

MPUMALANGA PROVINCIAL
GOVERNMENT



DEPARTMENT OF ROADS
& TRANSPORT

ANNUAL REPORT

2005/ 06

DEPARTMENT OF ROADS
AND TRANSPORT



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Mpumalanga Provincial Government



**The Department of Roads and Transport
For the year ended 31 March 2006**

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1. GENERAL INFORMATION

VISION

An integrated transport system promoting economic and social development.

MISSION

To provide safe, accessible and affordable transport system.

VALUES

- Service Excellence
- Accountability
- Team Work
- Integrity
- Diversity
- Innovation
- Best Practice



1.1 Submission of the Annual Report to the Executive Authority

I, Thembelihle N.Msibi, the Accounting Officer for the Department of Roads and Transport hereby submit the Departmental Annual Report for the year ended 31st March 2006.

1.2 Introduction by the Head of Department

Another service delivery calendar year has come and gone. The Department has yet another opportunity to once more present a synoptic account of its performance during the past financial year.

After two years of existence, the Department is on course towards achieving Acceleration of Service Delivery. The future looks promising whilst we acknowledge areas on which we have an improvement scope. A need for more emphasis on Monitoring and Evaluation is essential, so that we continuously review our daily-performed activities against the overall set objectives for the Department. This is of unparalleled critical importance in pursuance to become effective and efficient public service delivery machinery.

Again, the Department has been able to make inroads into the backlogs that we have inherited. New road network construction continues around the Province as we seek to allow easy movement between various destinations. However our biggest challenge remains the maintenance of existing and new infrastructure. The Roads Infrastructure Programme has been mandated to develop a five-year maintenance plan by the end of the next financial year that will help relieve the Provincial maintenance demands.

As a Department, we remain committed to the promotion and achievement of the Provincial and National objectives. The Provincial Growth Development Strategy and the country's overall growth targets form the basis of the 2004-2009 Departmental Strategic Plan. As part of our focus on job creation and poverty alleviation, the Department has identified certain capital projects that use labour intensive methods in support of the Expanded Public Works Programme (EPWP). Specific projects have been identified to encourage Youth and Women participation in the government tendering process.

To improve access to Departmental information, a website was developed during the 2005/06 financial year and the site will officially be launched in the next financial year. SITA provided the guidelines for the site development and helped the Department to comply with prescribed legislation. Other mechanisms that were used to improve information dissemination included the distribution of several pamphlets on key Departmental information (i.e. 2005/06 budget summary, Arrive Alive campaign etc, radio talk shows and Cabinet Outreach Programmes.)

Finally, I must thank the political and administrative leadership for their wisdom and ability to keep this machinery well oiled throughout the 2005/06 financial year. It will be disservice if I forget to heap the well deserved praises on our junior officials and general workers who are at the core of service delivery, for a job well done.

To the entire team, let us not rest on our laurels but seek to find improved ways in our joint endeavours to achieve sustainable service delivery.



Ms Thembelihle N. Msibi
Head of Department

1.3 Information on the Ministry

As a member of the Executive Council, the Political Head of the Department is responsible for setting the agenda for the Department, which is in line with the mandate of the ruling party. The Member also attends all Cabinet meetings and its committees as well as all Cabinet Outreach Programmes aimed at taking government to the people.

The Annual report provides the Department with an opportunity to take stock of the strides made towards achieving its set strategic objectives and to consider the immense challenges that lie ahead. The Department of Roads and Transport has made great strides towards providing and maintaining sustainable road network infrastructure around the province. The Department has the responsibility of providing safe, reliable, accessible and affordable integrated transport system and infrastructure. Thus, as a Department, we form the basis of economic and social development targets of the whole country or province. As custodians of the road network infrastructure, our main objective is to provide sustainable roads as depleted roads can have detrimental effect on both the provincial and national objectives.

The Member of the Executive is the driver of several Flagship Projects namely: Moloto Rail Development Corridor and the Overloading Strategy. The Corridor is aimed at linking the Mpumalanga Province and Gauteng Province by making travelling between the two provinces cheaper and safer. The introduction of the corridor is also aimed at providing relief on the traffic along the ill-famous Moloto Road. Apart from rain, overload trucks cause most of the damage on the roads around the Province. The state of our roads especially in the Gert Sibande region has reached an alarming stage hence the Premier has tasked the Ministry to come up with preventative measures to stop the decaying. Notwithstanding the contribution of Corporate Service of providing correct staffing levels, Roads Infrastructure Programme, Transport Programme and Traffic Management Programme will form core of the overloading strategy.

The principle of continuous interaction with sister departments, other spheres of government, private sector and other stakeholders was adopted by the Member of the Executive in order to ensure that a collective approach is followed towards achieving common National objectives. Despite our different mandates, we are all striving towards the betterment of South Africa. Forums have been established with strategic partners who have interest in the transport sector. The Department has also engaged National Treasury, Department of Transport, SANRAL, Department of Public Enterprise as well as Eskom to find a solution for funding shortages.

The Member of the Executive is also tasked with the implementation of the Taxi Recapitalization Programme and its role is to ensure a smooth transition within the taxi industry. The industry is riddled with violence and it is the ministry's responsibility to eradicate all form of taxi related violence in the province.

Taxi violence can have an adverse effect on the economy of both the province and the country as two thirds of the working people use taxis as means of transport. These people are left without transport whenever there is confrontation between rival taxi associations. Due to the abovementioned reasons, Cabinet appointed a new Registrar and a full time Chairperson of the Operating Licensing Board and they both report directly to the Member of the Executive Council.

The Member of the Executive has been vocal and continues to promote road safety amongst all road users. The Arrive Alive campaign is beginning to bear positive results as witnessed by the decrease in the number of fatal accidents and a low rate of pedestrians killed on our roads. Road Shows and prayer days were held all over the province in an effort to intensify the road safety campaign. Law enforcement will also play an important role in road safety promotion as increased traffic police visibility is planned for the next financial year.

The 2010 Soccer World Cup will provide the country and the province with the opportunity to showcase its capacity to host international events. The Member of the Executive Council is a firm believer in its capacity to provide the necessary logistical arrangements and easy access to and from the stadium during the event.

Regarding administrative issues, the Member was able to meet with representatives from the Public sector's organized labour as means to ensure establishment of consultative processes and communication channels that all members will adhere to in the future. With regards to the repeal of old legislation, the Member has submitted the Roads and Transport Repeal Bill to the Legislature.

1.4. Legislative Mandate

The strategic goals of the Department are based on the following legislative framework:

Advertising On Roads and Ribbon Development Act, 1940 (Act No. 21 of 1940)

To regulate the display of advertisements outside certain urban areas at places visible from public roads, and the depositing or leaving of disused machinery or refuse and the erection, construction or laying of structures and other things near certain public roads, and the access to certain land from such roads.

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

To give effect to the right to fair labour practices referred to in Section 23 of the Constitution by establishing and making provision for the regulation of basic conditions of employment, and thereby to comply with obligations of the Republic as a member state of the International Labour Organization, and to provide for matters connected therewith.

Compensation for Occupational Injuries and Diseases Act, 1993 (Act No.130 of 1993)

To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases, and for matters connected there with.

Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)

To introduce a new Constitution for the Republic of South Africa and to provide for matters incidental thereto.

Criminal Procedure Act, 1977(Act No. 51 of 1977)

To make provision for procedures and related matters in criminal proceedings.

Division of Revenue Act, 2004(Act No. 5 of 2004)

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of the Government for the 2004/2005 financial year and reporting requirements for allocations pursuant to such division.

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

To provide for employment equity and to provide for matters incidental thereto.

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

To change the law governing Labour Relations for the purpose, to give effect to Section 27 of the Constitution, to regulate the organizational rights of the trade unions, and to promote and facilitate collective bargaining at the workplace and at sectorial level, to regulate the right to strike and the recourse to lock out in conformity with the Constitution, to promote employee participation in decision making through the establishment of work place forum, to provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation , Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose, to establish the Labour Court and Labour Appeal Court as superior courts, with exclusive jurisdiction to decide matters arising from the Act, to provide for a simplified procedure for the registration of trade unions and employer's organizations, and to provide for their regulation to ensure democratic practices and proper financial control, to give effect to public international law obligations of the Republic relating to labour relations, to amend and repeal certain laws relating to labour relations, and to provide for incidental matters.

Mpumalanga Road Traffic Act, 1998 (Act No. 4 of 1998)

To consolidate and amend the provisions relating to road traffic and to provide for matters connected therewith.

National Archives of South Africa Act, 1996 (Act No. 43 of 1996)

To provide for a National Archive and Record Services, the proper management and care of the records of Governmental bodies, and the preservation and use of a national archival heritage and to provide for the matters connected therewith.

National Land Transport Transition Act, 2000 (Act No. 22 of 2000)

To provide for the transformation and restructuring of the national land transport system of the Republic, and to provide for incidental matters.

National Road Traffic Act, 1996 (Act No. 93 of 1996)

To provide for road traffic matters that shall apply uniformly throughout the Republic and for matters connected there with.

Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)

To provide for the health and safety of persons at work and for health and safety of persons in connection with the use of plant and machinery, the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work, and to provide for the matters connected therewith.

Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

To give effect to the constitutional right of access to information held by the state and any information held by another person and that is required for the exercise or protection of any rights and to provide for matters connected therewith.

Promotion of Administrative Justice Act, 2000(Act No. 3 of 2000)

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996, and for the matters incidental thereto.

Public Finance Management Act, 1999(Act No. 1 of 1999)

To regulate financial management in the national government and provincial governments, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively, to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.

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

To provide for organization and administration of the public service of the Republic, the regulation of conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

Road Traffic Act, 1989 (Act No. 29 of 1989)

To consolidate and amend the laws relating to the registration and licensing of motor vehicles and other vehicles and the drivers thereof, and the regulation of traffic on public roads; and to provide for certain requirements of fitness and for matters incidental thereto.

Road Transportation Act, 1977 (Act No. 74 of 1977)

To provide for the control of certain forms of road transportation and for matters connected therewith.

Skills Development Act, 1998 (Act No. 97 of 1998)

To provide an institutional framework to devise and implement national sector and workplace strategies to develop and improve the skills of the South African work force, to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995, to provide for learnerships that lead to recognized occupational qualifications, to provide for the financing of skills development by means of a levy financing scheme and a National Skills Fund, to provide for and regulate employment services and to provide for matters connected therewith.

Transport Appeal Tribunal Act, 1998 (Act No. 39 of 1998)

To provide for the establishment of the Transport Appeal Tribunal to consider and to decide appeals noted in terms of the Cross-Boarder Transport Act 1998; and for matters connected therewith.

Transvaal Roads Ordinance, 1957 (Ordinance No. 22 of 1957)

To consolidate and amend the laws relating to public roads and outspans; to provide for other roads; and to provide for matters incidental there to.

2. PROGRAMME PERFORMANCE

VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over /Under Expenditure
R906, 913, 000	R906, 913, 000	R987, 348, 000	R964, 676, 000	R22, 672, 000
Responsible MEC	MEC: Roads and Transport Mr. Fish Mahlalela			
Administering Department	Department of Roads and Transport			
Accounting Officer	Deputy Director General /Head of Department Ms. T.N. MSIBI			

AIM OF THE VOTE

The aim of the Department is to provide safe, accessible and affordable transport system.

DEPARTMENTAL STRATEGIC GOALS

Strategic Goal 1:	To develop and integrate transport infrastructure and operations
Key Performance Indicator/ Measurement	<ul style="list-style-type: none"> The level of accessibility of public transport within the Province. Improved mobility within the Province Reduction of road fatalities. Sustainable modal split for the transport of goods and people. Positive rating by stakeholders. (Reduced complaints from the public) Increase the number of interchange facilities. Reduction of claims against the department and the Province as a result of bad road.
Strategic Goal: 2	To build a high performance world-class Department
Key Performance Indicator/Measurement	<ul style="list-style-type: none"> Percentage increase on the level of performance. Reduction in audit queries. (with the ultimate goal as eradication thereof) Level of compliance with relevant legislation. Successful implementation of the skills development plan.
Strategic Goal: 3	To actively promote the achievement of critical national priorities
Key Performance Indicator/Measurement	<ul style="list-style-type: none"> Number of jobs created per million rand using labour intensive technology. (EPWP) Increased level of awareness in HIV and Aids. The value of contracts awarded to BEE. The number of sustainable contracts awarded to emerging contractors. The number of women and youth beneficiaries on the road programme.

SUMMARY OF THE PROGRAMMES

The activities of the Department of Roads and Transport are organized in the following four programmes:

Programme	Sub - Programmerogramme
1. Administration	1.1. Office of the MEC 1.2. Management / HOD 1.3. Programme Support Office 1.4. Corporate Support
2. Roads Infrastructure	2.1. Programme Support Office 2.2. Planning 2.3. Design 2.4. Construction 2.5. Maintenance
3. Transport	3.1. Programme Support Office 3.2. Planning 3.3. Infrastructure 3.4. Empowerment and Institutional Management.

	3.5. Operator Safety and Compliance 3.6. Regulation and Control 3.7. Government Transport
4. Traffic Management	4.1. Programme Support Office 4.2. Safety Engineering 4.3. Traffic Law Enforcement 4.4. Road Safety Education 4.5. Transport Administration and Licensing 4.6. Overload Control

1. Programme One:	Administration
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DEPARTMENTAL ACHIEVEMENTS

1.1 Human Resource Development and Training

- Bursaries – 17 members of staff and 20 external students were awarded bursaries in the following fields of study: Civil Engineering, IT, Project Management, Transport Engineering, Transport Logistics; Accounting, Financial Management, Administration, Road Traffic Management, Traffic Safety and Transport Management.
- The Department placed 36 unemployed youths who completed their learnerships in Public Accounting, Human Resource Management, Public Administration and Project Management for 2005/06 financial year with all expenses paid by PSETA.
- 15 interns have been recruited for experiential training and placed within the four different Departmental Programmes.
- 40 unemployed youths have been placed on a Professional Driving Learnership Programme with the help from Mpumalanga Skills Development Agency.
- The Department held exhibitions at the SABC Careers Education and Training in Witbank where the public received information on bursaries and career opportunities available in the Department.

1.2 Financial Management

- The Department received an unqualified Audit opinion for the 2005/06 financial year.
- The Expenditure Management System was developed during the year to ensure that payments to service providers are effected within 30 days of receipt of invoice.
- The Department managed to collect R190 million of R155 million budget as own revenue which represents an over collection of 22% of budgeted for the year.
- The Department developed a Revenue strategy to enhance revenue collection during the financial year.

2. Programme Two:	Roads Infrastructure
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2.1 Construction

The following roads were completed during the financial year 2005/06:

- Bethal to Standerton (10KM).
- Ngodini to Khumbula (8KM).
- Bethal to Kriel (31KM).
- Carolina to Wonderfontein (28KM).
- Clau-Clau Bridge (Bridge and 4,5KM).
- Elukwatini-Mooiplaas (22KM).
- Senotlelo to Marapyane (15KM).
- Kwandukuzabo to Mananga (12KM).
- Kgobokwane to Philadelphia (15KM)
- Coalville to Clewer (12KM)
- Matlerekeng to Motsanangwana (15KM)
- Loding to Nokaneng (10KM)
- Witbank to Duva (8KM)
- Sabie to Hazyview (600d pipes)
- Sabie to Hazyview (15 slips)

2.2 Maintenance

- The department spent R88 million on routine maintenance such as patching of potholes, grading of gravel roads, grass cutting, repair/replacing of road signs etc
- Assisted in ensuring accessibility to voting polling stations during the local elections held in March 2006.
- Siyatentela project for roads maintenance was launched at Ehlanzeni Region (Mjejjane/ Mdlankomo).

2.3 EPWP and Learnership Projects

- The Department is continuing with the three Learnership Programme. Phase 3 has started. About 1286 labourers have been employed as part of the Learnership Programme.
- As part of conventional projects, contractors are required to employ local labour, resulting in about 1331 jobs created in 2005/6, thus a total of 2617 jobs were created.

3. Programme Three:	Transport
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- The Executive Council approved the institutional arrangements for addressing freight logistics on the Maputo Development Corridor and other corridors.
- To promote civil aviation and career guidance to learners, the province hosted the International Aviation day on the 7th December 2005.
- Donated 150 bicycles to learners in poor communities in the three regions as part of the Shovakalula Bicycle project
- The Department received 6313 applications for conversion of permits to operating licences, which is a requirement in terms of the Taxi Recapitalization Process.

Programme Four:	Traffic Management
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- For the creation of safe road environment, a focussed strategy of block patrolling after sunset had been implemented in order to promote high visibility of law enforcement officials on our roads.
- We have taken a step forward to involve all individuals of all age groups on emphasizing road safety as a fundamental right of all road users. This is proven by the 2006 Easter statistics that only two pedestrians were killed compared to 7 in 2005.
- The phasing out of subsidised vehicles for law enforcement officers and replacing them with GG vehicles will enhance the visibility on our roads. This process will be implemented during the 2006/7 financial year as some of the vehicle contracts are still in place.
- The Regional and Provincial Prayer days were conducted with an effort to change behaviours of road users, by engaging leaders of different church groups in preaching the road safety gospel during their church gatherings. The Prayer Days were held as follows:

Ehlanzeni Region.	-	Kwa-Mhlushwa	-	22 May 2005
Nkangala Region	-	Kwaggafontein	-	21 August 2005
Gert Sibande	-	Elukwatini	-	18 September 2005
Gert Sibande	-	Ermelo	-	17 December 2005

- Traffic Management had activated two weighbridges at Kinross and KwaMhlanga in an effort to deal with the overloading along N17 and R573 that had the negative impact on our roads.
- The Department has engaged CSIR in developing the Road Safety Strategy and workshops have been conducted in this regard.
- As part of our effort to massively reduce carnage on our roads, a Road Safety Summit was held in September 2005 and the National driver of the year competition in October 2005.

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2005/06

The rapid increase in coal hauling by road has resulted in a significant deterioration in the road conditions with some roads on the verge of total collapse. The use of alternative routes is also not helping as these routes suffer the same degradation as the preferred routes. Coal haulage has a strategic importance in the country as Eskom uses the transported coal for power generation. The effects of depleted roads are felt across the board as it increases the maintenance demands for the Department and also limits the competitive advantage of the Province in the tourism industry. In the 2005/06 financial year, basic preventative maintenance was not done due to insufficient funding, resulting in premature failures. Due to the incorporation of Bushbuckridge to Mpumalanga, the Department will need more than R300 million to address road infrastructure backlogs. The Department has engaged National Treasury, Department of Transport, SANRAL, Department of Public Enterprise as well as Eskom to find a solution for funding shortages.

The excess rainfall during the second half of the year has also had a negative impact on our roads and the Department's coffers. Potholes increased during that period and this also resulted in increased claims against the Department. Certain projects had to be halted and the affected projects will have their completion dates adjusted in order to accommodate the resultant delays. The assessment of the true damage caused by the heavy rainfall still has to be measured and quantified. The financial implications of the damage caused by the rain are bound to further constrain the already over-stretched Roads Infrastructure budget. The current global weather patterns are bound to prove a stiff challenge in our efforts to anticipate and minimise risk related to road construction and maintenance. Expired maintenance contracts also delays the execution of certain projects in the regions since work is initially stopped during the re-negotiating period between the Department and the service provider(s). Improved Contract Management has been identified as an area that needs urgent attention so that re-negotiation of contracts should start between 3-6 months before the expiry date.

The Government Taxi Recapitalization Programme was at full steam during the 2005/06 financial year since the closing date for the application for license conversion is 31st of May 2006. Apart from receiving some incomplete applications, slow printing of the licenses proved to be a major challenge. This was due to the fact that the Province used a single server to print all licenses. Additional temporary staff was brought on board to help fast track related processes but the printing of the licenses remained slow as it was technically related. The Department did embark on a mission to find ways to accelerate the printing of the licenses by investigating how the other provinces fared. The results of the investigation proved that the available solutions were either costly or would have taken time to implement hence none were pursued.

There were also increased responsibilities brought forth by the inclusion of Mbombela as one of the host cities for the 2010 FIFA World Cup. Both the Department and the local municipality will require coordinated efforts in providing not only access routes leading to the stadium but also ensure accessibility from the neighbouring countries as well as accessibility from the other provinces. Shared Traffic Control operations will also prove challenging in terms of human capital and consultation with all relevant stakeholders is currently underway to ensure that the event is a success. Recruitment and training of the traffic personnel that will form the integral part of the logistical arrangement of the event of such magnitude will commence in the not so distant future.

OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2005/06

The issue of technical skills shortage is not only unique to the Department, but a major concern throughout the province, country and the continent. The Department has a total of 4 Engineers and this exposes the limited internal capacity of our roads planning and designing section. Our Human Resource Development and Planning unit is working tirelessly to identify possible ways to develop and attract rare technical skills. The private sector continuously outperform the public sector in terms of designing attractive salary packages hence most technically trained people choose the private sector over the public sector. The Department has adopted a principle that will ensure that a majority of future bursaries are granted to students who will pursue careers in technical related fields.

Not all supervisors were fully conversant with the principles of Performance Management Development System (PMDS) as it pertains to performance assessment reviews. This led to the late submission of assessment reviews dating back from 2004 and also created a backlog of unpaid incentives. The Department has committed itself in rewarding deserving employees for their contributed efforts in improving service delivery. A detailed training programme on PMDS implementation has been developed and the relevant training commenced during the 2005/06 financial year. The project of rolling-out Financial Systems to regions has been slow since there is no leader for the project. The

Manager: Financial Systems appointed during August 2005 declined the post and the position will be re-advertised in the next financial year. Servers required for the successful rolling-out of the systems were not purchased by the regions due to financial constraints experienced later in the year. Procurement of the servers will be done in the next financial year.

There is a shortage of office space at Head Office and Corporate Services was tasked with finding ways to optimize space. Repartitioning of certain areas began in the last quarter of 2005/06 and other options (i.e. renting of accommodation) are being explored.

Overall, there has been an improvement in understanding and compliance with the PFMA. A workshop was conducted on budgeting and cash flow monitoring during the year. Additional training in collaboration with the Provincial Treasury is scheduled for next financial year, however there are still challenges to be overcome.

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2005/06

The Department has developed and is now implementing the following policies:

- Overtime Policy
- Bursary Policy
- Internship Policy
- HIV/AIDS in Workplace
- Employee Wellness Programme Policy
- Appointment of consultants Policy
- Gifts, Donation and Sponsorship Policy
- Procurement Policy
- Asset Management
- Petty Cash Policy
- Transfer and Subsidies
- Management of Financial Records Policy
- Revenue Management Policy
- Advance Policy
- Management of Debts, Debts Recovery and Write-Off of Irrecoverable Debt
- Budget Control Policy
- Cellphone Policy

The following policies and legislation are still being developed :

*i. **Referral manual for legal matters.***

Referral manual drafted and comments awaited.

*ii. **Draft legislation and legal notices.***

Roads and Transport Repeal Bill published for Public Comments which will close on 15 May 2006. Roads Bill and Transport Bill submitted to State Law Advisors for scrutiny.

*iii. **Security Policy in line with MISS (Minimum information Security Standards).***

Security policy was finalized and handed to Planning section.

*iv. **Employment Equity policy, plan and target.***

Draft Employment Equity Policy developed.

*v. **Labour dispute mechanism.***

6 policy manuals drafted.

vi. ***Draft Human Resources policies.***

Drafts developed on Recruitment, Selection and Appointment.

vii. ***Draft Human Resource Development Policies.***

PMDS related policies have been drafted.

viii. ***Review provincial public transport policy.***

Gap analysis, policy audit and finalization of the first draft with DOT.

DEPARTMENTAL REVENUE

The Department managed to collect own revenue totalling R189, 603million at the end of the financial year. This amount represents 122% of the total own revenue budget for 2005/2006 financial year. The Department managed to collect this money due to finance revenue officials visiting collecting agencies on a monthly basis to ensure that all revenue received and collected by the agencies are timeously transferred to the Department and that there was improved co-ordination between Traffic Management and Financial Management officials in as far as revenue collection was concerned.

Departmental Receipts	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	% Deviation from Target
Current Revenue	128, 945	159, 829	170, 131	152, 124	186, 716	+23%
Tax revenue	118, 085	133, 838	121, 387	126, 219	149, 918	+19%
Non-tax-revenue	10, 860	25, 991	48, 744	25, 905	36, 798	+42%
Capital Revenue	4, 702	11, 007	3, 092	3, 144	2, 887	-8%
Sale of Capital Assets	4, 702	9, 314	2, 671	2, 808	2, 541	-10%
Financial Transactions	-	1, 693	421	336	346	+3%
Departmental Revenue	133, 647	170, 836	173, 223	155, 267	189, 603	+22%

☐ **Specific Challenges and Responses**
Challenge 1: Implementation of Revenue Strategy

- There was a delay in the implementation of the Revenue Strategy by the Department.

Response to challenge 1:

- The implementation of the revenue strategy was done at the end of the financial year.

Challenge 2: Review of Tariffs

- The delay by the Department to review tariffs and get approval from the Provincial Treasury and Executive Council of Proposed new tariffs, which could have been implemented by April 2005 to increase departmental revenue collection.

Response to challenge 2:

- The revenue section in co-ordination with all sections i.e. Traffic Management, Transport and Roads Infrastructure will ensure that all tariffs as from the 2006/07 financial year which are not fixed by law are reviewed in the third quarter for approval by Treasury in the fourth quarter. The approved new tariffs will be implemented in the first quarter of each new financial year

☐ ***Issues Requiring Ongoing Attention***

The Department will ensure the implementation of the Revenue Strategy of which the key issue is the signing of the Service Level Agreements with all collecting agencies by the end of the financial year. The Revenue Strategy will be reviewed and improved in the 2006/07 financial year to ensure maximum collection of own revenue in the department.

DEPARTMENTAL EXPENDITURE

The total adjusted budget for the department for the 2005/2006 financial year was R987, 348 million. The Department planned spending the whole budget at the end of the financial year, but only R964, 676 million was actually spent. This represents 98% of the budget spent for the year. The total under expenditure for the department represents only 2%.

The department spent the budget as follows per Programme:

Programmes	Voted for 2005/06	Roll-Overs and Adjustments	Veriment	Total Voted	Actual Expenditure	Variance
Programme 1: <i>Administration</i>	58, 613	20, 064		78, 677	78, 643	100%
Programme 2: <i>Roads Infrastructure</i>	675, 833	55, 254	4, 100	735, 187	723, 035	98%
Programme 3: <i>Transport</i>	56, 967	325		57, 292	55, 926	98%
Programme 4: <i>Traffic Management</i>	115, 500	4, 792	-4, 100	116, 192	107, 072	94%
Total	906, 913	80, 435	0	987, 348	964, 676	98%

☐ **Specific Challenges and Responses**

Challenge 1: Spending within the projected budget per annum

- The Department failed to spend its entire budget due to the delay in filling vacant budgeted posts, construction of roads projects such as Bulembu road project.

Responses to challenge 1:

- The department will improve on its planning to ensure that posts are filled as soon as possible and any unfilled posts budget will be transferred to other priorities during the adjustment appropriation. Planning for roads projects will be finalized a year prior to the implementation thereof.

☐ **Issues Requiring Ongoing Attention**

The department will ensure that all managers in the department are trained on Financial Management and Project Management to ensure that all objectives set for the year are achieved without over spending or under-spending the budget.

All budgeted vacant posts will be filled by the end of the second quarter in the new financial year.

Performance Management Development System will be fully implemented to ensure that all officials perform in terms of the Strategic Plan and Business Plan for the next financial year.

Planning and Implementation of Capital projects will be improved upon in the next financial year.

Conditional Grants

The Department had one conditional grant, the Infrastructure Grant, for Roads Capital Projects. The budget for the Infrastructure Grant for the 2005/2006 financial year was R114, 213 million. The department spent R114, 220 million of the Infrastructure Grant by the end of the 2005/2006 financial year.

Name of Grant	Budget Receipts	Actual Receipts	Actual Expenditure	% Deviation from Amount Budgeted to Receipts
Infrastructure Grant	114, 213	114, 213	114, 220	0%
Total	114, 213	114, 213	114, 220	0%

☐ Specific Challenges and Responses

Challenge 1: Late submission of infrastructure reports

- The Department had a challenge in submitting the quarterly infrastructure reports timeously to the Provincial Treasury as required by the Division of Revenue Act and this resulted in the delay in transfers of the grant to the Department.

Response to challenge 1:

- The Department will ensure improved quality of the infrastructure progress reports submitted to Treasury for the next financial year and thereby complying with the requirements of the Division of Revenue Act.

Capital Investments, Maintenance and Asset Management Plan

The Department had a draft Infrastructure plan for roads infrastructure and no asset management and maintenance plan. An asset management policy was approved for implementation from the next financial year. The budget for capital budget for the financial year was R517, 407 million which represented 52% of the Departmental budget. The Department managed to spend R499, 239 million of this budget which resulted in under expenditure of R18, 168 million. This under expenditure on capital assets was mainly on the delay in implementing roads projects such as the Bulembu road and the delay in the delivery of firearms for law enforcement officers.

Capital Investment

The following projects were completed in 2005/06:

Road No	Project Location	Category	Completion Date
D2973	Clau – Clau Bridge	Bridge	2005 May
D2950	Kwandukuzabo - Ngwenyeni	Upgrade	2005 May
1411	Ngodini - Khumbula	Reseal	2005 December
P33/4	Sabie - Hazyview	Water Syphon	2005 July
P33/4	Sabie - Hazyview	Slip Repair	2005 May
P30/2	Bethal - Standerton	Rehabilitation	2005 November
P15/1	Carolina - Wonderfontein	Rehabilitation	2005 December
D481	Elukwatini - Mooiplaas	Upgrade	2005 April
D2771	Witbank - Duva	Reseal	2005 June
D2769	Coalville - Clewer	Reseal	2005 August
D2901/2940	Loding - Nokaneng	Upgrade	2005 May
D2923	Kgobokwane - Philadelphia	Upgrade	2005 June
D2926	Marapyane - Senotleleo	Upgrade	2005 May
P52/3	Bethal - Kriel	Reconstruction	2005 September

The following projects started in 2005/06 and will be carried forward to the following year:

Road No	Project Location	Category	Start Date	Revised Completion Date
D1948	Ga-Matlala - Magakadibeng	Regravel	2005 January	2007 March
P48/1	Bethal - Morgenzon	Reconstruction	2005 January	2007 July
D2919/D2900	Senotlelo - Lefiso	Upgrade	2005 June	2006 October
D2975	Gutshwakop - Luphisi	Regravel	2005 January	2007 March
D488	Fernie - Diepdale	Regravel	2005 April	2007 April
P185/1	Kinross - Standerton	Rehabilitation	2005 January	2006 September
D254	Daggakraal - Amersfoot	Upgrade	2005 January	2007 January
D2919	Matlerekeng - Motsanangwana	Upgrade	2005 January	2006 February

The following new projects will commence in the next financial year:

Road No	Project Location	Category	Start Date	Completion Date
New	Matsulu - Malelane	New surfaced roads and	2006 December	2008 March
N17	Ermelo Weighbridge (Traffic Control Centre)	Weighbridge	2006 June	2007 March
N17	Ermelo Weighbridge (Lay-by Control Centre)	Weighbridge	2006 July	2007 March
D2950-D2952	Steenbok - Khombaso - Kwamandulo	Upgrade	2006 October	2007 October
P185/1	Kinross Weighbridge (Traffic Control Centre)	Weighbridge	2006 June	2006 August
P185/1	Kinross Weighbridge (Lay-by Control Centre)	Weighbridge	2006 September	2006 August
D2965	Sandriver - Nyongane	Upgrade	2006 November	2007 November
P77/1	Bulembu Road	Upgrade	2006 March	2008 April
D2488	Fernie Road - 176/1	Upgrade	2006 April	2007 April
N/A	Siyatentela Projects Maintenance	Maintenance	2006 July	2007 March
N/A	Special Projects for Emerging Contractors	EPWP	2006 July	2007 March
N/A	Road signs due to name change	Maintenance	2006 July	2007 March
N/A	Gamatlala-Naganeng	Upgrade to gravel	2006 August	2006 December

Maintenance

The budget for road maintenance was R94, 848 million and the actual expenditure for the year was R88, 720 million.

The under expenditure in road maintenance can be attributed to staff shortages and expired maintenance contracts.

The following major maintenance projects were undertaken during 2005/06:

Roads No	Project Description	Actual Expenditure
N/A	Access roads leading to voting stations	R1,233,812.00
N/A	Ntombe Bridge	R121,750.20
D2925	Rapotokoane - Nokaneng	R734,291.42
D940	Bingle Road	R712,488.40
D567	Moloto - Ekgangala	R1,250,014.67
D2954	Madadeni – Mgobodzi	R490,749.95
D1869	N4 - Marloth	R391,189.70
D2975	Daantjie - Luphisi	R188,886.10
N/A	Fernie: Post Office – Khuphukani School	R150,665.81
N/A	Fernie: M1 – Dlamini Store	R39,719.81
N/A	Itanani – Ngwenyama School	R124,626.02
N/A	Mayflower: Road to cemetery, police station and church	R19,934.90
N/A	Dundonald: Mhlangazane - Esandleni	R190,925.00
Total		R5,649,054.38

Maintenance Backlogs and the Departmental Plan to Deal with such over the MTEF period.

In common with many Provincial Departments of Roads and Transport, the Mpumalanga Department of Roads and Transport suffers the problems of inadequate funding and inadequate staffing. In spite of these handicaps, however, the Department is doing everything in its power to give effect to its mission of “providing a safe, accessible and affordable transport system” to all the clients.

Financial constraints in the past have led to a significant gap between the level of service currently supplied and the desired level of service. The critical coal haulage routes in the coal ridge Southern area of the province is collapsing due to the vast increase in coal imports to the Majuba and Tutuka power stations. The rapid increase in coal hauling by road (especially to the Majuba and Tutuka power stations) has resulted in a significant deterioration in the road conditions to the point where the surface on some roads has broken up completely. This, in turn, has forced ESKOM to use alternative longer routes to reach destinations thereby placing an unnecessary premium on the cost of coal. A consequent effect is that the alternative routes are suffering the same degradation as the preferred routes. Most of the network only has two major structural layers. These road structures are definitely not adequate for the high frequency of heavy coal trucks now experienced in the Gert Sibande area (equivalent to some of the most heavily trafficked freight routes in South Africa, such as the N3 to Durban harbour).

Over the past few financial years, the allocation of funds to roads has improved somewhat and the decline in paved road condition has only been slowed but not halted. Around 1500 km of the paved network urgently requires seal repairs and resurfacing. Over the past few financial years, the allocation of funds to roads has improved somewhat and the decline in paved road condition has only been slowed but not halted. Around 1500 km of the paved network urgently requires seal repairs and resurfacing.

Responses to Maintenance Backlogs

Regravelling to acceptable minimum standards

The visual survey conducted towards the end on 2005 revealed that around 40 percent of the gravel road network is in a poor to very poor condition and around 2000 km of the gravel road network urgently require regravelling. The estimated cost to do the regravelling is R 500 million.

Resealing of roads

The current length of surfaced roads in urgent need of resealing amounts to some 1 500 km and therefore there is a backlog of an additional R330 million in this regard. In addition to this a further amount of some R150 million must be added to pre-treat the poorer roads being resealed. This pre-treatment could involve patching, crack sealing and fog sprays to rejuvenate the old surfacing and provide a competent layer onto which the new surfacing can be placed. The department will endeavour not to compromise on the reseal requirements in future.

Rehabilitation and upgrading of roads

The Department have spend around R420 million to arrest the situation and a further R600 million is required to upgrade coal import routes to these two power stations, Majuba and Thuthuka which are of critical National strategic importance. Because of the strategic importance of these routes for national electricity supply the MDRT has spent the bulk of the 2005/06 and 2006/7 roads budget on the rebuilding and upgrading on some of the critical road network (around R450 million already committed to these roads in the MTEF period). The Department has engaged National Treasury, Department of Transport, SANRAL, Department of Public Enterprise as well as Eskom to find a solution for funding shortages.

Process for Tendering Projects

- Consultants are appointed for the design of construction and maintenance projects.
- Tenders are advertised in the government tender bulletin.
- Tenders close at the central supply chain unit at the Provincial Treasury.
- Tenders are opened at the central supply chain unit at the Provincial Treasury.
- Consultants make recommendations for appointment of service providers.
- Relevant sections verify the consultant's recommendations and submit to the departmental bid committee for adjudication.
- Bid committee adjudicates and recommend to the accounting officer for awarding of bids depending on the delegation given to the bid committee from time to time.

Asset Management

The physical asset movement for the Department was as follows:

Opening Balance	R18, 966, 685,000
Additions	R499, 239,000
Total	R19, 465, 924,000

The department spent R31, 142 million to acquire the following movable additional assets:

- Trucks	R 5,595,000
- Computers	R 1,364,000
- Office Furniture and Other equipment	R 2,812,000
- Roads Equipment /Plant	R 18,987,000
- Motor Vehicles	R 2,384,000
	<u>R 31, 142, 000</u>

Disposal of Assets

Four auctions were held as follows during the financial:

• Ermelo	13 April 2005	R437 760.19
• Kwamhlanga	17 August 2005	R654 992.67
• Middelburg	07 December 2005	R969 746.75
• Nelspruit	20 December 2005	<u>R840 907.54</u>
Total		<u>R2,903,407.15</u>

Asset Register

The Departmental movable assets are bar coded before processing of a payment to ensure proper identification and location of assets. The minimum requirements for an asset register were met by the end of the financial year as per the assets management reform implementation plan.

Departmental Capital Stock

STOCK	GOOD	FAIR	POOR
Tarred Roads	44%	30%	26%
Gravel Roads	20%	55%	25%
Computers	61%	20%	19%
Furniture	67%	23%	10
Equipments	67%	20%	11%
Vehicles	64%	20%	16%

FINANCIAL MANAGEMENT

The department had undertaken a risk assessment workshop to identify all risks that the department is faced with during the first quarter. From the risk assessment document, the department through its Internal Audit Unit developed the three years internal Audit Plan, that was approved by the Audit Committee during September 2005.

The department had an Audit Committee appointed during July 2005.

The department managed to timeously submit all reports required in terms of the Public Finance Management Act, Division of Revenue Act, Supply Chain Management Framework and Treasury Regulations to all relevant stakeholders during this financial year. The reports mentioned above, included, amongst others, the In- Year Monitoring report.

☐ Specific Challenges and Responses

Challenge 1: Compliance with PFMA

- PFMA not fully complied with by all officials in the department.

Response to challenge 1:

- The Department will ensure capacity building on the PFMA for all officials in the Department to improve on compliance thereof. The Provincial Treasury has been approached to assist in the training of officials on the requirements of the PFMA. A plan will be developed to ensure that everyone is made aware of the PFMA especially for Senior Managers, Managers and all officials within finance section.

2.1 PROGRAMME ONE: ADMINISTRATION

Purpose: Administration Programme serves as a support function for the other programme viz. Roads Infrastructure, Transport and Traffic Management. It renders human resource management, human resource development, financial management services, labour relations, legal services, communication services, supply chain management, transversal services, internal audit and risk management services to those programmes.

Measurable Objectives:

- To promote a positive image for the Department.
- To implement the Performance Management and Development System.
- To ensure full implementation of all projects and programmes in the Department.
- To provide effective labour relations services for the Department.
- To coordinate and implement Employee Wellness, Gender, Youth, Disability and HIV and AIDS programmes in the Department.
- To provide effective financial management services in the Department.
- To provide an effective legal administration service.
- To ensure effective human resource management.
- To provide an effective internal audit system.
- To ensure availability of appropriate skills for the Department.
- To provide security management services in the Department.



