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1. GENERAL INFORMATION

1.1 SUBMISSION OF THE ANNUAL REPORT

It is my pleasure to formally submit the Annual Report for the period 1 April 2005 to 31 March 2006 to Minister M. Fransman, Provincial Minister of Transport and Public Works.

1.2 INTRODUCTION

The Department experienced a change in political leadership with effect from July 2005 which lead to an assessment of the purpose, mandate and service delivery responsiveness of the Department. A comprehensive change management process was embarked upon to align business processes and structure to strategy. It is the intention to complete this process during 2006/07.

The then Minister of Transport and Public Works published a Five Year Strategic and Performance Plan for 2005/06 to 2009/10 and the three year Annual Performance Plan 2005/06 – 2007/08. These documents seek to further solidify the alignment between the activities of the Department with the goals of iKapa Elihlumayo, the Provincial Growth and Development Strategy and its lead strategies, to contribute to National programmes like Project Consolidate, Urban Renewal Programme, Integrated Sustainable Rural Development Programme, the Expanded Public Works Programme and also to ensure that we are ready to host the 2010 World Cup.

The Strategic Infrastructure Plan that will serve to guide investment in infrastructure in the Province of the Western Cape was further developed, with substantial work undertaken in determining infrastructure priority projects for the next ten years. An evaluation model was also developed underpinned by the Provincial Spatial Development Framework (PSDF) and the Micro Economic Development Strategy (MEDS) in order to allow varying infrastructure projects to be compared with one another and priorities for funding and implementation determined. Consultation with stakeholders with respect to specific projects identified was also undertaken.

The Department is faced with a shortage of scarce skills, especially of professionals in the built sector. In response to this challenge, a comprehensive scarce skills strategy was developed identifying short, medium and long-term interventions. These interventions include significantly increasing the number of bursaries awarded, utilising Cuban professionals to increase the technical and professional cadre in the built sector and engaging with the Department of Public Service and Administration regarding the payment of scarce skills allowances.

The Masakh' iSizwe – “Let Us build the Nation” project was launched. The project focuses on providing bursaries to new and existing students at tertiary institutions in scarce skills such as engineering, architectural, quantity surveying, transport economics, town planning and finance disciplines. It provides a comprehensive approach to the development of scarce skills in its recognition as the driver of economic development through infrastructure provision. A key element of the programme is the awarding of 250 bursaries in the built environment sector over the medium term and the establishment of a Centre of Excellence to facilitate a culture of excellence in learning, service ethos and citizenship amongst the students. Furthermore the strategy also provides for the utilisation of retired professionals to serve as mentors to students. Provision is also made for a graduate training program to facilitate the development and progression of graduates as professional engineers. This adopts a holistic approach to respond to the scarce skills challenge.

Compliance with the Construction Industry Development Board Act, 2000 (CIDBA) took effect from 31 August 2005 with regard to the Province of the Western Cape. As an infrastructure delivery organisation the Department registered with the Construction Industry Development Board to gain access to the Register of Projects and the Register of Contractors. The Department was involved in marketing, registration of contractors and implementation of a

development strategy. All contractors have to be registered on the Register of Contractors to enable them to be eligible for the award of tenders. Tenders had to be advertised in a manner, which is CIDBA compliant. Consequently, tenders were advertised in terms of the prescribed grading and categorisation of works in terms of both type of works and values.

The Department, in particular the Branch Public Works, manages and undertakes construction and maintenance on behalf of the Departments of Health and Education. Service delivery agreements were entered into with the respective Departments to enhance delivery.

In relation to social infrastructure various events were held to hand over constructed school and health facilities to the client departments, namely Health, Education and the community. In this regard the Department, on behalf of the Department of Health, continued with the upgrading of Worcester and George Regional Hospitals, as well as Vredenburg District Hospital. The business plan for the upgrading of the Paarl Regional Hospital was approved and construction will commence during 2006/07. Planning commenced for the Khayelitsha District Hospital. The Department on behalf of the Department of Education made significant progress with the acceleration of infrastructure delivery in respect of schools - 16 new schools were completed and opened which provided approximately 22 000 learners with new accommodation at year end.

With regard to general building infrastructure new student hostels, accommodation for lecturers and a new administration building have been constructed for the Department of Agriculture at Elsenburg. The Emergency Medical Management Centre was completed at the Tygerberg Hospital.

