	29	11207
Capped leave payouts on termination of service for 2005/06	925	270	3426
Current leave payout on termination of service for 2005/06	149	56	2661
<b>TOTAL</b>	<b>1399</b>	<b>355</b>	<b>3941</b>

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
All Employees in the Department	All employees have been exposed to educational campaigns on the risks of contracting HIV/AIDS.
	Condom containers have been purchased and put up in strategic points in all Regions within the Department. Office services maintain the filling of these containers with condoms on a regular basis and the EAP Component monitors this.
	Should any employee whilst performing their daily functions come into contact with blood, at the Department's cost they will via a Private hospital receive the necessary Post Exposure Prophylaxis treatment.



**TABLE 10.2: Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Senior General Manager : Corporate Services Ms V Cunliffe and Manager : Human Resource Management ; Ms C Zwane
2. Does the Department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		The EAP/HIV/AIDS Component was created in 2005 and is headed by an Assistant Manager. There is currently a Senior Personnel Officer assisting the Assistant Manager. The Component is currently undergoing restructuring and it is anticipated that the process of filling of these posts will be completed in the 2006/2007 financial year. A budget allocation of R3 million has been given for EAP and HIV/AIDS for the 2005/2006 financial year.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		The primary function of the Employee Assistance Programme(EAP) is to assist a departmental Official with any social or personal problem, such as alcohol and drug dependency, HIV/AIDS or occupational stress, that has an adverse effect on the efficiency and productivity of such an Official, as well as his or her job satisfaction.
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.	Yes		The Department is made up of 5 Regions and in each Region an EAP/HIV/AIDS committee has been constituted comprising of at least 10 members within each Region. The functions of these delegates is to assist with the co-ordination of various projects and programmes and the referrals of employees to EAP for assistance. Regional committees are chaired by the Deputy Managers (DM): Corporate Services who in turn represent their Regions once a month at a departmental meeting at Head Office. The names of these officials and their Regional representatives are:- Gugu Hlabisa (DM) and Richard Burns (Pietermaritzburg), Sinah Hlela (DM), Joyce Mabanga and Pinky Mangole (Empangeni), David Mthembu(DM) and Pretty Dube (Durban), Agnes Ndlovu (DM) and Denton Mayaba (Ladysmith), Premela Govender: Assistant Manager represents Head Office and Chairs the meeting and Rosemary Sikhakhane: Senior Personnel Officer is the Secretary.

Question	Yes	No	Details, if yes
5. Has the Department reviewed the employment policies and practices of your Department 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.	Yes		All policies and practices have been and are regularly 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.	Yes		All services offered are treated as strictly confidential and any discrimination whatsoever will be dealt with via the disciplinary process. Employees within the EAP Component and all members of the Regional Committees sign a confidentiality form informing them of what is expected of them and what will be the procedure in the event of a breach of confidentiality.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		<p>Since April 2004 infected employees via the EAP component have been receiving a monthly supply of a combination of natural medication to assist them with the treatment of the illness. At the time any employee who wanted to know their status was sent to Lifeline or the State Hospitals to do VCT. However due to many problems being encountered by the employees at these sites the EAP component has subsequently obtained authority to conduct an in-house Wellness Clinic. In February 2005 the first clinic commenced in the Ladysmith region and on a bi-monthly basis employees are given an opportunity to see a Medical Doctor who is also a Specialist in HIV/AIDS to get tests such as Glucose, Cholesterol, High/Low Blood Pressure and various Bacterial tests as well as a HIV test done.</p> <p>When employees come to the clinic they are informed of the various tests available to them that can be done and they are also informed that if they want they can also do and HIV test. If they agree to do the HIV test they are given a consent form to sign giving the Doctor permission to draw blood for this test. Before this is done however he/she is given the pre-counselling and if they test positive the post-counselling. They are then given a form to take to LANCET Lab to get a confirmation test done as well as a CD4 and Viral Load of which the cost is paid for from the EAP Budget. They are then explained that once the result is confirmed positive they will then be put onto the EAP/HIV/AIDS Wellness programme for HIV/AIDS and given a monthly supply of combination medication and their health monitored on a monthly basis thereafter.</p>

Question	Yes	No	Details, if yes
			<p>The number of infected employees that are now seeking assistance from the EAP component has increased drastically. The stigma surrounding the illness is becoming less evident and some employees are even taking there Supervisors into their confidence as they now realise that in order to treat HIV/AIDS they need support to manage it correctly. Since the start of the second session in May the Doctor and staff did not even need to encourage employees to test they came to the clinics to do the HIV test as they now realise that they are going to get assistance to treat the illness.</p> <p>All employees that come to the clinic receive a nutritional porridge and a multi-vitamin and the aim is to encourage a healthier lifestyle. They are also advised on a proper eating plan, methods of exercise and the harmful effects of alcohol and substance abuse. Due to the success of the clinics the EAP component is currently putting in place a proposal to get Occupational Nurses on contract to assist the Doctor at the clinics. Once approval is obtained Regions will be advised accordingly.</p>
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Monthly Reports are prepared and submitted to Management.