Service Delivery Achievements:

Sub- Programme	Outputs	Output Performance Measurable/ Service Delivery Indicators	Actual Performance Against Targets		
			Target	Actual	Reason for Deviation from Target/Non-Achievement
Communications	To promote a positive image for the Department	The level of accessibility of Departmental information	60%	50%	Website completed in the last quarter of the year and newsletter not printed
		Positive rating by the media and the community	85%	70%	15% Negative rating associated with maintenance backlogs
		Successful implementation of project plans	95%	60%	Website completed later than planned and only dummy newsletter produced
Human Resource Development and Planning	To implement the Performance Management and Development System	Success implementation of PMDS	95%	55%	Not all supervisors conversant with the performance review system
Planning and Programme Management	To ensure full implementation of all projects and programmes in the Department	Success in the implementation of project plans for the Department	85%	60%	Poor planning and the fact that the Project Manager only appointed in February 2006
Human Resource Development	To ensure availability of appropriate skills for the Department	Number of internships and learnerships	18 learners 13 Interns	24 (8 males and 16 females) learners registered in 4 generic programmes	Departmental target differed from PSETA
		Number of bursaries issued by Department	110	29 full time 36 Part time	Limited Budget
		Value of the budget spent on short courses	(R2,900 000) 800 officials	2122 Officials trained	Most courses/ workshops were conducted internally and also some sections used their sections' training budget
		Level of improvement in performance as a result of training received	30%	Not measured	Improvement in performance can only be measured by immediate supervisors
	To provide effective labour relations services for the Department	Level of reduction in Labour related incidents and cases	10%	7%	Some grievances are not reported due to lack of information on how to lay a complaint and the process to be followed

Transversal Services	To coordinate and implement Employee Wellness Programme (EWP) in the Department	Number of developed and well resourced programmes	4	Awareness support referral developed	Capacity problem related to staff shortage
		Level of awareness of the available EWP programs and services	50%	38%	Organizational structure too narrow to perform all necessary functions
		Number of cases addressed through EWP	40	20%	Programme still new and trust not yet established from officials
Office of the CFO	To provide effective financial management services in the Department	Level of accuracy and timely submission of financial reports	80%	80%	None
		Payments to suppliers within 30 days	95%	75%	Delay in the roll-out of financial systems to district offices
		Level of compliance with financial pre-scripts	100%	90%	Few cases of non-compliance with the PFMA
		Rating from internal clients	75%	None	Feedback mechanism not developed
Security Management	To provide security management to the Department	Level of decrease of information leakage	50%	42%	Security policy not finalized and to be approved in 2006/07

Legal Services	To provide an effective legal administration service	% of the legal contracts finalized (Of total number of those submitted)	90%	89.6%	It remains a continuous challenge to finalize and close files referred to the State Attorney. In this regard the section is subjected to the normal court rules and time frames, which are beyond the section's control. Cases are however followed up on a regular bases.
		Number of legislation drafted	1 draft	2 drafts	Roads and Transport Repeal Bill published for Public Comments which will close on 15 May 2006 Roads Bill and Transport Bill submitted to State Law Advisors for scrutiny
		Rating from internal clients	60%	None	Feedback mechanism not developed
Human Resource Management	To ensure effective human resource management	Appropriate staffing levels for the Department	70%	55%	Re-advertisements and other funded vacant posts not filled
		Rating from internal clients	85%	None	Feedback mechanism not developed
		Level of compliance with relevant prescripts	85%	85%	None
		The extent of achievement of EE targets	70%	None	EE policy not finalized and capacity constraints
Internal Audit	To provide an effective internal audit	The level of quality and timely submission of internal audit reports to management	Annually	80% of quality reports submitted	Insufficient personnel
		The level of effectiveness of Audit Committee	Annually	80%	Late appointment of the committee

☐ **Specific Challenges and Responses**

Challenge 1: Payments to suppliers within 30 days

- There is still a delay in the payments of suppliers within thirty (30) days of receipt of an invoice, which is contravention of the requirements of the PFMA and Treasury Regulations.

Response to challenge 1:

- The Department will ensure implementation of the Expenditure Management System that was developed during the year and the finalisation of the roll-out of transversal systems to the District offices in the next financial year.

Challenge 2: Level of compliance with prescripts

- Non-compliance to prescripts (i.e PFMA) has resulted in the irregular expenditure of R4, 5 million reported in the annual financial statements of the 2005/06 financial year.

Response to challenge 2

- Sections will conduct several workshops on the Departmental policies to ensure improved compliance to all policies in the next financial year.

Challenge 3: Retaining competent staff

- The Department is experiencing serious challenges in retaining staff in the Professional and Technical fields like engineers and artisans. Most qualified professionals choose the private sector as the public sector is unable to refer market related packages.

Response to challenge 3:

- The Department has embarked on a process of evaluating all Technical posts and the process of paying Scarce Skills allowances is being underway.

Challenge 4: Aligning organogram with the budget structure

- The current approved organogram is not linked to the budget structure and this has an impact on the key areas of our operations as per our departmental mandate.

Response to challenge 4:

- A task team has been put in place by management to align our organogram with the budget structure accordingly and this should be implemented in the 2006/07 financial year.

Challenge 5: Delay in filling vacant posts

- The Department advertised a number of critical posts but the process of filling those posts took longer than anticipated.

Response to challenge 5:

- A timetable for filling vacant posts has been agreed upon, as all posts should be filled by the end of the third quarter.

☐ **Issues requiring ongoing attention**

- Improvement in the compliance with the requirements of the PFMA and Treasury Regulations.
- Continuous training of officials within the department on financial management.
- Implementation and compliance to departmental policies.
- Adherence to deadlines and improving quality of Departmental reports.

2.2 PROGRAMME TWO: ROADS INFRASTRUCTURE

Purpose: The main functions of this programme are to provide and maintain the Provincial road network. The programme is responsible for the maintenance of the road network and bridges in the Province. The programme executes these functions through the planning, design, maintenance and construction sub-programmes.

Measurable Objectives:

- To plan, construct and maintain an integrated Provincial road infrastructure.
- To promote the achievement of critical National and Provincial socio-economic priorities through roads construction and maintenance.

Service Delivery Achievements:

Construction of Road Infrastructure by Region

Performance Measures	Planned Outputs 2005/06	Actual outputs	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Ehlanzeni					
Highways (no of km)	Nil	Nil	Nil	Nil	None
Surfaced roads (excluding highways) (no of km)	15.85	33.3	+17.45	+110%	Work planned for 2005/06 completed early and begun work planned for 2006/07
Gravel roads (no of km)	Nil	Nil	Nil	Nil	None
Unsurfaced dirt roads (no of km)	Nil	Nil	Nil	Nil	None
Bridges with span > 2 metre (no.)	1	1	0	0	None
Nkangala					
Highways (no of km)	Nil	Nil	Nil	Nil	None
Surfaced roads (excluding highways) (no of km)	35.07	42.20	7.13	+20%	Work planned for 2005/06 completed early and begun work planned for 2006/07
Gravel roads (no of km)	Nil	Nil	Nil	Nil	None
Unsurfaced dirt roads (no of km)	Nil	Nil	Nil	Nil	None
Gert Sibande					
Highways (no of km)	Nil	Nil	Nil	Nil	None
Surfaced roads (excluding highways) (no of km)	111.75	101.35	-10.7	9%	Budget constraints
Gravel roads (no of km)	Nil	Nil	Nil	Nil	None
Unsurfaced dirt roads (no of km)	Nil	Nil	Nil	Nil	None
Bridges with span > 2 metre (no.)	Nil	Nil	Nil	Nil	None
Whole Province					
Highways (no of km)	Nil	Nil	Nil	Nil	None
Surfaced roads (excluding highways) (no of km)	167.6	181.03	13.43	8%	Work planned for 2005/06 completed early and begun work planned for 2006/07
Gravel roads (no of km²)	Nil	Nil	Nil	Nil	None
Unsurfaced dirt roads (no of km²)	Nil	Nil	Nil	Nil	None
Bridges with span > 2 metre (no.)	1	1	1	1	None

Summary of Construction Maintenance by Regions

Performance Measures	Planned Outputs 2005/06	Actual outputs	Deviation from target		Reason for Deviation from Target/Non-Achievement
Input			Units	%	
Construction as % of Programme 2 budget	64%	66,9%	+2.9	+5%	Over commitment on roads con- struction projects for the financial year
Process					
Projects started on schedule	100%	86%	N/A	-14%	Late appointment of contractors
Projects started more than 3 months late	0	0	0	0	None
R'000 difference between actual and planned expenditure: ● 1st quarter ● 2nd quarter ● 3rd quarter ● 4th quarter	93,948 120,947 101,188 100,948	137,868 172,653 114,739 64,009	+43,920 +51,706 +13,551 -36,939	+47% +43% +13% -37%	Over commitment Over commitment Over commitment Over commitment
Output					
New	Nil	Nil	Nil	Nil	None
Upgrading	67.1	71.35	+4.25	+6%	Over commitment
Rehabilitation	Nil	Nil	Nil	Nil	None
Reconstruction	100.5	109.68	+9.18	+9%	Over commitment
Bridges	1	1	0	0	None
Efficiency					
Projects completed on schedule	100%	90%	N/A	-10%	Rain delayed
Projects completed more than 3 months later than schedule	0	0	0	0	None

Performance Measures	Planned Outputs 2005/06	Actual outputs	Deviation from target		Reason for Deviation from Target/Non-Achievement
Ehlanzeni			Units	%	
Grading gravel roads (no of km)	5,205	4,320	-885	-17%	Shortage of equipment and expiry of maintenance contracts
Reshaping gravel roads (no of km)	189	205	+16	+8	Excessive rain resulted in more work
Regravelling of gravel roads (no of km)	33	44	+11	+33	Excessive rain resulted in more work
Patching potholes on surfaced roads (no m2)	7,952	18,985	+11,033	+145 %	Excessive rain resulted in more work
Grass cutting of unpaved shoulders (no of km.)	3,359	706	-2,653	-79	Expired maintenance contracts
Cleaning / replacing of culverts (no)	1,009	1, 378	+369	+37	Excessive rain resulted in more work
Cleaning side drains (no)	693	1, 511	+818	+118 %	Excessive rain resulted in more work
Installation /repair guardrails (no)	2,411	562	-1,849	-77%	Expired maintenance contracts
Weed control of unpaved shoulders of surfaced roads (no of km)	900	325	-575	-64%	Expired maintenance contracts
Clearing of weeds at road signs (m2)	801	2,441	+1,640	+205 %	Excessive rain resulted in more work

Weed control road reserve (no of km)	8	14	+6	+75%	Excessive rain resulted in more work
Installation/ repair of road signs (no)	1,114	732	-66	-6%	Expired maintenance contracts
Road marking (no of km)	243	91.6	-151.4	-62%	Expired maintenance contracts
Fog spray on surfaced roads (no of km)	49	13	-36	-73%	Wet condition prevented spraying
Install pipes (no)	0	50	+50	N/A	Demand resulted from flooding of some roads
Nkangala					
Grading gravel roads (no of km)	6,504	6, 604	+100	+2%	Excessive rain resulted in more work
Reshaping gravel roads (no of km)	Nil	Nil	Nil	Nil	None
Reshaping and grading of shoulders for surfaced roads (no of km)	218	1,050	+832	+382%	Excessive rain resulted in more work
Maintenance of paved roads (pothole patching) m2	4,478	7,150	+2,672	+60%	Excessive rain resulted in more work
Grass cutting of unpaved shoulders (no of km)	Nil	Nil	Nil	Nil	None
Cleaning / replacing of culverts (no)	Nil	Nil	Nil	Nil	None
Drainage cleaning, repair and installation (no)	2,654	4,896	-2,236	-84%	Expired maintenance contracts
Installation /repair guardrails (no)	Nil	Nil	Nil	Nil	None
Applying herbicides next roads (no of km)	794	522	-272	-34%	Wet condition prevented application of herbicides
Clearing of weeds at road signs (m2)	Nil	Nil	Nil	Nil	None
Installation/ repair of road signs (no)	3,895	5,300	+1,405	+36%	Excessive rain resulted in more work
Road marking (no of km)	663	1, 750	+1,087	+163%	Improvement of signage in hazardous conditions
Gert Sibande					
Grading gravel roads (no of km)	12,000	15795	+3,795	+32%	Excessive rain resulted in more work
Reshaping gravel roads (no of km)	240	166	-74	-30%	Difficulty in hiring good machines for the work.
Reshaping and grading of shoulders for surfaced roads (no of km)	120	46	-74	-61%	Difficulty in hiring good machines for the work
Patching potholes on surfaced roads (no m2)	42,000	56,755	+14,755	+35%	Excessive rain resulted in more potholes
Grass cutting of unpaved shoulders (no of km)	804	2,166	+1,362	+169%	Excessive rain resulted in more work
Cleaning / replacing of culverts (no)	3,960	6,032	+2072	+54%	Excessive rain resulted in more work
Cleaning side drains (no)	600	1,777 s	+1,177		Excessive rain resulted in more work
Installation /repair guardrails (no)	6,000	7,531	+1,531	+25%	Excessive rain resulted in increase of precautions
Clearing of weeds at road signs (m2)	1,200	260	-940	-940	N/A
Installation/ repair of road signs (no)	1,800,000	2,329,122	+529,122	+29%	Excessive rain resulted in more work

Summary of Maintenance (Grading gravel roads leading to voting polling stations)

Erection/repair of road signs (no)	2400	3009	+609	+25%	Excessive rain resulted in more warning signs
Road Marking (no of km)	540	188	-352	-65%	Contact expired
Erection of Gabions (no m2)	None	None	N/A	N/A	Done as and when need arises

☐ **Specific Challenges and Responses**

Performance Measures	Planned Outputs 2005/06	Actual outputs	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Input					
Maintenance as % of Programme 2 budget	29%	27%	N/A	-2%	Staff complement and lack of contract for small equipment
Process					
Projects started on schedule	N/A	N/A	N/A	N/A	Projects not planned and implemented as Cabinet resolution
Projects started more than 3 months late	N/A	N/A	N/A	N/A	Projects not planned and implemented as Cabinet resolution
R'000 difference between actual and planned expenditure: • 1st quarter • 2nd quarter • 3rd quarter • 4th quarter	Nil Nil Nil 6,000,000	Nil Nil Nil 895,830	Nil Nil Nil 5,104,170	Nil Nil Nil -85%	Funds made available during the fourth quarter by Cabinet to regravell access roads leading to voting polling stations. Application made to rechannel the balance to other maintenance projects for 2006/07
Output					
Reseal tarred roads km	Nil	Nil	Nil	Nil	None
Perform blacktop patching (no of km2)	23774x 10 ⁻⁶	69442 x 10 ⁻⁶	+45668 x 10 ⁻⁶	+192%	Excessive rain resulted in more potholes
Blade gravel roads (no of km)	47736	27317	-204109	-43%	Shortage of equipment and expired heavy plant contracts
Regravel roads (no of km)	56	58.20	-2.20	-4%	Shortage of equipment
Blade unsurfaced roads (no of km)	Nil	Nil	Nil	Nil	None
Efficiency					
Projects completed on schedule	N/A	N/A	N/A	N/A	Projects started late in February and ongoing
Projects completed more than 3 months later than schedule	N/A	N/A	N/A	N/A	None

Challenge 1: Budget constraints for the coal haulage routes

- A substantial portion of the MTEF budget is used to upgrade coal haulage routes of National strategic importance. There is heavy traffic in the Gert Sibande region where Eskom generates the country's electricity.

Response to challenge 1:

- The Department has engaged National Treasury, Department of Transport, SANRAL, Department of Public Enterprise as well as Eskom to find a solution for funding shortages. We have also engaged on a process of transferring key strategic Road network to SANRAL as also a mean to relieve pressure to our fiscal

Challenge 2: Shortage of engineers and technical skills

- Technical specialists prefer the private sector to the public sector due to attractive packages.

Response to challenge 2:

- Salaries of technical staff will be reviewed and bursaries awarded to student pursuing careers in technical fields.

Challenge 3: Excess rainfall during the second half of 2005/06

- Excess rainfall caused havoc and adversely affected the deadlines as well as projected cost for certain projects.

Response to challenge 3:

- Review completion dates and estimated costs to accommodate rain delays.

Issues Requiring Ongoing Attention

- Conduct Technical skills audit to determine internal capacity.
- Shortage of equipment and expired maintenance contracts.
- Inadequate capacity for road planning maintenance.



- Budget allocations to be informed by needs analysis.

2.3 PROGRAMME THREE: TRANSPORT

Purpose: The main functions of this programme are to manage and facilitate transport related matters, i.e. public transport and government fleet. The programme consists of four sub-directorates namely: Public Transport, Logistics and Corridor Development, Policy, Planning and Research and Government Motor Transport.

Measurable Objectives:

- To promote accessibility of Public Transport.
- To promote mobility within the Province.
- To facilitate sustainable modal split for freight transport.
- To provide and manage fleet for Government usage.
- To promote Broad-Based Black Economic Empowerment.
- To raise the level of awareness on HIV and AIDS in the Transport sector.

Sub-Programme	Outputs	Output Performance Measurable/ Service Delivery Indicators	Actual Performance Against Targets		
			Target	Actual	Reason for Deviation from Target/ Non-Achievement
Public Transport	To promote accessibility of Public Transport	The number of routes subsidized by the Department	5	0	Under budgeting and strategy changed to ensure that routes are subsidize next financial year
		The number of bus contracts successfully managed by the Department	9	9	None

Office of the Registrar		The level of assistance provided to the Taxi industry towards the establishment of Taxi Cooperatives	80%	40%	Business plan developed and implementation to start in 2006/07
		The level of assistance provided to the Taxi industry for stabilization of the industry	100%	70%	Fund earmarked for financial support limited
		% success in the implementation of the Taxi Recapitalization Project Plan for the Province (level of readiness for roll-out)	90%	90%	None
Public Transport	To promote accessibility of Public Transport	The number of additional public transport vehicles adapted for disabled people	1	0	Delay in the Model Tender Document which has the specifications as well as the delay in the Recapitalization process
		The number of projects running for non-motorized transport in rural areas within the Province (Shova-kalula)	3	3	None
		The number of rural access routes approved for development	Complete rural strategy	Completed	Identification and approval planned for next financial year
Planning, Policy and Research	To promote mobility within the Province	The number of one-stop public transport facilities within the Province	Complete feasibility study	Completed	Identification and approval planned for next financial year
Public Transport	To promote accessibility of Public Transport	The extent of successful regulation of public transport	90%	65%	Incomplete applications received and processing of applications slow. Single server used for the printing of operating licenses as well as the heavy schedule on the Board
		Successful implementation of the public transport law enforcement operational plan	90%	90%	None
Logistics and Corridor Development	To facilitate sustainable model split for freight transport	Successful implementation of the Provincial Freight Transport Strategy	85%	50%	Freight data bank CD not completed on time by service provider. Provincial Aviation plan and Investment plan not developed due to lack of capacity.
Government Motor Transport	To provide manage fleet for Government usage	The extent of success in the optimisation of the availability and reliability of Government fleet	80%	65%	Limited funds available to replace ageing vehicles
		Reduction of the number of irregularities in the usage of Government fleet	30%	25%	There was a decrease in lost bankcards, impounded vehicles and stolen cars. However there was an increase in accidents, which can be linked to the increased number of vehicles from last year.
		The number of vehicles adapted for disabled people, for use by the officials of the Mpumalanga Provincial Government	1	None	Most disabled persons opted to apply for subsidized vehicles and that left the one available automatic vehicle with minimal usage.
Public Transport	To promote accessibility of Public Transport	The total value of public transport subsidies awarded to BEE beneficiaries	10%	10%	None
		Increase the level of awareness of HIV and AIDS within the freight and public transport industries	20%	5%	No strategy developed. Only HIV/AIDS awareness pamphlets and condoms distributed

Service Delivery Achievements

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Input					
Ratio of inspectors to be registered in public transport	1:469	1:469	0	0	None
Process					
Number of inspections conducted per 1000 vehicles registered in Province	240	296	+56	+23%	Deadline for the Taxi Recapitalization Programme resulted in more compliance by taxi associations
Output					
Number of courses run by safety unit	None	3	None	0	Training of public operators not planned but was prompted by Taxi Recapitalization
Number of operator licenses granted	None	3666	None	0	OLB could not plan for specific numbers
Number of operator licenses withdrawn	None	0	None	0	All queries were addressed by the OLB
Quality					
Vehicles verified	0	3429	None	None	Law Enforcement can not plan how many vehicles will be verified, impounded, discontinued etc
Vehicles impounded	0	1,625	None	None	None
Summonses issued	0	2743	None	None	None
Vehicles discontinued	0	13	None	None	None

Operator Safety and Compliance

☐ Specific Challenges and Responses

Challenge 1: Subsidization of new routes

- Report from appointed consultants indicated that only three of the five routes would have qualified for subsidy.

Response to challenge 1:

- Strategy changed to ensure inclusion of routes in next financial year's budget.

Challenge 2: Shovakalula

- Appointment of service provider for Shovakalula took longer than anticipated.

Response to challenge 2:

- Municipalities will provide lists of approved learners that will receive the donated bicycles.

Challenges 3: Identifying Provincial Freight Corridors:

- Truck stops in Komatipoort and Ngodwana are situated on private property.

Response to challenge 3:

- Owners of private land will be engaged with an intention of striking a workable deal with them.

Challenge 4: Review Provincial Land Transport Framework

- Tender was advertised and one bid was received.

Response to challenge 4:

- Tender was re-advertised and preferred service provider to be appointed in 2006/07.

Challenge 5: Decentralisation

- Regionalization of the transport inspectorate unit.

Response to challenge 5:

- New approved structure will assist the Department to regionalize the unit.

☐ **Issues Requiring Ongoing Attention**

- Regulation of public transport and implementation of the public transport law enforcement operational plan.
- Increase the level of awareness of HIV and Aids within the freight and public transport industry.
- Monitor compliance to code of conduct by taxi associations.