Focussing on economic infrastructure, Roads Infrastructure completed the Rehabilitation of the MR201 between Paarl and N1, the N7 between Piketberg and Citrusdal, Viljoenshoop Road, Hemel en Aarde Intersection, the N1 and the N2 and TR 1 / Section 1: George-Outeniqua Pass. The upgrading to a surfaced standard of the Gansbaai/Bredasdorp Link and the Potsdam Interchange on the N7 started. In addition, the N2 Gateway Project, which is a co-operative government initiative between National Housing, Provincial Government and the City of Cape Town to improve housing along the N2 corridor and in the Metro South East, was supported by transferring R21million to the City of Cape Town for construction of Symphony Way and the extension of Bhunga Drive to link the communities of Langa and Athlone.

Preliminary design of the restructured scheduled public transport services in the City of Cape Town was completed, which resulted in the packaging of services into six contract packages. This required the unbundling and then integration of the two main road-based modes, namely minibus taxis and buses. Furthermore, integration with the rail network is managed initially, through the design of the schedules, however further integration is envisaged in the medium term. Two contract packages for the Klipfontein and Landsdowne corridors were designed in detail for open or negotiated tendering. The services have been designed to include the current minibus taxi operations operating on the same or similar routes as the subsidised bus services. In order to promote integrated delivery of public transport service, prospective tenderers were pre-qualified for the provision of integrated ticketing and fare management systems.

October 2005 was set as Public Transport Month throughout South Africa. The Department organised various events including two Car Free Days in Oudtshoorn and Klipfontein Road in the Metro. In addition a metered taxi office was opened in Cape Town central business district, a taxi rank was opened in Piketberg which was designed in a new manner to improve operational efficiencies and a Driver Fatigue day was hosted in the Hex River Pass about 160 kilometers from Cape Town .

The Department co-hosted the Velo Mondial Conference held in Cape Town, an international conference focussing on non-motorised transport, in particular cycling. The Velo Modial 2006 Cape Town Declaration Towards Prosperity was endorsed by all of the 350 delegates from 41 countries.

Elections for new members of the Western Cape Provincial Taxi Council as well as the Metered Taxi Council took place as part of the democratisation of these industries. The business plan for the minibus taxi industry was developed and a memorandum of agreement signed to provide a basis for further engagement. The Department also appointed a new Provincial Transport Registrar in August 2005.

The conceptual design for the George Mobility Strategy was completed, as well as the construction of cycle and pedestrian paths on either side of Mandlenkosi Road in Beaufort West, which is linked to the Central Karoo Mobility Strategy. As part of the Klipfontein Corridor Mobility Strategy, 25 Closed Circuit Television (CCTV) cameras were installed along the corridor to promote safety on public transport. The construction of the following Dignified Urban Spaces linked to Klipfontein Corridor commenced: NY1, Athlone/Gatesville/Heideveld/Gugulethu and Sithandu/ New Eisleben.

Municipalities were assisted in the construction of critical public transport infrastructure and facilities such as pedestrian and cycle pathways, ranks, shelters and embayments. The Piketberg taxi rank was opened, utilising a new design to improve operational efficiencies. In addition, several public transport interchanges were constructed in the City of Cape Town, notably in Mitchell's Plain, Hanover Park and Gugulethu.

The Expanded Public Works Programme (EPWP), introduced in 2003 and as agreed to at the Growth and Development Summit, has as objective the creation of work opportunities and set the goal for the Province of attaining a target of 120 000 work opportunities by 2008. The target, for 2005/06 was set at 25 000 work opportunities. Unaudited figures for the financial year stand at 27 917. The Department contributed over a quarter of these work opportunities.

As part of the renewed mandate to give momentum to EPWP, Learnership 1000 was initiated through which 1 000 learnerships are provided for artisans, technicians and professionals within the built environment sector as a contribution to eradicate the scarce skills shortage in this industry, which could have an adverse effect on infrastructure delivery.

In relation to community based programmes, the Saamstaan programme includes the full spectrum of building and transport infrastructure upgrade and maintenance of community development projects, throughout the Western Cape. Projects, totalling 72 were undertaken over the suite of programmes. These included the Saamstaan School Maintenance; Zenzele Road Maintenance and the Community Access Roads Programmes:

- Saamstaan Schools Programme: 24 projects were completed in which 576 unemployed parents of learners from poor communities were trained and employed to maintain school buildings in their communities.
- Zenzele road maintenance projects: 32 were implemented and these were located mainly in the rural areas on provincial roads located close to the designated underdeveloped communities requiring poverty alleviation, 768 persons were trained and employed in this programme.