TABLE 11.1: Collective Agreements

Subject Matter	Date
NIL	

TABLE 11.2: Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	% of Total
Correctional Counselling	12	11
Verbal Warning	15	14
Written Warning	47	40
Final Written Warning	25	43
Suspended with pay	5	5
Fine	0	0
Demotion	1	0.9
Dismissal	4	3.6
Not guilty	0	0
Case Withdrawn	1	0.9
<b>TOTAL</b>	<b>110</b>	<b>100</b>

TABLE 11.3: Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Disobeying lawful instruction	6	20
Fraud	7	23
Negligence with firearm	2	6.6
Under the influence of alcohol	5	16.6
Absent without authority	7	23
Abuse of government vehicle	3	10
<b>TOTAL</b>	<b>30</b>	<b>100</b>

**TABLE 11.4: Grievances Lodged**

Number of grievances addressed	Number	% of total
Resolved	0	0
Not resolved	32	100
<b>TOTAL</b>	<b>32</b>	<b>100</b>

**TABLE 11.5: Disputes Lodged**

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	2	4.1
Successful (Dept)	47	95.9
<b>TOTAL</b>	<b>49</b>	<b>100</b>

**TABLE 11.6: Strike Actions**

Strike Actions	—
Total number of person working days lost	6
Total cost(R'000) of working days lost	1
Amount (R'000) recovered as a result of no work no pay	1611

**TABLE 11.7: Precautionary Suspensions**

Precautionary Suspensions	—
Number of people suspended	5
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	30
Cost (R'000) of suspensions	206624,55

TABLE 12.1: Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior officials and Managers	Female	6	0	26	0	26
	Male	15	0	39	0	39
Professionals, Technicians and Associate Professionals	Female	274	0	27	0	27
	Male	758	0	29	0	29
Clerks	Female	604	0	231	0	231
	Male	198	0	92	0	92
Service and Sales Workers	Female	4	0	2	0	2
	Male	77	0	9	0	9
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	4	0	0	0	0
	Male	220	0	0	0	0
Plant and Machine Operators and Assemblers	Female	348	0	0	0	0
	Male	1	0	177	0	177
Elementary Occupations	Female	1390	0	88	0	88
	Male	144	0	1413	0	1413
<b>Gender Sub-totals</b>	<b>Female</b>	<b>2630</b>	<b>0</b>	<b>374</b>	<b>0</b>	<b>374</b>
	<b>Male</b>	<b>1413</b>	<b>0</b>	<b>1759</b>	<b>0</b>	<b>1759</b>
<b>Total</b>		<b>4043</b>	<b>0</b>	<b>2133</b>	<b>0</b>	<b>2133</b>



TABLE 12.2: Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	129	0	129
	Male	15	0	159	0	159
Professionals, Technicians and Associate Professionals	Female	274	0	91	0	91
	Male	758	0	89	0	89
Clerks	Female	604	0	726	0	726
	Male	198	0	225	0	225
Service and sales workers	Female	4	0	0	0	0
	Male	77	0	8	0	8
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	4	0	0	0	0
	Male	220	0	34	0	34
Plant and machine operators and assemblers	Female	348	0	0	0	0
	Male	1	0	52	0	52
Elementary occupations	Female	1390	0	15	0	15
	Male	144	0	64	0	64
<b>Gender Sub-totals</b>	<b>Female</b>	<b>2630</b>	<b>0</b>	<b>961</b>	<b>0</b>	<b>961</b>
	<b>Male</b>	<b>1413</b>	<b>0</b>	<b>631</b>	<b>0</b>	<b>631</b>
<b>Total</b>		<b>4043</b>	<b>0</b>	<b>1592</b>	<b>0</b>	<b>1592</b>

TABLE 13.1: Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	64	73.6
Temporary Total Disablement	20	23
Permanent Disablement	2	2.3
Fatal	1	1.1
<b>Total</b>	<b>87</b>	<b>100</b>

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
Engineering Services	193	1 year	238,403,860
Management Advisory Services	142	1 year	92,771,090
Legal services	9	1year	6,107,150
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
112	344	1year	337,282,100

TABLE 14.2: Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Engineering Services	62%	55%	72
Management Advisory Services	58%	51%	66
Legal Services	55%	60%	6

TABLE 14.3: Report on consultant appointments using Donor Funds

Project Title	Total number of consultants worked on the project	Duration: Work days	Donor and Contract value in Rand
NIL			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
NIL			

TABLE 14.4: Analysis of consultant appointments using Donor Funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
NIL			



## Notes

## Notes

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## Notes







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