STATISTICAL REPORT ON GOVERNMENT MOTOR VEHICLES 2005/2006

NEW VEHICLES													
DEPARTMENT	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	1	-	-	-	-	-	-	1	-	-	-	-	2
EDUCATION	4	-	-	-	-	20	39	-	4	5	-	-	72
HEALTH & SOCIAL SERVICES	44	-	-	7	1	19	37	-	15	15	36	53	227
LOCAL GOV & HOUSING	-	-	-	-	-	-	-	5	-	1	1	-	7
PUBLIC WORKS	-	-	-	-	-	-	-	-	-	1	8	-	9
ROADS & TRANSPORT	13	-	-	3	-	-	-	-	-	2	-	8	26
SAFETY & SECURITY	-	-	-	-	-	1	-	-	-	-	-	-	1
FINANCE	-	-	-	-	-	-	-	15	-	-	2	-	17
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	1	-	-	-	-	1
SPORTS	-	-	-	-	1	-	1	-	3	3	-	-	8
AGRICULTURE ENV AFF	-	-	-	-	-	-	-	-	5	1	-	-	6
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	-
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	-
JUSTICE (NAT)	-	-	-	-	-	-	-	-	-	-	3	2	5
WATER AFFAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	62	0	0	10	2	40	77	22	27	28	51	72	381

ACCIDENTS													
DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	-	1	1	-	-	1	-	1	-	-	1	-	5
EDUCATION	2	2	2	-	5	2	1	6	1	1	2	-	24
HEALTH & SOCIAL SERVICES	9	32	23	10	30	28	20	21	23	9	27	28	260
LOCAL GOV & HOUSING	1	1	-	-	3	-	1	1	-	-	-	2	9
PUBLIC WORKS	2	-	-	-	-	-	2	-	-	3	2	1	10
ROADS & TRANSPORT	8	4	1	1	5	5	4	7	1	2	5	7	50
SAFETY & SECURITY	-	-	2	-	-	1	-	-	-	-	-	-	3
FINANCE	-	1	-	-	-	-	1	-	-	-	2	-	4
ECONOMIC AFFAIRS	-	-	-	-	3	1	-	1	-	-	2	-	7
SPORTS	-	-	-	2	1	1	-	-	1	-	-	-	5
AGRICULTURE ENV AFF	-	-	4	1	3	6	3	5	-	-	-	2	24
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
HOME AFFAIRS (NAT)	-	1	-	-	-	1	-	-	-	-	-	-	2
JUSTICE (NAT)	4	1	-	-	-	2	1	1	3	5	-	-	12
LABOUR (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
TOTAL	26	43	33	14	50	48	33	43	29	15	41	40	415
STOLEN /HIJACKED VEHICLES													
DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	-	-	-	-	-	-	-	-	-	-	-	-	0
EDUCATION	-	1	-	-	1	-	-	-	2	1	1	1	7
HEALTH & SOCIAL SERVICES	-	-	1	-	1	3	-	3	-	-	3	-	11
LOCAL GOV & HOUSING	-	-	-	-	-	-	-	-	-	-	-	-	0
PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	-	0
ROADS & TRANSPORT	-	1	1	-	2	-	-	-	-	-	1	1	6
SAFETY & SECURITY	-	-	-	-	-	-	-	-	1	-	-	-	1
FINANCE	-	-	-	-	-	-	-	-	-	-	-	-	0
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	1	-	-	-	-	0
SPORTS	-	-	-	-	-	-	-	-	-	-	-	-	0
AGRICULTURE ENV AFF	-	1	-	-	1	3	-	1	-	-	-	1	7
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
JUSTICE (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
WATER AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
TOTAL	0	3	2	0	5	6	0	4	3	1	5	3	32
LOST/STOLEN BANK CARDS													
DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	-	-	-	-	-	-	-	1	1	-	-	1	3
EDUCATION	-	1	-	-	-	-	-	-	-	-	1	-	3
HEALTH & SOCIAL SERVICES	3	3	1	-	6	4	3	4	4	0	1	-	31
LOCAL GOV & HOUSING	-	-	-	-	-	1	-	-	-	-	-	0	1
PUBLIC WORKS	-	-	-	1	-	-	-	-	-	-	-	1	2
ROADS & TRANSPORT	2	-	1	1	1	-	2	-	-	-	-	2	9
SAFETY & SECURITY	-	-	-	-	-	-	-	-	-	-	-	-	0
FINANCE	-	-	-	-	-	1	-	-	-	-	-	-	1
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	-	-	-	-	-	0

SPORTS	-	-	-	-	-	-	-	-	-	-	-	-	0
AGRICULTURE ENV AFF	-	-	-	-	-	-	1	-	1	-	-	1	4
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
JUSTICE (NAT)	-	-	-	-	-	-	-	1	-	-	-	-	1
TOTAL	5	4	2	2	7	7	6	6	6	0	3	7	55

IMPOUNDED VEHICLES

DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	-	-	-	-	-	-	-	-	-	-	-	-	0
EDUCATION	-	-	-	-	-	-	-	1	-	-	-	-	1
HEALTH & SOCIAL SERVICES	-	-	-	2	-	-	-	-	-	-	-	-	2
LOCAL GOV & HOUSING	-	-	-	-	-	-	-	1	-	-	-	-	1
PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	-	0
ROADS & TRANSPORT	-	-	-	-	-	-	-	-	-	1	-	-	1
SAFETY & SECURITY	-	-	-	1	-	-	-	-	-	-	-	-	1
FINANCE	-	-	-	-	-	-	-	-	-	-	-	-	0
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	-	-	-	-	-	0
SPORTS	-	-	-	-	-	-	-	-	-	-	-	-	0
AGRICULTURE ENV AFF	-	-	-	-	-	-	-	-	-	-	-	-	0
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
JUSTICE (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
LAND AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
TOTAL	0	0	0	3	0	0	0	2	0	1	0	0	6

GENERAL LOSSES

DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	2	2	-	2	-	-	-	2	-	-	1	-	9
EDUCATION	1	3	-	1	1	2	5	6	1	3	2	-	29
HEALTH & SOCIAL SERVICES	11	16	5	4	15	22	13	7	6	2	18	20	139
LOCAL GOV & HOUSING	-	1	-	-	1	3	1	2	-	1	-	1	10
PUBLIC WORKS	4	2	1	-	-	-	-	2	1	1	-	1	12
ROADS & TRANSPORT	5	6	1	3	7	4	3	3	1	4	4	5	46
SAFETY & SECURITY	1	-	-	-	-	-	-	-	-	-	-	-	1
FINANCE	-	-	-	-	1	-	1	-	-	1	-	-	3
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	1	-	1	-	-	2
SPORTS	-	1	-	-	-	-	1	-	1	1	-	-	4
AGRICULTURE ENV AFF	1	-	-	-	3	2	4	3	-	2	1	1	17
CORRECTION (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	0
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	1	-	-	-	1
JUSTICE (NAT)	1	-	-	-	-	4	-	-	-	-	-	-	5
TOTAL	26	31	9	10	28	37	28	26	11	16	26	30	278

AUCTIONS

DEPARTMENT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	TOTAL
PREMIER	-	-	-	-	1	-	-	-	7	-	-	-	8
EDUCATION	2	-	-	-	-	-	-	-	14	-	-	-	16
HEALTH & SOCIAL SERVICES	38	-	-	-	17	-	-	-	91	-	-	-	146
LOCAL GOV & HOUSING	1	-	-	-	1	-	-	-	12	-	-	-	14

PUBLIC WORKS	4	-	-	-	11	-	-	-	9	-	-	-	25
ROADS & TRANSPORT	5	-	-	-	17	-	-	-	53	-	-	-	78
SAFETY & SECURITY	1	-	-	-	-	-	-	-	1	-	-	-	1
FINANCE	-	-	-	-	-	-	-	-	2	-	-	-	2
ECONOMIC AFFAIRS	-	-	-	-	-	-	-	-	1	-	-	-	1
SPORTS	2	-	-	-	3	-	-	-	7	-	-	-	12
AGRICULTURE ENV AFF	6	-	-	-	6	-	-	-	15	-	-	-	27
CORRECTION (NAT)	2	-	-	-	-	-	-	-	4	-	-	-	6
HOME AFFAIRS (NAT)	-	-	-	-	-	-	-	-	4	-	-	-	4
JUSTICE (NAT)	1	-	-	-	1	-	-	-	1	-	-	-	3
WATER AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	
LAND AFFAIRS (NAT)	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	65	0	0	0	57	0	0	0	211	0	0	0	343



2.4 PROGRAMME FOUR: TRAFFIC MANAGEMENT

Purpose: The main function of the programme is to provide safe road environment through the regulation of traffic on public roads, law enforcement, the implementation of road safety campaigns and awareness programmes and the registration of vehicles and drivers.

Measurable Objectives:

- To promote the reduction of fatalities on roads within the Province.
- To ensure compliance to Road Traffic legislation by all stakeholders within the Province.
- To promote Road Safety awareness by means of education and awareness campaigns.
- To promote the reduction of fatalities on roads within the Province.

Service Delivery Achievements

Sub-Programme	Outputs	Output Performance Measurable/ Service Delivery Indicators	Actual Performance Against Targets		
			Target	Actual	Reason for Deviation from Target/Non-Achievement
Road safety education	To promote the reduction of road fatalities	The level of awareness of road safety	50%	52%	Increased joint operations and road safety initiatives
Traffic law enforcement		The reduction in the number of critical traffic violations	10%	7%	Non visible road markings
		The extent of visibility of law enforcement officers	80%	90%	Discontinuing use of multicoloured patrol vehicles
		Reduction in the number of reported fraud and corruption incidents and prosecutions	50%	0%	Establishment of a fraud and corruption unit was delayed
Transport administration and licensing		The level of compliance with minimum standard requirements at vehicle testing stations and driving licenses testing centres	90%	45%	Inspections done by SABS as unit was not established
All		Successful implementations of projects	90%	92%	Increased joint operations and road safety initiatives

Resource for Traffic Management by Region

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Ehlanzeni					
Traffic officers	76	76	0	0	None
Administrative staff	9	9	0	0	None
Highway patrol vehicles	2	2	0	0	None
Nkangala					
Traffic officers	139	139	0	0	None
Administrative staff	38	38	0	0	None
Highway patrol vehicles	4	4	0	0	None
Gert Sibande					
Traffic officers	99	92	-7	-7%	No appointments during the year as RTMC busy with new curriculum for training of traffic officers
Administrative staff	16	12	-4	-25%	Delay in the appointments
Whole Province					
Highway patrol vehicles	4	4	0	0	None
Traffic officers	314	307	-7	2,2%	No appointments during the year as RTMC busy with new curriculum for training of traffic officers
Administrative staff	63	63	0	0	None
Highway patrol vehicles	10	10	0	0	None

☐ Specific challenges and responses***Challenge 1: Filing of critical funded vacant posts.***

- Currently the Program is experiencing a major need to support its mandates due to a human resource shortage.

Response to Challenge 1:

- Finalise the appointment of advertised posts and advertise, interview and appoint outstanding identified posts.

☐ Issues requiring ongoing attention

- Finalisation of the organogram to reflect the needs within the section.

Traffic Management Outcomes by Regions

Traffic accidents report for the Regions and Province has not been updated by RTMC when going to printing.

☐ Specific challenges and responses***Challenge 1: Establishment of a Traffic Information System***

- Traffic information is available after an extended time frame.

Response to Challenge 1:

- Implement an advance traffic information system.

Traffic Law Enforcement

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Input					
Number of traffic officials per km of surfaced road in the Province	18	19.32	+1.32	+7%	Increased provincial road network and non-appointment of new traffic officers
Process					
Number of hours speed-traps operated	17,000	19,460	+2460	+14%	Speed identified as cause for most accidents
Number of roadblocks held	860	2,241	+1,381	+161%	Increased visibility to reduce traffic offences and accidents
Number of escort services	Nil	239	N/A	N/A	Plan developed to approve applications as and when received.
Output					
Number of unroadworthy vehicles impounded	Nil	Nil	Nil	Nil	Non-availability of gazetted pounding yards
Efficiency					
Number of registered vehicles per traffic officer	1,254	5,805	+4551	+363%	Dramatic increase in vehicle population was not projected.

☐ Specific challenges and responses

Challenge 1: Involvement of the Department of Justice

- The reduction of admission of guilt on summonses by the prosecutor without consultation.

Response to Challenge 1

- Greater interaction between the Department and the Department of Justice by means of meetings to discuss matters of mutual interest.

Challenge 2: Coordination between local and provincial traffic authorities

- Confusion exists regarding the demarcation of borders.

Response to Challenge 2

- Greater interaction between the authorities to address the issue at hand.

Challenge 3: Provisioning of a 24 hour Traffic Law Enforcement service on our roads

- Extension of law enforcement duties to cover 24 hours per day service.

Response to Challenge 3

- Extension of Law Enforcement hours to cover the early and late hours of the day as follows: Starting at 04:00 and closing 22:00 of each weekday.

Road Safety Education

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Input					
Number of staffing providing road safety education programmes at schools	41	37	4	10%	Delay in the appointment of the other four personnel
Number of staffing providing road safety education programmes to public transport operators	41	37	-4	-10%	Delay in the appointment of the other four personnel
Process					
Schools involved in road safety education programmes	1794	1772	-22	-1%	Special schools (18) and reformed schools (4) not part of the programme due to lack of specialized facilitators
Number of courses run for public transport operators	360	377	+17	+5%	Increased joint ventures and road safety initiatives

☐ Specific challenges and responses

Challenge 1: Lack of coordinated infrastructure planning

- The building of schools and other services centres to communities are not planned to ensure general road safety.

Response to Challenge 1

- Greater involvement by other Governmental and Non-governmental organizations in general road safety practices.

Challenge 2: Business activities on public roads

- The use of the road reserve by vendors and other business people to create opportunities and not considering road safety practices results in dangerous situations on our roads.

Response to Challenge 2

- Engage the community leaders, law enforcement officials and road section to address the need.

☐ Issues requiring ongoing attention

- Preparation and execution of the Arrive Alive Project during festive season is challenging since most personnel takes vocation leave.

Transport Administration and Licensing

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Output					
Operational NaTIS	40 Registering Authorities. 17 Private Vehicle Testing Stations	40 Registering Authorities. 17 Private Vehicle Testing Stations	None	None	None
Operational Inspectorate	Operational Inspectorate	Operational Inspectorate	None	None	None
Ensure compliance by DLTC and VTS	Inspect 87 Centres	121	+34	+39%	Planned target was low
Process Abnormal Loads Permits.	5102 Permits issued	5,961	+859	+17%	Increased application for abnormal loads received.
Administer functional law management	262 Appeals	100	-162	-62%	Service delivered to stakeholders as applications and requests received Enforcement (RTMC)
Establish NaTIS training unit.	All officials trained	5 new officials trained	N/A	N/A	N/A
Manage Provincial Registering Authorities.	5 Authorities	5 Authorities	5	0	None
Quality					
Number of licence fraud cases prosecuted	None	None	0	0	No unit established to attend to this matter
Efficiency					
% of licenses paid on time	98%	96.55	-1.45	-1%	No licence renewals had been provided to remind owners of licence fees.
Administration costs as % of total license revenue	20%	20%	0	0	None

☐ Specific challenges and responses

Challenge 1: Establishment of the NaTIS Training Unit

- Training of the new eNaTIS is not prioritised

Response to Challenge 1

- Training unit needs to be established and appointments need to be considered.

Challenge 2: Establishment of System Security and compliance Unit

- Reduction in the number of Fraud and Corruption cases.

Response to Challenge 2:

- Unit not fully established and appointments need to be considered.

Challenge 3: Establishment of Audit unit

- Document auditing of Registering Authorities needs to be prioritised as it is currently lacking within the organogram.

Response to Challenge 3

- Organogram needs to be reconsidered to reintroduce such a unit with the training unit.

Issues requiring ongoing attention

- Roll out of the Best Practise model for Registering Authorities as identified.

Overload Control

Performance Measures	Planned Outputs 2005/06	Actual Outputs 2005/06	Deviation from target		Reason for Deviation from Target/Non-Achievement
			Units	%	
Input					
Number of weigh bridges	19	19	0	0	None
New weigh bridges to be constructed	Nil	Nil	Nil	Nil	None
Process					
Hours weigh-bridges to be operated	24	24	0	0	None
Number of transport vehicles inspected	240,000	166,297	-73,703	-22%	The number of loaded vehicles on the routes has reduced.
Output					
% of vehicles overloaded (i.e. over the 5% tolerance)	4%	6,37%	-2,37	-59%	There has been an increase in the number of escape routes
Number of vehicles impounded	13,000	11,893	- 1,107	- 9%	There has been an increase in the number of escape routes
Efficiency					
Number our hours weighbridges operated as % of total hours in year	84%	84%	0	0	None
Number of vehicles inspected per hour	28	24,6	-3,4	-12%	The number of loaded vehicles on the routes has reduced.

☐ Specific Challenges and Responses

Challenge 1: Traffic Management Model Rollout to Provincial roads

- To ensure overloading law enforcement on Provincial roads.

Response to Challenge 1:

- Establish a unit for Provincial roads.

Issues Requiring Ongoing Attention

- Identification and monitoring of escape routes.

3. REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee

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 three members and their meeting attendance details during the 2005/06 financial year were as follows:

	Name of Member	Number of Meetings Attended
1.	Ms. M Mosweu (Chairperson)	3
2.	Mr. K Chisale	3
3.	Mr. EJ De Jager	3

Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) of the Public Finance Management Act (PFMA) and Treasury Regulation (TR) 3.1.13. The Committee has adopted a formal terms of reference by way of the Audit Committee Charter to guide its operations and discharge its responsibilities.

Effectiveness of Internal Control

The Internal Audit Directorate is independent of management and reports directly to the Audit Committee. The department conducted the risk assessment exercise where risks were identified, impact of risk was assessed and the system through which management is managing these risks has also been assessed. On the basis of such risk assessment, a three-year rolling plan and annual operational plans were prepared by Internal Audit and approved by the Audit Committee.

The Audit Committee is of the opinion that the control environment needs improvement to provide reasonable assurance that the major inherent risks are appropriately managed and that applicable legislation is adhered to. Management had implemented corrective action where possible to ensure that the controls are in place and operating as intended. However there are few areas that the Department needs to focus on in order to reduce risks and achieve a better level of compliance with Departmental policies and procedures. Where internal controls did not operate effectively, there were no material findings and departments' assets have been safeguarded, proper accounting records maintained and resources utilized efficiently in all significant respects.

Matter of Concern

During the year under review, the Internal Audit unit was not fully staffed; hence not fully able to follow the approved audit plans. This matter has been raised with the Department's accounting Officer and we hope that it will be dealt with, therefore enabling the Audit Committee to perform its responsibilities per the PFMA Act.

The Quality of In-Year Management and Quarterly Reports Submitted in Terms of the PFMA and the Division Of Revenue Act.

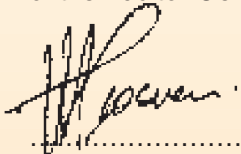
The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusion on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson of the Audit Committee

4. ANNUAL FINANCIAL STATEMENTS

REPORT OF THE ACCOUNTING OFFICER

The following is the Report by the Accounting Officer to the Executive Authority and the Provincial Legislature on the financial performance, financial position and activities of the Department of Roads and Transport for the financial year ended 31 March 2006.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS.

The Department was allocated an original budget of R906, 913 million during the 2005/06 financial year as compared to R764, 129 million for 2004/05 financial year. An additional amount of R80, 435 million was allocated to the Department during the adjustment budget resulting in a total budget for the Department of R987, 348 million. The additional amounts were made up as follows:

Description	Amount R'000	Programme
Roll-over	1, 364	Administration
Roll-over	4,955	Transport
Roll-over	4, 792	Traffic Management
Additional funding	12, 000	Administration
Additional funding	55, 254	Roads Infrastructure
Additional Funding	2, 070	Transport
Total	80, 435	

1.1 Significant events that took place during the year.

The following events were conducted by the Department during the 2005/2006 financial year.

NAME OF EVENT	VENUE	DATE
Provincial Prayer Day	Ogies	20 November 2005
Transport Month Launch	Tweefontein	03 October 2005
Road Safety Summit	Secunda	28-29 September 2005
Road Safety debates	Witbank	12 August 2005
Driver of the Year Competition	Nelspruit	25-28 October 2005
Arrive Alive Campaigns	All Regions	Monthly

1.2 Major Projects Undertaken or Completed During the Year.

The Department managed to complete the following major projects during the year.

Name of Event	Name of Project	Region
D2973	Clau Clau Bridge	Ehlanzeni
D2950	Kwandukuzabo - Ngwenyeni	Ehlanzeni
1411	Ngodini - Khumbula	Ehlanzeni
P33/4	Sabie - Hazyview	Ehlanzeni
P33/4	Sabie - Hazyview	Ehlanzeni
P30/2	Bethal - Standerton	Gert Sibande
P15/1	Carolina - Wonderfontein	Gert Sibande
D481	Elukwatini-Mooiplaas	Gert Sibande
P52/3	Bethal - Kriel	Gert Sibande
D2771	Witbank - Duva	Nkangala

D2769	Coalville - Clewer	Nkangala
D2901/2940	Loding - Nokaneng	Nkangala
D2923	Kgobokwane - Philadephia	Nkangala
D2926	Marapyane - Senotleleo	Nkangala

1.3 *Spending Trends*

The Department managed to spend 98% of its adjusted budget for the financial year.

Programme	Budget R'000	Expenditure R'000	% Spent
Administration	78,677	78,643	100%
Roads Infrastructure	735, 187	723,035	98%
Transport	57, 292	55,926	98%
Traffic Management	116, 192	107,072	92%
Total	987, 348	964,676	98%

1.4 *Reason For Under/Over Expenditure*

Programme 1 : Administration

The under expenditure on this programme is due to late delivery of computer equipment by suppliers.

Programme 2 : Roads Infrastructure

The programme has under-spent by R 12,406 million. The under expenditure for compensation of employees is R 2,423 million, and is due to the delay in filling vacant budgeted technical posts. The programme under spent its payment on capital assets by R10, 900 million due to the delay in the award of the project for Road P77/1 Bulembu Road to the value of R 10.0 million. The delay in the purchase of small road construction and maintenance equipments to the value of R 0,629 million also contributed to the under expenditure of the programme. The learnership project on Road D2975 Gutswakop to Luphisi which was in progress at year-end also contributed to the under expenditure on payment of capital assets. The over expenditure on transfer and subsidies of R 1,721 million is due to unforeseen claims which are as a result of potholes on our roads.

Programme 3 : Transport

The delay in the filling of vacant posts in this programme resulted in the under-spending of R 1,201 million. Delay in the appointment of the transaction advisor to undertake a feasibility study on the outsourcing of Government Fleet Management contributed to the under expenditure. The service provider was appointed in December 2005. The programme under spent its payment of capital assets by R 1,100 million. The department has been waiting for the new contract on the purchase of vehicles to be approved, as the previous contract did not have the type of vehicles the department needed to procure.

Programme 4 : Traffic Management

The delay in the filling of vacant posts in this programme resulted in R 7, 044 million under-spending. The programme has also under spent its budget on the payment of capital assets by an amount of R 3.282 million due to the late delivery of firearms. Accreditation for the purchase of firearms was received in May 2005 from South African Police Services. Included in the saving is an amount of R 0.960 million for the renovation of traffic law enforcement offices in Bester Street (Nelspruit). The Department is in the process of finalizing the specification of the work to be done. The above amount was set-aside during the budget adjustment estimate.

1.5 Impact on Programmes and Service Delivery

The under expenditure in the Roads Infrastructure programme, under compensation of employees has affected service delivery, in that further maintenance of the provincial roads could have been undertaken. Also the construction of the Bulembu Road project, which was not implemented, could have benefited communities around that area. Job opportunities for the communities, arising from the said project could have assisted in fighting poverty.

The under expenditure in the Transport programme, under compensation of employees also resulted in non achievement of some of the objectives of the programme. The provincial aviation strategy that could have increased the usage of aviation, as a mode of transport to reduce the number of cars on some of the provincial roads was not developed. The non-appointment of additional Traffic Officers resulted in poor visibility of law enforcement officers on our roads. The non-appointment of additional transport administration officials partly contributed to the slow processing of applications in the licensing and testing stations.

1.6 Planned Actions To Avoid Recurrence.

The department has taken a decision that all vacant budgeted posts for the 2006/2007 financial year will be filled by the end of the second quarter, failing which the unspent budget will be transferred to other economic classification during the adjustment appropriation.

Planning for all roads capital projects will be finalized a year prior to their implementation to avoid under expenditure on capital projects. The Infrastructure Plan will be reviewed by mid year to confirm the priority of the roads projects for implementation in the next financial year, so that designs can be finalized early.

Programmes that will continue under spending their budgets will have their baselines reduced in the subsequent financial years, to encourage improved implementation of business plans by each programme in the department.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 The services rendered by the department are discussed in Part 2 of the 2005/06 Annual Report; however these services can be summarized as follows:

PROGRAMME	SERVICES
Administration	To conduct overall management and provide administrative support to the Department.
Roads Infrastructure	To maintain, upgrade, rehabilitate and re-gravel the provincial road network.
Transport	To provide accessibility of Public Transport and manage government fleet.
Traffic Management	To promote the reduction of fatalities on roads within the Province.

2.2 Tariff Policy

The tariffs charged by the Department are reviewed annually with the approval of the Provincial Treasury.

2.3 Inventories

The inventories on hand as per warehouse as at the 31st March 2006 were as follow:

DESCRIPTION	VALUE R'000
Head Office	798
Ehlanzeni Region	794
Nkangala Region	957
Gert Sibande Region	620
TOTAL	3,169

3. CAPACITY CONSTRAINTS

The Department's major constraint in as far as capacity is concerned, is the inability to attract professionals such as Civil Engineers, Transport Economists and Technicians within our Roads Infrastructure and Transport programmes.

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2006

The inability to attract Civil Engineers, Technicians and Project Managers in Roads Infrastructure programme resulted in the delay of implementing capital projects, ineffective monitoring of the quality of the projects and the planning of capital projects in the Department.

The Department managed to fill 86% of all Senior Management positions at the end of the financial year and plans to fill all vacant budgeted senior management posts by the end of the first quarter of the 2006/2007 financial year.

The Department has established working relationships with the relevant stakeholders such as South African National Roads Agency Limited (SANRAL), Department of Transport (DoT), Department of Transport (KwaZulu Natal), Council for Scientific and Industrial Research (CSIR), Independent Development Trust (IDT) to name but a few, to assist with capacity building in the Department.

Implementation of the training interventions indicated in individual official's performance development plan will also assist in skills development of officials in the Department, thereby, addressing the capacity challenges.

Bursaries have been awarded to students to enrol in civil engineering, transport economics etcetera with the agreement that after completion they will serve the Department. This is however a long term solution.

4. UTILISATION OF DONOR FUNDS

The Department received donations / sponsorships both in monetary and in kind from various stakeholders for the events that were held during the year such as the Driver of the Year Competition, opening of completed roads projects and the Road Safety Summit. The Department will in future have long term partnerships with the private sector to enable it to assist the Department in implementing some of the capital projects and road safety awareness campaigns.

5. PUBLIC PRIVATE PARTNERSHIPS

The Department has appointed a Transaction Advisor to undertake a feasibility study on the possible outsourcing of government fleet management in the 2007/2008 financial year. The Department is seriously considering amongst others the usage of PPP as a funding option for the roads infrastructure in the province, as the current funding will not assist in dealing with the accumulative backlog in roads maintenance, upgrading and rehabilitation.

6. CORPORATE GOVERNANCE ARRANGEMENTS

The Department of Roads and Transport has conducted a Risk Assessment workshop during the reporting period, which was used to develop the Internal Audit Operational Plan for the 2005/06 financial year. The Audit Committee for the Department was also appointed during the year. The Audit Committee approved the Internal Audit Operational plan, reviewed the internal audit reports that were issued during the year and discussed them with management. The Audit Committee also reviewed the financial position of the Department during the year and also the Annual Financial Statements that were submitted to the Auditor General and the Provincial Accountant's Office.

A Draft Fraud Prevention Plan was developed by the Department. The Department has implemented a system to manage the conflict of interests of employees by ensuring that all Senior Managers submit their financial declaration forms to the Public Service Commission (PSC) on an annual basis. All members of the Bid Committee declared their financial interest in all the meetings. A code of conduct manual was given to all new officials when they joined the department.

7. EVENTS AFTER THE REPORTING DATE

The Department had outstanding invoices to the value of R26,091 million as at the 31 March 2006, however some were paid during April and May 2006. The above invoices do not form part of the expenditure for 2005/2006 and are disclosed as note number 20 of the Annual Financial Statements.

After the repeal of the Cross Boundary Act, the Department of Roads and Transport will no longer be rendering services to the areas in Greater Sekhukhune and Kungwini which now forms part of the Limpopo and Gauteng provinces

respectively. The Department will render services in the Bushbuckridge area which was formerly part of the Limpopo province. However, the services rendered in the affected areas will not be disrupted, as bilateral agreements will be entered into with the relevant department in the other province.

8. PERFORMANCE INFORMATION

The Department has established a Planning and Programme Management unit to assist in monitoring the performance of the Department. There is currently no plan to have an independent party to verify the performance information of the department. The Department has been informed that the Office of the Auditor General will be auditing performance information of departments on annual reports as from the 2005/2006 financial year.

9. SCOPA RESOLUTIONS

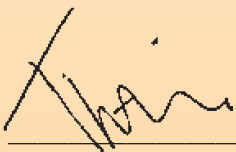
10. IMPROVEMENT IN FINANCIAL MANAGEMENT

Reference to Previous Audit report and SCOPA Resolutions	Subject	Findings on Progress
2002 /2003 financial year The committee recommended that vehicle management be elevated and accorded its rightful status within the functioning of all provincial administration departments	Vehicle Management	The Department has appointed a Transaction Advisor to undertake a feasibility study on possible outsourcing of Government Fleet Management during 2005/2006 financial Year.
The committee recommended that this expenditure be accepted as a charge against the Provincial Revenue Fund	Unauthorised Expenditure R2,324,000	The Department received additional funding during the 2005/06 budget adjustment to write off the unauthorized expenditure

There has been a vast improvement in implementing and complying with the PFMA during the financial year. The Department appointed an audit committee and monthly financial reports were submitted timeously to the provincial treasury and executing authority. There was an improvement on filled posts within the Financial Management Chief Directorate in Head Office and Regions as compared to the previous financial year. In the 2004/05 financial year, the Financial Management Chief Directorate in Head Office for instance functioned with a staff complement of 40% for the whole financial year as compared to 78% in the 2005/06 financial year.

APPROVAL

The Annual Financial Statements set out on pages 47 to 86 have been approved by the Accounting Officer.



Ms. Thembelihle N. Msibi
Accounting Officer
Date: 31 May 2006

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE
FINANCIAL STATEMENTS OF VOTE 11 – DEPARTMENT OF ROADS AND TRANSPORT
FOR THE YEAR ENDED 31 MARCH 2006**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 47 to 85, 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, 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 the 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 on 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 the audit be planned and performed 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 note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the department of Roads and 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 note 1.1 to 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 Irregular, fruitless and wasteful expenditure

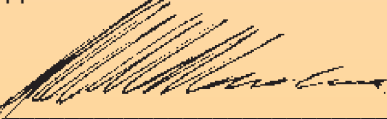
As reflected in notes 9 and 24 to the financial statements, the department incurred irregular expenditure of R4 532 000 and fruitless expenditure of R506 000 during the financial year.

5.2 Submission of audit report

The late submission of crucial information by the department resulted in a delay in the completion of the audit process. The completion of the audit process and the submission of the audit report to the department were therefore delayed beyond 31 July 2006, as required in terms of section 40(1)(c) of the PFMA.

6. APPRECIATION

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



B M M Madliwa for Auditor-General

Nelspruit

4 August 2006



VOTE 11

ACCOUNTING POLICIES

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.

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 Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the 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 Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

VOTE 11

ACCOUNTING POLICIES

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 & 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 & forfeits

Fines, penalties & 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.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is 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 is recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the 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 annual financial statements.

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

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is 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.

VOTE 11

ACCOUNTING POLICIES

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 .

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 of 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). 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 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.

VOTE 11

ACCOUNTING POLICIES

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.

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.

VOTE 11

ACCOUNTING POLICIES

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.

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.

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 at the reporting date.

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.

VOTE 11

ACCOUNTING POLICIES

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 the department 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:
 - o consideration to be paid by the department which derives from a Revenue Fund;
 - o charges fees to be collected by the private party from users or customers of a service provided to them; or
 - o 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.

VOTE 11

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
1. Administration									
Current payment	71,445	-	-	71,445	73,950	(2,505)	103.5%	56,528	53,213
Transfers and subsidies	1,594	-	-	1,594	889	705	55.8%	448	981
Payment for capital assets	4,917	-	-	4,917	3,083	1,834	62.7%	2,145	781
2. Roads Infrastructure									
Current payment	253,553	(18,700)	-	234,853	232,499	2,354	99.0%	262,030	274,394
Transfers and subsidies	2,459	-	-	2,459	3,308	(849)	134.5%	489	1,293
Payment for capital assets	474,821	18,700	4,100	497,621	486,974	10,647	97.9%	345,468	331,775
3. Transport									
Current payment	45,784	-	-	45,784	45,313	471	99.0%	46,089	43,678
Transfers and subsidies	82	-	-	82	287	(205)	350.0%	45	102
Payment for capital assets	9,356	-	-	9,356	8,256	1,100	88.2%	8,905	5,350
4. Traffic Management									
Current payment	114,523	-	(4,100)	110,423	105,483	4,940	95.5%	104,432	99,959
Transfers and subsidies	510	-	-	510	663	(153)	130.0%	216	322
Payment for capital assets	5,259	-	-	5,259	926	4,333	17.6%	7,500	4,412
Subtotal	984,303	-	-	984,303	961,631	22,672	97.7%	834,295	816,260
Statutory Appropriation									
Current payments	721			721	721	-	100.0%	579	579
Total	985,024	-	-	985,024	962,352	22,672	97.5%	834,874	816,839
Reconciliation with Statement of Financial Performance									
Add: Prior year unauthorized expenditure approved with funding				2,324					
Departmental receipts				189,603				173,223	
Actual amounts per Statement of Financial Performance (Total Revenue)				1,176,951				1,008,097	
Add: Prior year unauthorized expenditure approved					2,324				
Actual amounts per Statement of Financial Performance Expenditure					964,676				816,839

VOTE 11
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
Current payment									
Compensation of	278,342	(9,700)	(2,700)	265,942	259,175	6,767	97.5%	244,981	240,828
Goods and services	206,963	(9,000)	(1400)	196,563	198,070	(1,507)	100.8%	224,098	230,416
Transfers and subsidies									
Provinces & municipalities	1,860	-	-	1,,860	1,026	834	55.2%	682	666
Departmental agencies & accounts	-	-	-	-	-	-	0.0%	-	-
Households	2,785	-	-	2,785	4,121	(1,336)	148.0%	516	2,022
Payment for capital assets									
Buildings & other fixed structures	455,685	19,050	4,100	478,835	468,097	10,738	97.8%	335,503	323,29
Machinery & equipment	38,668	(350)	-	38,318	31,142	7,176	81.3%	28,515	19,024
Total	984,303	-	-	984,303	961,631	22,672	97.7%	834,295	816,260

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	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
Member of executive committee/parliamentary officers	721	-	-	721	721	-	100.0%	579	579
Total	721	-	-	721	721	-	100.0%	579	579

VOTE 11

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006
Detail per programme 1 - Administration for the year ended 31 March 2006

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
1.1 Office of the MEC									
Current payment	1,701	-	-	1,701	2,032	(331)	119.5%	1,462	1,712
Transfers and subsidies	4	-	-	4	6	(2)	150.0%	5	5
Payment for capital assets	70	-	-	70	84	(14)	120.0%		16
1.2 Management/Head of Department									
Current payment	1,715	-	-	1,715	1,583	132	92.3%	1,673	2,193
Transfers and subsidies	2	-	-	2	4	(2)	200.0%	4	5
Payment for capital assets	80	-	-	80	23	57	28.8%		33
1.3 Programme Support									
Current payment	1,249	-	-	1,249	1,756	(507)	140.6%		
Transfers and subsidies	2	-	-	2	2	-	100.0%		
Payment for capital assets	75	-	-	75	15	60	20.0%		
1.4 Corporate Services									
Current payment	66,780	-	-	66,780	68,579	(1,799)	102.7%	53,393	49,308
Transfers and subsidies	1,586	-	-	1,586	877	709	55.3%	439	971
Payment for capital assets	4,692	-	-	4,692	2,961	1,731	63.1%	2,145	732
Total	77,956	-	-	77,956	77,922	34	100.0%	59,121	54,975

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
Current payments									
Compensation of employees	1,701			31,889	35,790	(3,901)	112.2%	22,422	22,976
Goods and services	39,556			39,556	38,160	1,396	96.5%	34,106	30,237
Transfers & subsidies									

VOTE 11

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006
Detail per programme 1 - Administration for the year ended 31 March 2006

Provinces & municipalities	94			94	107	(13)	113.8%	60	60
Departmental agencies & accounts				-		-	0.0%	-	10
Households	1,500			1,500	782	718	52.1%	388	911
Payments for capital assets									
Buildings & other fixed structures	246			246	486	(240)	197.6%	300	54
Machinery & equipment	4,671			4,671	2,597	2,074	55.6%	1,845	727
Total	77,956	-	-	77,956	77,922	34	100.0%	59,121	54,975

Detail per programme 2 - Roads Infrastructure for the year ended 31 March 2006

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
2.1 Programme Support									
Current payment	1,530	(400)		1,130	473	657	41.9%	9,562	9,112
Transfers and subsidies	5	-		5	1	4	20.0%	14	2
Payment for capital assets	135	-		135	-	135	0.0%	230	536
2.2 Planning									
Current payment	10,697	(4,700)		5,997	3,593	2,404	59.9%	22,075	30,440
Transfers and subsidies	7	-		7	4	3	57.1%	3	3
Payment for capital assets	342	(250)		92	47	45	51.1%	-	-
2.3 Design									
Current payment	24,519	(3,900)		20,619	17,012	3,607	82.5%	5,006	1,907
Transfers and subsidies	17	-		17	20	(3)	117.6%	5	1
Payment for capital assets	182	(100)		82	64	18	78.0%	-	4
2.4 Construction									
Current payment	28,310	(1,300)		27,010	29,659	(2,649)	109.8%	36,713	44,579
Transfers and subsidies	150	-		150	166	(16)	110.7%	115	123
Payment for capital assets	448,798	19,050	4,100	471,948	475,016	(3,068)	100.7%	342,349	329,611
2.4 Maintenance									
Current payment	188,497	(8,400)		180,097	181,762	(1,665)	100.9%	188,674	188,356
Transfers and subsidies	2,280	-		2,280	3,117	(837)	136.7%	352	1,164
Payment for capital assets	25,364	-		25,364	11,847	13,517	46.7%	2,889	1,624
Total	730,833	-	4,100	734,933	722,781	12,152	98.3%	607,987	607,462

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APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

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
Current payments									
Compensation of employees	140,886	(9,700)	-	131,186	128,763	2,423	98.2%	130,541	128,751
Goods and services	112,667	(9,000)	-	103,667	103,736	(69)	100.1%	131,489	145,643
Transfers & sub sidies									
Provinces & municipalities	1,494	-	-	1,494	622	872	41.6%	471	406
Households	965	-	-	965	2,686	(1,721)	278.3%	18	887
Capital									
Buildings & other fixed structures	454,419	19,050	4,100	477,569	467,551	10,018	97.9%	332,203	320,055
Machinery & equipment	20,402	(350)	-	20,052	19,423	629	96.9%	13,265	11,720
Total	730,833	-	4,100	734,933	722,781	12,152	98.3%	607,987	607,462

Detail per programme 3 - Transport for the year ended 31 March 2006

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
3.1 Programme Support									
Current payment	827	-	-	827	1,002	(175)	121.2%	-	-
Transfers & sub sidies	2	-	-	2	1	1	50.0%	-	-
Payment for capital assets	-	-	-	-	13	(13)	0.0%	-	-
3.2 Planning									
Current payment	2,651			2,651	3,007	(356)	113.4%	-	-
Transfers & sub sidies	6			6	3	3	50.0%	-	-
3.3 Infrastructure									
Current payment	1,021			1,021	80	941	7.8%	-	-
Transfers & sub sidies	3			3		3	0.0%	-	-
3.4 Empowerment and Institutional Management									

VOTE 11

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

Detail per programme 3- Transport for the year ended 31 March 2006

Current payment	2,070			2,070	1,229	841	59.4%	-	-
3.5 Operator Safety and Compliance									
Current payment	2,908			2,908	3,192	(284)	109.8%	-	-
Transfers & sub sidies	10			10	8	2	80.0%	-	-
3.6 Regulation and Control									
Current payment	6,836			6,836	6,939	(103)	101.5%	16,139	15,610
Transfers & sub sidies	19			19	16	3	84.2%	14	36
Payment for capital assets				-	265	(265)	0.0%	180	21
3.7 Government Transport									
Current payment	29,471			29,471	29,864	(393)	101.3%	29,950	28,068
Transfers & sub sidies	42			42	259	(217)	616.7%	31	-
Payment for capital assets	9,356			9,356	7,978	1,378	85.3%	8,725	5,329
Total	55,222	-	-	55,222	53,856	1,366	97.5%	55,039	49,130

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
Current payments									
Compensation of employees	23,446			23,446	22,245	1,201	94.9%	22,027	21,073
Goods and services	22,338			22,338	23,068	(730)	103.3%	24,062	22,605
Transfers & sub sidies									
Provinces & municipalities	82			82	69	13	84.1%	45	66
Households				-	218	(218)	0.0%	-	36
Capital									
Machinery & equipment	9,356			9,356	8,256	1,100	88.2%	8,905	5,350
Total	55,222	-	-	55,222	53,856	1,366	97.5%	55,039	49,130

VOTE 11

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

Detail per programme 4 - Traffic Management for the year ended 31 March 2006

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
4.1 Programme Support									
Current payment	2,495	-	-	2,495	737	1,758	29,5%	-	-
Transfers and subsidies	5	-	-	5	1	4	20,0%	-	-
4.2 Safety Engineering									
Current payment	2,191	-	-	2,191	2,984	(793)	136,2%	-	-
Payment for capital assets									
4.3 Traffic Law Enforcement									
Current payment	78,381	-	-	78,381	79,024	(643)	100,8%	77,767	74,442
Transfers and subsidies	452	-	-	452	626	(174)	138,5%	163	66
Payment for capital assets	4,268	-	-	4,268	812	3,456	19,0%	6,684	4,788
4.4 Road Safety Education									
Current payment	13,707	-	-	13,707	8,613	5,094	62,8%	11,322	12,562
Transfers and subsidies	30	-	-	30	21	9	70,0%	28	9
Payment for capital assets	20	-	-	20	75	(55)	375,0%	306	-376
4.5 Transport Administration and Licensing									
Current payment	17,749	-	(4,100)	13,649	14,125	(476)	103,5%	15,343	12,955
Transfers and subsidies	23	-	-	23	15	8	65,2%	25	247
Payment for capital assets	971	-	-	971	39	932	4,0%	510	-
Total	120,292	-	(4,100)	116,192	107,072	9,120	92,2%	112,148	104,693

Direct charge against Provincial Revenue Fund	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
Current payments									
Compensation of employees	82,121	-	(2,700)	79,421	72,377	7,044	91,1%	69,991	68,028
Goods and services	32,402	-	(1,400)	31,002	33,106	(2,104)	106,8%	34,441	31,931
Transfers & subsidies									
Provinces & municipalities	190	-	-	190	228	(38)	120,0%	106	134
Households	320	-	-	320	435	(115)	135,9%	110	188
Capital									
Buildings & other fixed structures	1,020	-	-	1,020	60	960	5,9%	3,000	3,185
Machinery & equipment	4,239	-	-	4,239	866	3,373	20,4%	4,500	1,227
Total	120,292	-	-	(4,100)	107,072	-	92,2%	112,148	104,693

VOTE 11

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (B-D) to the Annual Financial Statements.

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

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

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

3.1 Per programme:

Description	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	78,677	78,643	34	0%
The under expenditure on this programme is due to late delivery of computer equipment by suppliers.				

Roads Infrastructure	734,933	722,781	12,152	2%
The programme has under-spent by R 12,406 million. The under expenditure for compensation of employees is R 2,423 million, and is due to the delay in filling vacant budgeted technical posts. The programme under spent its payment on capital assets by R10, 900 million due to the delay in the award of the project for Road P77/1 Bulembu Road to the value of R 10.0 million. The delay in the purchase of small road construction and maintenance equipments to the value of R 0,629 million also contributed to the under expenditure of the programme. The learnership project on road D2975 Gutswakop to Luphisi which was in progress at year end also contributed to the under expenditure on payment of capital assets. The over expenditure on transfer and subsidies of R 1,721 million is due to unforeseen claims which are as a result of pot holes on our roads.				

Transport	55,222	53,856	1,366	2%
The delay in the filling of vacant posts in this programme resulted in the under-spending of R 1,201 million. The delay in the appointment of the transaction advisor to undertake a feasibility study on the outsourcing of Government Fleet Management contributed to the under expenditure. The service provider was appointed in December 2005. The programme under spent its payment of capital assets by R 1,100 million. The department has been waiting for the new contract on purchase of vehicles to be approved, as the previous contract did not have the type of vehicles the department needed to procure.				

Traffic Management	116,192	107,072	9,120	8%
The delay in the filling of vacant posts in this programme resulted in R 7, 044 million under-spending. The programme has also under spent its budget on the payment of capital assets by an amount of R 3.282 million due to the late delivery of firearms. Accreditation for the purchase of firearms was received in May 2005 from South African Police Services. Included in the under-expenditure is an amount of R 0.960 million for the renovation of traffic law enforcement offices in Bester Street (Nelspruit). The department is in the process of finalizing the work to be done. The above amount was set aside during the budget adjustment estimate.				

Programme Total	985,024	962,352	22,672	2%
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VOTE 11
NOTES TO THE APPROPRIATION STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

3.2	Per economic classification:	2005 / 2006 R'000	2004/205 R'000	
	Current expenditure			
	Compensation of employees	6,767	4,153	
	Goods and services	(1,507)	(6,102)	
	Transfers and subsidies			
	Provinces and municipalities	834	(90)	(90)
	Departmental agencies and accounts	-	(10)	
	Households	(1,336)	(1,616)	
	Payments for capital assets			
	Buildings and other fixed structures	10,738	12,209	
	Machinery and equipment	7,176	9,491	
	Economic classification total	<u>22,672</u>	<u>18,035</u>	

VOTE 11

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	984,303	834,295
Statutory appropriation	2	721	579
Appropriation for unauthorized expenditure approved	8	2,324	-
Departmental revenue	3	189,603	173,223
TOTAL REVENUE		<u>1,176,951</u>	<u>1,008,097</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4	259,896	241,407
Goods and services	5	198,070	230,416
Unauthorized expenditure approved	8	2,070	-
Total current expenditure		<u>460,036</u>	<u>471,823</u>
Transfers and subsidies	6	5,147	2,698
Expenditure for capital assets			
Buildings and other fixed structures	7	468,097	323,294
Machinery and Equipment	7	31,142	19,024
Unauthorized expenditure approved	8	254	-
Total expenditure for capital assets		<u>499,493</u>	<u>342,318</u>
TOTAL EXPENDITURE		<u>964,676</u>	<u>816,839</u>
SURPLUS/(DEFICIT)		212,275	191,258
Add back fruitless and wasteful expenditure	9	506	841
SURPLUS/(DEFICIT) FOR THE YEAR		<u>212,781</u>	<u>192,099</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	13	23,178	18,876
Departmental revenue	14	189,603	173,223
SURPLUS/(DEFICIT) FOR THE YEAR		<u>212,781</u>	<u>192,099</u>

VOTE 11
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		52,811	62,753
Unauthorised expenditure	8	2,661	4,985
Fruitless and wasteful expenditure	9	585	920
Cash and cash equivalents	10	45,441	49,399
Prepayments and advances	11	1,051	-
Receivables	12	3,073	7,449
TOTAL ASSETS		52,811	62,753
LIABILITIES			
Current liabilities		52,057	61,948
Voted funds to be surrendered to the Revenue Fund	13	23,179	18,876
Departmental revenue to be surrendered to the Revenue Fund	14	1,609	17,798
Payables	15	27,269	25,274
TOTAL LIABILITIES		52,057	61,948
NET ASSETS		754	805
Represented by:			
Recoverable revenue		754	805
TOTAL		754	805

VOTE 11

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2006 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		805	-
Transfers		(51)	805
Debts recovered (included in departmental receipts)		(51)	-
Debts raised		-	805
Balance at 31 March		<u>754</u>	<u>805</u>
TOTAL		<u>754</u>	<u>805</u>

VOTE 11

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,174,410	1,005,426
Annual appropriated funds received	1.1	986,627	834,295
Statutory appropriated funds received		721	579
Appropriation for unauthorized expenditure approved		2,324	-
Departmental revenue received		187,062	170,552
Net (increase)/ decrease in working capital		5,655	(2,285)
Surrendered to Revenue Fund		(224,667)	(224,422)
Current payments		(457,460)	(470,982)
Transfers and subsidies paid		(5,147)	(2,698)
Net cash flow available from operating activities	16	492,791	305,039
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(499,239)	(342,318)
Proceeds from sale of capital assets	3	2,541	2,671
(Increase)/ decrease in loans		-	805
Net cash flows from investing activities		(496,698)	(338,842)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(51)	-
Net cash flows from financing activities		(51)	-
Net increase/ (decrease) in cash and cash equivalents		(3,958)	(33,803)
Cash and cash equivalents at beginning of period		49,399	83,202
Cash and cash equivalents at end of period	17	45,441	49,399

VOTE 11
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:

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2004/05
Programmes	R'000	R'000	R'000	R'000
Administration	77,956	77,956	-	59,121
Roads Infrastructure	734,933	734,933	-	607,987
Transport	55,222	55,222	-	55,039
Traffic Management	116,192	116,192	-	112,148
Total	984,303	984,303	-	834,295

The Department has applied for the roll over of unspent funds for 2005/2006 to be rolled over to the subsequent financial year (2006/2007). See notes to Appropriation Statement for the explanation of any material variance per programme.

		2005/06 R'000	2004/05 R'000
1.2 Conditional grants	Note		
Total grants received	<i>Annexure 1A</i>	114,213	114,365
Provincial grants included in Total Grants received		<u>114,213</u>	<u>114,365</u>

*(** It should be noted that the conditional grants are included in the amounts per the Total Appropriation in Note 1.1)*

2. Statutory Appropriation

Member of Executive Committee	<u>721</u>	<u>579</u>
Actual Statutory Appropriation received	<u>721</u>	<u>579</u>

3. Departmental revenue to be surrendered to revenue fund
Description

	Notes	2005/06 R'000	2004/05 R'000
Tax revenue		149,918	121,387
Sales of goods and services other than capital assets	3.1	12,423	22,511
Fines, penalties and forfeits		21,412	23,286
Interest, dividends and rent on land	3.2	2,963	2,947
Sales of capital assets	3.3	2,541	2,671
Financial transactions in assets and liabilities	3.4	<u>346</u>	<u>421</u>
Total revenue collected		<u>189,603</u>	<u>173,223</u>

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

3.1 Sales of goods and services other than capital assets

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Sales of goods and services produced by the department		12,420	22,510
Administrative fees		11,047	21,447
Other sales		1,373	1,063
Sales of scrap, waste and other used current goods		3	1
Total		12,423	22,511

3.2 Interest, dividends and rent on land

	2005/06 R'000	2004/05 R'000
Interest	2,963	2,947

3.3 Sale of capital assets

	2005/06 R'000	2004/05 R'000
Other capital assets	2,541	2,671

3.4 Financial transactions in assets and liabilities

Nature of loss recovered	2005/06 R'000	2004/05 R'000
Other Receipts including Recoverable Revenue	346	421

4. Compensation of employees

4.1 Salaries and wages

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Basic salary		177,267	166,704
Service Based		13	986
Compensative/circumstantial		16,812	12,874
Other non-pensionable allowances		28,535	21,404
Total		222,627	201,968

4.2 Social contributions

5.2.1 Employer contributions

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Pension		22,973	25,007
Medical		4,208	14,306
Bargaining council		88	119
Official unions and associations		-	7
Total		37,269	39,439
Total compensation of employees		259,896	241,407
Average number of employees		3,026	3,057

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

5. Goods and services

	<i>Note</i>	<i>2005/06</i> R'000	<i>2004/05</i> R'000
Advertising		1,574	447
Bank charges and card fees		148	100
Bursaries (employees)		813	1,365
Communication		9,810	13,908
Computer services		4,302	13,908
Consultants, contractors and special services		23,107	39,014
Entertainment		1,498	1,314
External audit fees	5.1	2,157	1,006
Equipment less than R5 000		3,642	2,969
Government motor transport		87	-
Inventory	5.2	30,203	21,081
Learnerships		-	695
Legal fees		1,495	778
Maintenance, repair and running costs		56,735	87,397
Operating leases		23,587	19,177
Printing and publications		346	2,879
Professional bodies and membership fees		114	1,161
Resettlement costs		401	189
Owned and leasehold property expenditure		9,464	4,638
Travel and subsistence	5.3	24,910	22,550
Venues and facilities		11	249
Protective, special clothing & uniforms		421	11
Training & staff development		3,245	2,697
Total		198,070	230,416
		2005/06	2004/05
	<i>Note</i>	R'000	R'000
5.1 External audit fees			
Regulatory audits	5	2,157	1,006
5.2 Inventory			
Domestic Consumables		2,479	2,857
Food and Food supplies		95	216
Fuel, oil and gas		11,938	5,885
Other consumables		-	106
Parts and other maint mat		7,869	7,479
Stationery and Printing		7,822	4,538
Total Inventory	5	30,203	21,081
5.3 Travel and subsistence			
Local		24,910	22,307
Foreign		-	243
Total travel and subsistence	5	24,910	22,550

VOTE 11
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

6. Transfers and subsidies

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Provinces and municipalities	Annexure 1B	1,026	666
Departmental agencies and accounts	Annexure 1C	-	10
Households	Annexure 1D	4,121	2,022
Total		5,147	2,698

7 Expenditure on capital assets

Buildings and other fixed structures	Annexure 3	468,097	323,294
Machinery and equipment	Annexure 3	31,142	19,024
Total		499,239	342,318

	2005/06 R'000	2004/05 R'000
8. Unauthorised expenditure		
8.1. Reconciliation of unauthorised expenditure		
Opening balance	4,985	4,985
Amount approved by Legislature (with funding)	(2,324)	-
Current expenditure	(2,070)	-
Payment of capital assets	(254)	-
Unauthorised expenditure awaiting authorisation	2,661	4,985

8.2 Analysis of Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	2005/06
Overspending - Traffic Management	No disciplinary steps taken - Reported in the annual report of the former Local Government, Traffic Control and Safety and still awaiting for Scopa resolutions.	2,661
Total		2,661

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

	2005/06 R'000	2004/05 R'000
9. Fruitless and wasteful expenditure		
9.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	920	79
Fruitless and wasteful expenditure – current year	506	841
Current	(506)	841
Transfer to receivables for recovery (not condoned)	(841)	
Fruitless and wasteful expenditure awaiting condonement	585	920
9.2 Analysis of Current Fruitless and wasteful expenditure		
Incident	Disciplinary steps taken/criminal proceedings	
Claims against the state	Internal audit report with recommendations submitted to the Head of Department	50
Wes Bank - Interest paid	Internal audit report with recommendations submitted to the Head of Department	29
Atlas asphalt - Settlement amount for the case between Atlas Asphalt and MEC for Public Works, Roads and Transport (TPD Case No. 25520/04)	Reported to the Accounting Officer.	500
First Auto - Penalty interest charged for late payment	Forwarded to the Internal Audit Unit for investigation.	4
Payment for the catering of ITC meeting held at Ehlanzeni Region	Recommendation has been made to recover from the officials concerned	2
Total		585
10. Cash and cash equivalents	2005/06 R'000	2004/05 R'000
Consolidated Paymaster General Account	45,441	49,399

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

11. Prepayments and advances	2005/06	2004/05
Description	R'000	R'000
Prepayments	<u>1,051</u>	<u>-</u>

The above prepayment has been made to Republic Arms for the purchase of firearms, approval for the prepayment has been granted by the provincial treasury.

12.Receivables

		Less than one year	One to three years	Total	Total
		R'000	R'000	R'000	R'000
Staff debtors	12.1	34	23	57	35
Other debtors	12.2	1,767	1,182	2,949	2,307
Claims recoverable	Annexure 4	67	-	67	5,107
Total		1,868	1,205	3,073	7,449

12.1 Staff debtors

Employees	<u>57</u>	<u>35</u>
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12.2 Other Debtors

Deposit Control Account	-	26
National Road Agency	437	982
Other Debtors	1,336	496
Taxi Recapitalization Program	23	-
Ex-Employees	<u>1,153</u>	<u>803</u>
Total	<u>2,949</u>	<u>2,307</u>

13. Voted funds to be surrendered to the Revenue Fund

Opening balance	18,876	59,605
Transfer from Statement of Financial Performance	23,178	18,876
Paid during the year	<u>(18,875)</u>	<u>(59,605)</u>
Closing balance	<u>23,179</u>	<u>18,876</u>

The Department has applied for the roll over of unspent funds for 2005/2006 to be rolled over to the subsequent financial year (2006/2007). See notes to Appropriation Statement for the explanation of any material variance per programme

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

		2005/06		2004/05	
		R'000		R'000	
14. Departmental revenue to be surrendered to the Revenue Fund					
Opening balance		17,798		9,392	
Transfer from Statement of Financial Performance		189,603		173,223	
Paid during the year		(205,792)		(164,817)	
Closing balance		<u>1,609</u>		<u>17,798</u>	
15. Payables – current		2005/06		2004/05	
Description					
		30 Days	30+ Days	Total	
		R'000	R'000	R'000	
Clearing accounts	15.1	37		37	26
Other payables	15.2	25,736	1,496	27,232	25,248
Total		<u>25,773</u>	<u>1,496</u>	<u>27,269</u>	<u>25,274</u>
15.1 Clearing accounts					
Description					
Regional Service Council Levy		1		-	
Government Employee Pension Fund (Pension)		10		-	
South African Revenue Services (Income Tax)		26		-	
Receipts Deposit Control Account		-		26	
Total		<u>37</u>		<u>26</u>	
15.2 Other payables					
Description					
Agency Payments					
Bus Subsidies		21,502		22,140	
Shova Kalula		906		603	
Arrive Alive		1,231		2,505	
Overloading Strategy		3,580		-	
Ex-Employees and other payables		13		-	
Total		<u>27,232</u>		<u>25,248</u>	
16 Net cash flow available from operating activities		2005/06		2004/05	
		R'000		R'000	
Net surplus/(deficit) as per Statement of Financial Performance		212,781		192,099	
(Increase)/decrease in receivables – current		4,376		(6,376)	
(Increase)/decrease in prepayments and advances		(1,051)		-	
(Increase)/decrease in other current assets		2,659		(841)	
Increase/(decrease) in payables – current		1,995		4,932	
Proceeds from sale of capital assets		(2,541)		(2,671)	
Surrenders to revenue fund		(224,667)		(224,422)	
Expenditure on capital assets		499,239		342,318	
Net cash flow generated by operating activities		<u>492,791</u>		<u>305,039</u>	

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

17 Reconciliation of cash and cash equivalents for cash flow purposes

	2005/06	2004/05
Consolidated Paymaster General Account	<u>45,441</u>	<u>49,399</u>

**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.

	<i>Note</i>	2005/06 R'000	2004/05 R'000
18. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees Employees	Annexure 2A	2,852	2,889
Claims against the department	Annexure 2B	<u>36,791</u>	<u>29,889</u>
Total		<u>39,643</u>	<u>32,778</u>

The department has paid 28 pothole claims and 3 litigation claims to the value of R 0.199 million and R 1.0 million respectively during 2005/2006.

19. Commitments

Current expenditure

Approved and contracted	<u>2,271</u>	<u>14,063</u>
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Capital expenditure

Approved and contracted	<u>227,349</u>	<u>683,742</u>
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Total Commitments	<u>229,620</u>	<u>697,805</u>
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Most of the capital projects commitments will be completed during 2006/2007 financial year.

20. Accruals

	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
By economic classification				
Goods and services	9,979	2,075	12,054	3,527
Transfers and subsidies	-	-	-	13
Buildings and other fixed structures	1,125	11,269	12,394	-
Machinery and Equipment	293	1,350	<u>1,643</u>	<u>24</u>
Total			<u>26,091</u>	<u>3,564</u>
Listed by programme level				
Administration			1,062	479
Roads Infrastructure			22,682	2,735
Transport			366	-
Traffic Management			<u>1,981</u>	<u>350</u>
Total			<u>26,091</u>	<u>3,564</u>

21. Employee benefit provisions

Leave entitlement	11,735	11,427
Thirteenth cheque	8,556	7,752
Capped leave commitments	<u>51,811</u>	<u>52,410</u>
Total	<u>72,102</u>	<u>71,589</u>

VOTE 11
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

22. Lease Commitments

22.1 Operating leases	Machinery and equipment	2005/06 Total	2004/05 Total
	R'000	R'000	R'000
Not later than 1 year	4,171	4,171	11,053
Later than 1 year and not later than 5 years	2,848	2,848	13,370
Later than five years	-	-	315
Total present value of lease liabilities	7,019	7,019	24,738

Most of the contracts for operating leases have expired in 2005/2006 financial year. The department has not entered into any finance lease during 2005/2006 financial year.

23. Receivables for departmental revenue

Tax revenue	<u>12,210</u>	<u>-</u>
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24. Irregular expenditure

The above revenue is for motor vehicle licenses collected by municipalities during March 2006 and not transferred to the Department as at 31 March 2006.

24.1 Reconciliation of irregular expenditure	2005/06 R'000	2004/05 R'000
Opening Balance	454	454
Irregular expenditure – current year	<u>4,078</u>	<u>-</u>
Irregular expenditure awaiting condonement	<u>4,532</u>	<u>454</u>

VOTE 11
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

Analysis	2005/06	2004/05
	R'000	R'000
Current	1,739	454
Prior years	2,793	-
Total	4,532	454

Included in the prior year irregular expenditure is an amount of R 2,339 million which was paid to Eagle Vision for Arrive Alive co-ordination during 2005/2006 financial and discovered in 2006/2007 financial year.

24.2 Irregular expenditure		2005/06	2005/06
		R'000	R'000
Incident	Disciplinary steps taken/criminal proceedings		
Contravention of tender board procedures(Kwamahlabla Connect Installation of call limit facility)	Forwarded to the internal audit unit for investigation.	16	16
Contravention of tender board procedures(Ayanda Mbanga Communications- Advertisement of posts on city press)	Forwarded to the internal audit unit for investigation	215	215
Contravention of tender board procedures(Ntuli, Noble and Spoort-payment of legal fees)	No disciplinary steps taken, one official has since been dismissed and the other official is suspended	223	223
Rental of flats for law enforcement officers	The BID committee has approved the payment of the rentals up to March 2006.	855	-
Eagle Vision - Arrive Alive advertisement co-ordination.	Forwarded to the office of the Auditor General for further investigation	2,339	-
Contravention of Supply Chain Framework(SS Shongwe Transport -transport cost)	A verbal warning has been given to the official.	7	-
Contravention of Supply Chain Framework(Waltons Stationery - Purchase of Office Furniture)	Disciplinary actions have been recommended against the officials concerned.	78	-
Contravention of Supply Chain Framework(Ntozakhe Sambo - Payment for Road Markings)	Forwarded to the internal audit unit for investigation	184	-
Contravention of Supply Chain Framework(Khubeni Investment - Payment for Arrive Alive function)	Forwarded to the General Manager Traffic Management for further investigation.	455	-
Contravention of Supply Chain Framework(Dinola Pikela Catering - Catering for guest in an Arrive Alive road show at Balfour)	Forwarded to the internal audit unit for investigation	30	-
Contravention of Supply Chain Framework(Payments to various suppliers which include accommodation cost, catering and hiring of chairs and tables etc)	Forwarded to the internal audit unit for investigation	57	-
Contravention of Public Service Act (Accommodation cost for Mr. L.P Venkile)	No disciplinary steps taken, the expenditure has been identified during the audit process and the official has already left the department.	73	-
Total		4,532	454

VOTE 11
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

25. Related party transactions

There was no related party transaction that was reported during the financial year of reporting.

26. Key management personnel

Description	No of Individuals	2005/06	2005/06
		Total R'000	Total R'000
Political Office Bearers (MEC) Officials	1	649	636
Level 15 to 16 (HOD)	1	630	280
Level 14 (General Managers)	4	1,424	1,743
Total		2,703	2,659

27. Public Private Partnership

Description of the arrangement

No Public Private Partnership transaction that occurred during the financial year of reporting. The Department has appointed a Transaction Advisor to undertake a feasibility study on the possible outsourcing of government fleet management in the 2007/2008 financial year.

28. Other material losses

Nature of losses

Transports Assets		
Toyota Dyna 4 Ton GRG811MG-Unit C Mamaneng	-	169
Isuzu 7 Ton GRB866MG-Unit C Mamaneng	-	50
Grader 140G Wright GRB817MG-Kwamhlanga Workshop	-	169
Toyota Dyna 7 Ton	150	-
Toyota HI-ACE	125	-
Toyota Dyna – GRB949MP	69	-
Toyota HI-LUX	26	-
Other Losses	44	97
Other Machinery and Equipments	51	49
Total	465	534

VOTE 11
ANNEXTURES 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	Amount spent by departments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Grants								-		
Provincial Infrastructure	114,213	-	-	-	114,213	114,213	114,220	100.0%	114,365	114,365
Total	114,213	-	-	-	114,213	114,213	114,220		114,365	114,365

Note : The Department managed to spend its conditional grants budget allocation for 2005/2006 as most of the projects were in progress at the beginning of the financial year.

VOTE 11

**ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1B**STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount spent by department received by municipality	Amount spent by municipality	% of Available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Ehlanzeni District Municipality	457	-	-	457	343	75.1%	-	-	0.0%	281
Nkangala District Municipality	271	-	-	271	282	104.1%	-	-	0.0%	248
Gert Sibande district Municipality	878	-	-	878	178	20.3%	-	-	0.0%	122
Sekhukhune Cross Bound DM	4	-	-	4	7	175.0%	-	-	0.0%	15
Other transfers	250	-	-	250	216	86.4%	-	-	0.0%	
Total	1,860	-	-	1,860	1,026		-	-		666

■ The above amount is for all Regional Services Council levies transferred or paid to districts municipalities

VOTE 11
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 1C**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTS/ AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER 2004/05			
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Mbombela Municipality Accident which occurred on Kamagugu road	-	-	-	-	-	0.0%	10
Total	-	-	-	-	-	0.0%	10

ANNEXURE 1D

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Social Benefit-Cash Residents	1,285	-	-	1,285	2,839	220.9%	86
Claims against the state	1,500			1,500	1,282	85.5%	320
Total	2,785	-	-	2,785	4,121		406

VOTE 11

**ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1E**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Received in cash			
Buscor	Sponsorship for Provincial Driver of the year competition	18	-
Absa	Sponsorship for Provincial Driver of the year competition	25	-
Putco Limited	Sponsorship for Provincial Driver of the year competition	4	-
Midbank Bus Service (Pty) Ltd	Sponsorship for Provincial Driver of the year competition	3	-
South African Breweries	Sponsorship for Provincial Driver of the year competition	15	-
Ulusha-Griniker Construction JV	Opening of Bethal-Kriel Road	16	-
Mbusi/GEM Contractors	Opening of Clau-Clau bridge	12	-
Fuelogic (Pty) Ltd	Sponsorship for Provincial Driver of the year competition	3	-
Mbusi/GEM Contractors	Departmental year end function	2	-
Mtema Mashao	Departmental year end function	5	-
Lidwala Consulting	Departmental year end function	2	-
Kitso Technologies	Departmental year end function	3	-
Edwin Construction	Departmental year end function	5	-
Nathoo Mbenyane	Departmental year end function	1	-
ADI	Departmental year end function	5	-
Jafferes & Green	Departmental year end function	3	-
Khonza Izwe	Departmental year end function	3	-
Denzhe	Departmental year end function	5	-
Subtotal		130	-
Received in kind			
Buscor	150 T-shirts for the Road Safety Summit 2005		
Toyota	200 Key holders for the Road Safety Summit		
Sasol	150 A3 diary holders for the Road Safety Summit		
South African Breweries	200 T-shirts for 2005 festive Season Arrive Alive campaign.		
Pick 'n Pay (Witbank)	250 rolls and drinks for the festive Season Arrive Alive campaign.		
National Department of Transport	25 "26" Inch Mountain Bikes		
	17 "20" BMX		
	8 "26" Ballon Bikes		
Total		130	-

VOTE 11

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
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**ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

Received in kind

South African Breweries	T-shirts and caps for December/January 2005 festive season, Road Safety Awareness Campaign.	100	-
Khanyo Transport and Logistics	Printing of pamphlets for the Easter 2005 Road Safety Awareness Campaign	7	-
Eskom	Leather folders and writing materials for Roads Indaba held in December 2004.	20	-
Total		127	-

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2005/06 R'000	2004/05 R'000
Paid in cash	10	-
Donation made to Ms FP Shongwe		
TOTAL	10	-

VOTE 11
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 2A**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL**

Guarantor institution	Guarantee in respect of Housing	Original Guaranteed capital	Opening Balance 01/04/2005	Guarantees issued during the year	Guarantees released /paid /cancelled /reduced during the year	Guaranteed interest outstanding as at 31 March 2006	Closing Balance 31/03/2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank of S.A Limited			622	134	36	-	720	-
Nedbank Limited			40	-	-	-	40	-
Firststrand Bank Limited:First National Bank			201	25	-	-	226	-
Nedbank LTD Incorporating BOE			65	10	-	-	75	-
ABSA			590		137		453	-
Company Unique Finance PTY LTD			35	-	-	-	35	-
Old Mutual Finance Limited			84	-	-	-	84	-
People's Bank Limited (Former FBC)			244	30	29	-	245	-
People's Bank Limited (Incorporating N)			59	18	-	-	77	-
Firststrand Bank Limited(FNB - Former			255	26	15	-	266	-
Old Mutual Bank DIV of Nedbank			414	-	37	-	377	-
VBS Mutual Bank			29	-	-	-	29	-
Mpumalanga Housing Finance			251	29	55	-	225	-
Total		-	2,889	272	309	-	2,852	-

ANNEXURE 2B**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006**

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2006 R'000
Claims against the department					
Litigation claims	29,889	12,831	5,929	-	36,791
Total	29,889	12,831	5,929	-	36,791

VOTE 11
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 3**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	18,939,976	468,097	-	19,408,073
Non-residential buildings	-	467	-	467
Other fixed structures	18,939,976	467,630	-	19,407,606
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	26,709	31,142	-	57,851
Transport assets	14,610	7,979	-	22,589
Computer equipment	5,846	1,364	-	7,210
Furniture and Office equipment	2,950	2,812	-	5,762
Other machinery and equipment	3,303	18,987	-	22,290
TOTAL CAPITAL ASSETS	18,966,685	499,239	-	19,465,924

ANNEXURE 3.1**ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	468,097	-	468,097
Dwellings			-
Non-residential buildings	467	-	467
Other fixed structures	467,630	-	467,630
Heritage assets			-
MACHINERY AND EQUIPMENT	31,142	-	31,142
Transport assets	7,979		7,979
Computer equipment	1,364		1,364
Furniture and Office equipment	2,812		2,812
Other machinery and equipment	18,987		18,987
TOTAL CAPITAL ASSETS	499,239	-	499,239

VOTE 11
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 3.2**DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cost/Carrying Amount R'000	Cash R'000	Profit/(loss) on Disposal R'000
MACHINERY AND EQUIPMENT	-	2,541	2,541
Transport assets		2,541	2,541
TOTAL CAPITAL ASSETS	-	2,541	2,541

ANNEXURE 3.3**CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES	323,294	-	323,294
Non-residential buildings	3,239		3,239
Other fixed structures	320,055		320,055
MACHINERY AND EQUIPMENT	19,024	-	19,024
Transport assets	5,732		5,732
Computer equipment	1,142		1,142
Furniture and Office equipment	986		986
Other machinery and equipment	11,164		11,164
TOTAL CAPITAL ASSETS	342,318	-	342,318

VOTE 11
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 4
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

INTER-GOVERNMENTAL RECEIVABLES

Department

Department of Local Government and Housing	-	-	9	5,107	9	5,107
Department of Health and Social Services	-	-	13	-	13	-
Office of the Premier	18	-	-	-	18	-
Department of Education	10	-	-	-	10	-
Government Pension Services	-	-	1	-	1	-
Department of Agriculture and Land Administration	4	-	-	-	4	-
Department	-	-	12	-	12	-
TOTAL	32	-	35	5,107	67	5,107

5. HUMAN RESOURCE MANAGEMENT

5.1 EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarises final audited expenditure by programme (Table 5.1.1) and salary bands (Table 5.1.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

Table 5.1.1 Expenditure by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Personnel Cost as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Programme 1: Administration	78,643	36,511	700	46.4	12
Programme 2: Road Infrastructure	723,035	128,763	687	17.8	42
Programme 3: Transport	55,926	22,245	688	41.3	7
Programme 4: Traffic Management	107,072	72,377	825	66.9	24
Total as on Financial Systems (BAS)	964,676	259,896	,900	27	85

Table 5.1.2 Personnel Costs by Salary Bands, 2005/06

Salary Bands	Personnel Expenditure (R'000)	% Total Personnel Costs	Average Personnel Cost per Employee (R'000)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower Skilled (Levels 1-2)	89,205	29.4	82,292	302,936	1084
Skilled (Levels 3-5)	63,011	20.8	48,582	302,936	1297
Highly Skilled production (Level 6-8)	77,253	25.5	163,672	302,936	472
Highly Skilled supervision (Level 9-12)	36,842	12.2	199,146	302,936	185
Senior Management (Level 13-16)	11,509	3.8	442,654	302,936	26
Other	6	0	0	302,936	0
Contract (1-2)	6	0	6,000	302,936	1
Contract (3-5)	131	0	26,200	302,936	5
Contract (6-8)	153	0.1	38,250	302,936	4
Contract (9-12)	700	0.2	350,000	302,936	2
Contract (13-16)	554	0.2	554,000	302,936	1
TOTAL	259,896	92.2	90793	302,936	3077

The following tables provide a summary per programme (Table 5.3) and salary bands (Table 5.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

5.1.3 Salaries, Overtime, Home allowance and Medical Assistance by programme, 2005/06

Programme	Salaries		Overtime		Home Owners		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1.Administration	25598	65	1.4	430	1084	1.1	1743	4.4
2.Roads Infrastructure	94585	74.9	1890	1.4	2296	1.7	7088	6
3.Transport	15457	62.4	311	1.3	307	1.2	1259	5.1
4. Traffic Management	51278	62.4	15765	15.2	727	0.7	4879	4.7
TOTAL	186,918	61.7	18,505	6.1	3,760	1.2	14,969	4.9

5.1.4 Salaries, Overtime, Home allowance and Medical Assistance by Salary bands 2005/06.

Programme	Salaries		Overtime		Home Owners		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower Skilled (Levels 1-2)	67012	72.9	1210	1.3	1824	2	4944	5.4
Skilled (Levels 3-5)	40577	58.6	5274	7.6	912	1.3	4234	6.1
Highly Skilled Production (Levels 6-8)	48502	56.7	8393	9.8	678	0.8	4037	4.7
Highly Skilled Supervision (Levels 9-12)	22939	55.6	3587	8.7	300	0.7	1388	3.4
Senior Management (Levels 13-16)	6798	51.3	0	0	41	0.3	357	2.7
Other	5	83.3	0	0	0	0	0	0
Contract (1-2)	6	100	0	0	0	0	0	0
Contract (3-5)	115	85.2	9	6.7	0	0	0	0
Contract (6-8)	150	98	0	0	0	0	0	0
Contract (9-12)	484	60.8	31	3.9	4	0.5	10	1.3
Contract (13-16)	332	59.6	0	0	0	0	0	0
TOTAL	186,918	61.7	18,505	6.1	3,760	1.2	14,969	4.9

5.2 EMPLOYMENT AND VACANCIES

The following table summaries the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 5.2.1) salary band (Table 5.2.2) and critical occupations (Table 5.2.3) provides establishment and vacancy information for the key critical occupations of the department.

5.2.1 Employment and Vacancies by Programme, 31 March 2006

Programme (permanent)	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additions to the Establishment
1.Administration	505	316	37.4	0
2.Roads Infrastructure	2517	1960	22.1	0
3.Transport	391	215	45	0
4.Traffic Management	903	586	35.1	0
TOTAL	4316	3077	28.7	0

5.2.2 Employment and Vacancies by Salary Bands, 31 March 2

Salary Band (permanent)	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additions to the Establishment
Lower Skilled (Levels 1-2)	2000	1645	17.8	0
Skilled (Levels 3-5)	1316	828	37.1	0
Highly Skilled Production (Levels 6-8)	703	402	42.8	0
Highly Skilled Supervision (Levels 9-12)	253	163	35.6	0
Senior Management (Levels 13-16)	31	26	16.1	0
Contracts (level 1-2)	1	1	0	0
Contracts (Level 3-5)	5	5	0	0
Contracts (Level 6-8)	4	4	0	0
Contract (Level 9-12)	2	2	0	0
Contracts (Level13-16)	1	1	0	0
TOTAL	4316	3077	28.7	0

5.2.3 Employment and Vacancies by critical occupation, 31 March 2006

Critical Occupation (permanent)	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additions to the Establishment
Administrative related	175	98	44	0
All artisans in the building metal machinery etc	134	60	55.2	0
Artisans projects and related superintendents	24	17	29.2	0
Auxiliary and related workers	156	105	32.7	0
Bus and heavy vehicle drivers	3	1	66.7	0
Cartographic surveying and related technicians	11	5	54.5	0
Civil engineering technicians	56	13	76.8	0
Cleaners in offices workshops hospitals etc	57	40	29.8	0
Client inform clerks (switchboard reception information clerks)	14	8	42.9	0
Communications and information related	8	4	50	0
Conservation labourers	4	4	0	0

Custodian personnel	13	11	15.4	0
Electrical and electronics engineering technicians	1	0	100	0
Engineering sciences related	11	5	54.5	0
Engineers and related professionals	4	4	0	0
Finance and economics related	18	11	38.9	0
Financial and related professional	22	8	63.6	0
Financial clerks and credit controllers	51	29	43.1	0
Human resources & organised development & related professionals	10	6	40	0
Human resources clerks	22	13	40.9	0
Human resources related	15	8	46.7	0
Inspectors of apprentices work and vehicles	10	9	10	0
Legal related	3	1	66.7	0
Library mail and related clerks	19	16	15.8	0
Light vehicle drivers	52	49	5.8	0
Material-recording and transport clerks	11	8	27.3	0
Mechanical engineering technicians	2	1	50	0
Messengers porters and deliverers	3	2	33.3	0
Motor vehicle drivers	43	37	14	0
Natural sciences related	16	2	87.5	0
Other administration & related clerks and organisers, Permanent	190	93	51.1	0
Other administrative policy and related officers, Permanent	127	58	54.3	0
Other occupations, Permanent	241	137	43.2	0
Regulatory inspectors, Permanent	609	434	28.7	0
Road superintendents, Permanent	30	10	66.7	0
Road trade workers., Permanent	57	37	35.1	0
Road workers, Permanent	1944	1634	15.9	0
Secretaries & other keyboard operating clerks, Permanent	43	25	41.9	0
Senior managers, Permanent	11	21	19.2	0
Trade labourers, Permanent	78	51	34.6	0
Trade related, Permanent	1	0	100	0
Water plant and related operators, Permanent	2	2	0	0
TOTAL	4316	3077	28.7	0

5.3 JOB EVALUATION

5.3.1 Job Evaluation, 1 April 2005 to 31 March 2006

5.3 JOB EVALUATION

5.3.1 Job Evaluation, 1 April 2005 to 31 March 2006

Salary Band	Number of Posts	Number of Posts Evaluated	% Of posts Evaluated by Salary Bands	Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower Skilled (Level 1-2)	200	0	0	0	0	0	0
Contract (Levels 1-2)	1	0	0	00	0	0	0
Contract (Levels 3-5)	5	0	0	0	0	0	
Contract (Levels 6-8)	4	0	0	0	0	0	00
Contract (Level 9-12)	2	00	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Level 3-5)	1316	13	0.9	13	0.9	0	0
Highly skilled production (Levels 6-8)	703	0 1	0 0.1	0 0	0 0	0 0	0 0
Highly skilled supervision (Level 9-12)	253	6		0		1	
Senior Management Services Band A	25	3	2.4	0	0	0	0
Senior management Service Band B	5	0	0	0	0	0	0
Senior management Service Band C	1	0	0	0	0	0	0
Total	4316	23	0	0	0	0	0

5.4.1 Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	1674	35	101	6
Skilled (Levels 3-5), Permanent	722	92	22	3
Highly skilled production (Levels 6-8), Permanent	453	30	23	5.1
Highly skilled supervision (Levels 9-12), Permanent	141	11	7	5
Senior Management Service Band B, Permanent A	17	1	0	0
Senior Management Service Band B, Permanent	5	0	2	40
Senior Management Service Band C, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	0	1	0	0
Contract (Levels 3-5), Permanent	2	7	4	200
Contract (Levels 6-8), Permanent	0	5	0	0
Contract (Levels 9-12), Permanent	1	4	2	200
Contract (Band A), Permanent	0	2	2	0
Contract (Band B), Permanent	1	1	1	100
TOTAL	3017	189	164	5.4

5.4.2 Annual Turnover Rates by Critical Occupation

Occupation (permanent)	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Administrative related	33	32	3	9.1
Agriculture related	7	0	2	28.6
All artisans in the building metal machinery etc	33	4	2	6.1
Ambulance and related workers	4	0	0	0
Artisan project and related superintendents	11	0	1	9.1
Auxiliary and related workers	251	0	12	4.8
Building and other property caretakers, Permanent	13	0	2	15.4
Bus and heavy vehicle drivers, Permanent	9	0	0	0
Cartographic surveying and related technicians, Permanent	2	1	0	0
Civil engineering technicians, Permanent	11	2	2	18.2
Cleaners in offices workshops hospitals etc., Permanent	76	3	4	5.3
Communication and information related, Permanent	1	2	0	0
Conservation labourers, Permanent	0	3	0	0
Electrical and electronics engineering technicians, Permanent	1	0	0	0
Engineering sciences related, Permanent	7	0	1	14.3
Engineers and related professionals, Permanent	6	2	0	0
Farm hands and labourers, Permanent	1	0	0	0
Finance and economics related, Permanent	1	2	0	0
Financial and related professionals, Permanent	12	1	0	0
Financial clerks and credit controllers, Permanent	20	14	1	5
Food services aids and waiters, Permanent	5	0	0	0
Forestry labourers, Permanent	1	0	0	0
Head of department/chief executive officer, Permanent	2	0	0	0
Human resources & organisat developm & relate prof, Permanent	3	1	0	0
Human resources clerks, Permanent	10	1	0	0
Human resources related, Permanent	1	0	0	0
Inspectors of apprentices works and vehicles, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	3	0	0	0
Legal related, Permanent	1	0	0	0
Library mail and related clerks, Permanent	6	9	0	0
Light vehicle drivers, Permanent	63	0	1	1.6
Logistical support personnel, Permanent	5	0	0	0

Material-recording and transport clerks, Permanent	15	0	3	20
Mechanical engineering technicians, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	1	1	0	0
Motor vehicle drivers, Permanent	42	0	1	2.4
Natural sciences related, Permanent	0	1	0	0
Other administrat & related clerks and organisers, Permanent	153	25	2	1.3
Other administrative policy and related officers, Permanent	40	1	0	0
Other occupations, Permanent	176	14	8	4.5
Printing and related machine operators, Permanent	1	0	0	0
Public order policing, Permanent	1	0	0	0
Quantity surveyors & rela prof not class elsewhere, Permanent	1	0	0	0
Regulatory inspectors, Permanent	355	7	12	3.4
Risk management and security services, Permanent	1	0	0	0
Road superintendents, Permanent	5	0	0	0
Road trade workers., Permanent	6	0	1	16.7
Road workers., Permanent	1511	48	98	6.5
Secretaries & other keyboard operating clerks, Permanent	31	11	0	0
Security guards, Permanent	9	0	0	0
Senior Managers, Permanent	17	4	5	29.4
Trade labourers, Permanent	51	0	3	5.9
TOTAL	3017	189	164	5.4

5.4.3 Reasons why staff are leaving the department

Termination Type (permanent)	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death	53	32.3	1.8	164	3017
Resignation	16	9.8	0.5	164	3017
Expiry of contract	8	4.9	0.3	164	3017
Discharged due to ill health	14	8.5	0.5	164	3017
Dismissal-misconduct	5	3	0.2	164	3017
Retirement	68	41.5	2.3	164	3017
TOTAL	164	100	5.4	164	3017

5.4.4 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
Administrative related	33	16	48.5	10	30.3
Agriculture related	7	0	0	3	42.9
All artisans in the building metal machinery etc.	33	4	12.1	23	69.7
Ambulance and related workers	4	0	0	2	50
Artisan project and related superintendents	11	0	0	9	81.8
Auxiliary and related workers	251	3	1.2	194	77.3
Building and other property caretakers	13	0	0	10	76.9
Bus and heavy vehicle drivers	9	0	0	7	77.8
Cartographic surveying and related technicians	2	1	50	0	0
Civil engineering technicians	11	3	27.3	3	27.3
Cleaners in offices workshops hospitals etc.	76	1	1.3	59	77.6
Client inform clerks(switchboard reception inform clerks)	0	2	0	0	0
Communication and information related	1	0	0	0	0
Custodian personnel	0	2	0	0	0
Electrical and electronics engineering technicians	1	0	0	0	0
Engineering sciences related	7	1	14.3	1	14.3
Engineers and related professionals	6	1	16.7	1	16.7
Farm hands and labourers	1	0	0	0	0
Finance and economics related	1	4	400	0	0
Financial and related professionals	12	5	41.7	2	16.7
Financial clerks and credit controllers	20	7	35	11	55
Food services aids and waiters	5	0	0	5	100
Forestry labourers	1	0	0	0	0
Head of department/chief executive officer	2	0	0	0	0
Human resources & organisational development & related professions	3	2	66.7	1	33.3
Human resources clerks	10	0	0	7	70
Human resources related	1	0	0	0	0
Inspectors of apprentices works and vehicles	1	0	0	1	100
Language practitioners interpreters & other community	3	0	0	0	0
Legal related	1	0	0	0	0
Library mail and related clerks	6	0	0	1	16.7
Light vehicle drivers	63	0	0	45	71.4
Logistical support personnel	5	0	0	2	40
Material-recording and transport clerks	15	0	0	6	40
Mechanical engineering technicians	1	0	0	1	100
Messengers porters and deliverers	1	0	0	1	100
Motor vehicle drivers	42	1	2.4	28	66.7
Natural sciences related	0	2	0	0	0

Other administrative & related clerks and organisers	153	9	5.9	105	68.6
Other administrative policy and related officers	40	3	7.5	19	47.5
Other occupations	176	15	8.5	85	48.3
Printing and related machine operators	1	0	0	1	100
Public order policing	1	0	0	0	0
Quantity surveyors & rela prof not class elsewhere	1	0	0	0	0
Regulatory inspectors	355	12	3.4	243	68.5
Risk management and security services	1	0	0	0	0
Road superintendents	5	7	140	1	20
Road trade workers.	6	2	33.3	3	50
Road workers	1511	40	2.6	920	60.9
Secretaries & other keyboard operating clerks	31	1	3.2	6	19.4
Security guards	9	0	0	8	88.9
Senior managers	17	0	0	1	5.9
Trade labourers	51	0	0	25	49
TOTAL	3017	144	4.8	1850	61.3

5.4.5 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), Permanent	1674	0	0	1057	63.1
Skilled (Levels 3-5), Permanent	722	32	4.4	527	73
Highly skilled production (Levels 6-8), Permanent	453	75	16.6	220	48.6
Highly skilled supervision (Levels 9-12), Permanent	141	35	24.8	45	31.9
Senior management (Levels 13-16), Permanent	23	2	8.7	1	4.3
Contract (Levels 3-5), Permanent	2				
Contract (Levels 9-12), Permanent	1	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
TOTAL	3017	144	0	0	0

5.5. EMPLOYMENT EQUITY

5.6.1 Total Number of Employees (including employees with disabilities) per Occupational Category

MALE					FEMALE				
Occupational Categories (SASCO)	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers, Permanent	14	0	0	2	5	0	0	1	22
Professionals, Permanent	402	1	1	68	317	2	1	8	800
Clerks, Permanent	105	0	0	3	150	1	0	29	288
Service and sales workers, Permanent	12	0	0	1	2	0	0	0	15
Craft and related trades workers, Permanent	33	0	0	31	0	0	0	0	64
Plant and machine operators and assemblers, Permanent	92	0	0	0	18	0	0	0	110
Elementary occupations, Permanent	1273	1	0	55	442	0	0	7	1778
TOTAL	1931	2	1	160	934	3	1	45	3077
Employees with disabilities	2	0	0	0	1	0	0	0	3

5.5.2 Total Number of Employees (including employees with disabilities) per Occupational Category

MALE					FEMALE				
Occupational Bands	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management, Permanent	2	0	0	0	2	0	0	0	4
Senior Management, Permanent	15	0	0	3	3	0	0	1	22
Professionally qualified and experienced specialists and mid-management, Permanent	104	0	1	38	39	0	0	2	148

Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	320	1	0	72	131	2	1	35	472
Semi-skilled and discretionary decision making, Permanent	899	1	0	47	342	1	0	7	1297
Unskilled and defined decision making, Permanent	672	0	0	0	413	0	0	0	1085
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	2	0	0	0	0	0	0	0	2
Contract (Skilled technical), Permanent	4	0	0	0	0	0	0	0	4
Contract (Semi-skilled), Permanent	2	0	0	0	3	0	0	0	5
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	1931	2	1	160	934	3	1	45	3077

5.5.3 Recruitment

Occupational Bands	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	7	0	0	0	4	0	0	0	11

Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	4	0	0	13	0	0	0	30
Semi-skilled and discretionary decision making, Permanent	49	0	0	1	42	0	0	0	92
Unskilled and defined decision making, Permanent	17	0	0	0	18	0	0	0	35
Contract (Senior Management), Permanent	3	0	0	0	1	0	0	0	3
Contract (Professionally qualified), Permanent	4	0	0	0	0	0	0	0	4
Contract (Skilled technical), Permanent	5	0	0	0	1	0	0	0	5
Contract (Semi-skilled), Permanent	4	0	0	0	3	0	0	0	7
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	107	0	0	1	81	0	0	0	189

5.5.4 Promotions

Occupational Bands	MALE				FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Senior Management, Permanent	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	46	0	0	12	21	0	0	1	80

Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	138	1	0	55	73	2	0	26	295
Semi-skilled and discretionary decision making, Permanent	367	1	0	28	160	1	0	3	560
Unskilled and defined decision making, Permanent	698	0	0	0	359	0	0	0	1057
TOTAL	1251	2	0	95	614	3	0	30	1995
Employees with disabilities	1	0	0	0	0	0	0	0	1

5.5.5 Terminations

Occupational Bands	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	5	0	0	2	21	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	0	0	2	5	0	0	0	23
Semi-skilled and discretionary decision making, Permanent	15	0	0	2	5	0	0	0	22
Unskilled and defined decision making, Permanent	79	0	0	0	22	0	0	0	101

Contract (Senior Management), Permanent	3	0	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	2	0	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	4	0	0	0	0	0	0	0	4
TOTAL	118	1	0	12	28	0	0	5	164

5.5.6 Disciplinary Action

MALE					FEMALE				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
No data	0	0	0	0	0	0	0	0	3

5.6. PERFORMANCE REWARDS

5.6.1 Performance Rewards by Race, Gender and Disability

	BENEFICIARY PROFILE		COST		
	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	1	933	0.1	16	16,326
African, Male	1	1929	0.1	21	21,375
Asian, Female	0	1	0	0	0
Asian, Male	0	1	0	0	0
Coloured, Female	0	3	0	0	0
Coloured, Male					
Total Blacks, Female	1	937	0.1	16	16,326
Total Blacks, Male	1	1932	0.1	21	21,375
White, Female	0	45	0	0	0
White, Male	0	160	0	0	0
Employees with a disability	0	3	0	0	0
TOTAL	2	3077	0.1	38	18,851

5.6.2 Performance Rewards by Salary Bands 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),	0	1084	0	0	0
Skilled (Levels 3-5), Permanent	0	1297	0	0	0
Highly skilled production (Levels 6-8), Permanent	0	472	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	1	184	0.5	16	16,000
Contract (Levels 1-2)	0	1	0	0	0
Contract (Levels 3-5), Permanent	0	5	0	0	0
Contract (Levels 9-12), Permanent	1	0	0	0	0
TOTAL	3050	0	0	16	16,000

5.6.3 Performance Rewards by Critical Occupations

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	2	78	2.6	38	19,000
Agriculture related	0	5	0	0	0
All artisans in the building metal machinery etc.	0	42	0	0	0
Ambulance and related workers	0	4	0	0	0
Artisan project and related superintendents	0	10	0	0	0
Auxiliary and related workers	0	238	0	0	0
Building and other property caretakers	0	11	0	0	0
Bus and heavy vehicle drivers	0	8	0	0	0
Cartographic surveying and related technicians	0	2	0	0	0
Civil engineering technicians	0	11	0	0	0
Cleaners in offices workshops hospitals etc.	0	75	0	0	0
Client inform clerks(switchb recept inform clerks)	0	2	0	0	0
Communication and information related	1	3	0	0	0
Conservation labourers	0	3	0	0	0
Custodian personnel	0	3	0	0	0
Electrical and electronics engineering technicians	0	1	0	0	0
Engineering sciences related	0	6	0	0	0
Engineers and related professionals	0	9	0	0	0
Farm hands and labourers	0	1	0	0	0
Finance and economics related	0	7	0	0	0
Financial and related professionals	0	12	0	0	0
Financial clerks and credit controllers	0	34	0	0	0
Food services aids and waiters	0	5	0	0	0

Forestry labourers	0	1	0	0	0
Head of department/chief executive officer	0	2	0	0	0
Human resources & organisat developm & relate prof	0	6	0	0	0
Human resources clerks	0	11	0	0	0
Inspectors of apprentices works and vehicles	0	1	0	0	0
Language practitioners interpreters & other commun	0	2	0	0	0
Legal related	0	1	0	0	0
Library mail and related clerks	0	12	0	0	0
Light vehicle drivers	0	61	0	0	0
Logistical support personnel	0	3	0	0	0
Material-recording and transport clerks	0	11	0	0	0
Mechanical engineering technicians	0	1	0	0	0
Messengers porters and deliverers	0	2	0	0	0
Motor vehicle drivers	0	40	0	0	0
Natural sciences related	0	3	0	0	0
Other administrat & related clerks and organis-ers	0	180	0	0	0
Other administrative policy and related officers	0	34	0	0	0
Other occupations	0	163	0	0	0
Printing and related machine operators	0	1	0	0	0
Public order policing	0	1	0	0	0
Rank: Unknown	0	1	0	0	0
Regulatory inspectors	0	378	0	0	0
Road superintendents	0	7	0	0	0
Road trade workers.	0	4	0	0	0
Road workers	0	1472	0	0	0
Secretaries & other keyboard operating clerks	0	35	0	0	0
Security guards	0	10	0	0	0
Senior managers	0	18	0	0	0
Trade labourers	0	46	0	0	0
TOTAL	2	3077	0.1	38	19000

5.6.4 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	1	2	0	21	0	0	0
Band B	0	21	0	0	0	0	0
Band C	0	4	0	0	0	0	0
TOTAL	1	27	3.7	21	2100	0.2	10922

5.7 FOREIGN WORKERS (The are no foreign workers in the Department)**5.8 LEAVE UTILIZATION****5.8.1 Sick Leave for 1 January 2005 to December 31 2005**

Salary Band	Total Days	% Days with Medical Certification	No of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2),	5404	97.8	774	50.9	7	828	1520	5287
Skilled (Levels 3-5), Permanent	2459	95.7	385	25.3	6	500	1520	2353
Highly skilled production (Levels 6-8), Permanent	1792	89.4	269	17.7	7	662	1520	1602
Highly skilled supervision (Levels 9-12), Permanent	589	88.5	86	5.7	7	364	1520	529
Senior management (Levels 13-16)	23	100	5	0.3	5	45	1520	23
Contract (Levels 13-16)	15	100	1	0.1	15	31	1520	15
TOTAL	10291	95.3	1520	100	7	2430	1520	9809

5.8.2 Disability Leave for 1 January 2005 to 31 December 2005

Salary Band	Total Days	% Days with Medical Certification	No of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2),	55	100	2	100	28	8	55	2
TOTAL	55	100	2	100	28	8	55	2

5.8.2 Annual Leave for 1 January 2005 to 31 December 2005

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	33196.24	20	1651
Skilled (Levels 3-5)	13992.24	20	716
Highly skilled production (Levels 6-8)	9358.92	20	467
Highly skilled supervision (Levels 9-12)	3067	19	163
Senior management (Levels 13-16)	243	15	16
Other	36	36	1
Contract (Levels 13-16)	10 1	10	1
TOTAL	59903.4	20	3015

5.8.3 Capped Leave for 1 January 2005 to 31 December 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)	710	6	82	127	112890	1377
Skilled (Levels 3-5)	113	5	90	25	49897	556
Highly skilled production (Levels 6-8)	108	5	82	24	33335	408
Highly skilled supervision (Levels 9-12)	63	11	91	6	11837	130
TOTAL	994	5	84	182	207959	2471

5.8.4 Leave Payouts for the Period 1 April 2005 to 31 March 2006

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	19	3	6333
Capped leave payouts on termination of service for 2005/06	215	43	5000
Current leave payout on termination of service for 2005/06	90	11	8182
TOTAL	324	57	5684

5.10 HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

5.9.1 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
1. Road workers	Hands gloves provided
2. Traffic officials	Distribution of condoms
	Dissemination of information

5. 9.2 Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the 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 V1 E of Chapter 1 of the Public Service Regulations, 2010? If so, provide her/his name and position.	√		Mr ST Lukhele Acting General Manager: Corporate Services

2.Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		2 people with an operational budget of R200,000
3.Has the department introduced an Employee Assistance or Health Promotion Programme for you employees? If so, indicate the key elements/services of this Programme.	√		Support, assessment, debriefing and referrals to external service provider
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.	√		Communications - Ms Thulile Gama HRD - Ms T Skhosa Finance - Ms TF Ntuli Roads Infrastructure - Ms N Dlamini Transport - Mr M Tsotetsi Traffic - Ms D Bekwa HRD - Ms A Ntuli NEHAWU - Ms A Marsh PSA - Ms L Hartzenburg
5.Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		1. Employment Equity 2. Employee Wellness Programme 3. HIV/Aids in the workplace
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.	√		1. The protection of human rights and dignity of people living with Aids. 2. Status is confidential unless people are willing to disclose
7.Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Testing is done by private health practionares hence difficult to the exact numbers
8.Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Number of cases addressed through EWP

5.10 Labour Relations

The following collective agreements were entered into with trade unions within the department.

5.10.1 Collective agreements, 1 April 2005 to 31 March 2006

Total collective agreements None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

5.10.2. Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of Disciplinary Hearings	Number	% of total
Correctional counselling	1	5%
Verbal warning	0	0
Written warning	0	0
Final written warning	1	5%
Suspended without pay	2	8%
Fine	0	0
Demotion	1	5%
Dismissal	11	50%
Not guilty	2	9%
Case withdrawn	4	18
Total	22	100%

Type of misconduct	Number	% of total
Fraud and misrepresentation	5	46%
Alcohol abuse	3	27
Abuse of government vehicle	3	27
Total	11	100%

5.10.3 Types of misconduct addressed at disciplinary hearings

	Number	% of total
Number of grievances resolved	3	38%
Number of grievances not resolved	1	12
Total number of grievances lodged	4	50
Total	8	100%

5.10.4 Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of disputes upheld	8	33
Number of disputes dismissed	4	17
Total number of disputes lodged	12	50
Total	24	100%

5.10.5 Dispute lodged with Councils for the period 1 April 2005 to 31 March 2006

Number of people suspended	8
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	288
Cost (R'000) of suspensions	10,000,927.79

5.10.6 Precautionary suspensions for the period 1 April 2006 to 31 March 2006

5.11 SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development.

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	9	4	13
	Male	79	0	18	14	32
Professionals	Female	115	0	14	65	79
	Male	332	0	43	216	259
Technicians and associate professionals	Female	3	0	2	1	3
	Male	29	0	18	5	23

5.11.1 Training needs identified 1 April 2006 to 31 March 2006

Clerks	Female	260	16	67	10	96
		235	8	46	15	69
Services and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	354	0	60	0	60
Elementary occupations	Female	527	0	50	0	50
	Male	1035	0	124	0	124
Sub Total	Female	927	16	131	127	274
	Male	2064	8	287	329	624
Total		2.991	24	418	456	898

5.11.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	9	4	13
	Male	79	0	18	14	32
Professionals	Female	115	0	14	65	79
	Male	332	0	43	216	259
Technicians and associate professionals	Female	3	0	2	1	3
	Male	29	0	18	5	23
Clerks	Female	260	16	169	18	203
	Male	235	8	198	23	229
Services and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	354	0	14		14

Elementary occupations	Female	527	0	227	190	417
	Male	1035	0	481	270	751
Sub Total	Female	927	16	421	278	715
	Male	2064	8	772	528	1308
Total		2.991	24	1.193	806	2.023

5.12 INJURY ON DUTY

The following tables provide basic information on injury on duty.

5.12.1 Injury on duty 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	53	80%
Temporary Total Development	11	17%
Permanent Disablement	1	1.5%
Fatal	1	1.5%
Total	66	100%

5.13 UTILISATION OF CONSULTANTS

5.13.1 Report on consultant appointments using appropriated funds

Project Title	consultants	Contractors	Contract Valued in Rand
D2919/D2900 Senotlelo - Lefiso	Nyeleti Consulting Engineers	Department of Roads and Transport	R12,506,849.00
D488 Fernie - Diepdale	Khulasizwe	Learners	R16,322,000.00
Standerton	MZA Consulting Engineers (Pty) LTD	DZ Civils/Mos JV	R19,500,000.00
Total			R48,328,849.00

5.13.2 Analysis of consultant appointment using appropriated funds, in terms of Historically Disadvantaged individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
D2919/D2900 Senotlelo - Lefiso	Nyeleti Consulting Engineers	71%	2
D488 Fernie - Diepdale	Khulasizwe	100%	2
P30/2 Bethal - Standerton	MZA Consulting Engineers (Pty) LTD	100%	2