The Department embarked on a process to enoble and/or dispose of properties of strategic value to act as a catalyst for significant private sector investment in infrastructure development, with its resultant contribution to job creation and poverty alleviation:

- *The Somerset/City Hospital site:* A development framework was approved. This site has enormous potential for mixed use development, and links in very closely with the development plans for the region, given its proximity to the planned 2010 World Cup stadium in Green Point. The plans include a significantly upgraded Somerset Hospital on the site.
- *The old Conradie Hospital Site in Pinelands:* A contract was concluded with a BBBEE company which will develop the site as a mixed-use development, incorporating the principles of Sustainable Human Settlements.

- *Redundant school property "The Bult, " George:* Various individual erven were disposed of at market value after it was redeveloped. In addition 50 other smaller properties were disposed of. Of these, 23 were completely transferred, including cash flow.

A property consolidation transaction between the City of Cape Town, the Provincial Government, and Media 24 was entered into. It is estimated that the redevelopment of the sites involved will result in an infrastructure investment of more than R1 billion.

Although the Government Motor Transport Trading Entity (GMT) is part of the administration of the Department in accordance with the legislative mandate, a separate Annual Report will be published.

1.3 INFORMATION ON THE MINISTRY

As indicated earlier Mr M. Fransman replaced Mr M. Skwatsha as the Minister of Transport and Public Works with effect from July 2005. These changes in political leadership led to an assessment of the purpose, mandate and service delivery responsiveness of the Department. A comprehensive change management process was embarked upon to align business processes and structure to strategy. It is the intention to complete this process during 2006/07.

Furthermore, the Ministry was involved in the following key areas of work summarised below:

- Promoting the Masakh'iSizwe bursary programme to put a long term strategy in place to alleviate the shortage of professionals with scarce skills;
- Direct the further development of the Strategic Infrastructure Plan to ensure that the correct focus is achieved;
- Improving the image of the Department through improved communication of the work being undertaken;
- Appointment of a Monitoring and Evaluation unit within the Department;
- Ensuring that a new Provincial Operating Licencing Board is established as a matter of urgency; and
- Focus placed on the upscaling of the Expanded Public Works Programme within the Department and the improved co-ordination of the EPWP.

In support of the Department's strategic objectives Ministers Skwatsha and Fransman undertook the following foreign fact-finding missions:

Date	Place	Purpose
June 2005	Washington DC	Minister Skwatsha: To participate as part of the provincial delegation led by the Minister of Finance and Economic Development that met with the Intercontinental Commerce Corporation.
December 2005	Cuba	Minister Fransman: To engage on the co-operative agreement relating to secondment of Cuban professionals in the built environment and fact finding on the Cuban Government's public works and leadership programmes.

1.4 VISION AND MISSION STATEMENT

Vision:

A people centred infrastructure and transport system through a transformed department.

Mission:

To deliver a transport system and property infrastructure that is integrated, accessible, safe, reliable, affordable, sustainable and of the desired quality, through socially just, developmental and empowering processes that will improve the quality of life.

1.5 LEGISLATIVE MANDATE

The achievement of our vision and mission, as presented above, are primarily guided by the following constitutional and other legislative mandates:

Advertising Along Roads and Ribbon Development Act, 1940 (Act 21 of 1940)

Cape Roads Ordinance, 1976 (Ord. 19 of 1976)

Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Constitution of the Western Cape, 1998 (Act 1 of 1998)

Construction Regulation R1010 of 2003 (for compliance to occupational health and safety within the construction industry)

Construction Industry Development Board Act, 2000 (Act 38 of 2000) and Regulations

Division of Revenue Act (an annual Act of Parliament)

Employment Equity Act, 1998 (Act 55 of 1998)

Municipal Finance Management Act, 2003 (Act 56 of 2003)

National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)

National Land Transport Transition Act, 2000 (Act 22 of 2000)

National Road Traffic Act, 1996 (Act 93 of 1996)

Occupational Health and Safety Act, 1993 (Act 85 of 1993)

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and Regulations

Promotion of Access to Information Act, 2000 (Act 2 of 2000)

Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)

Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulations, 2005

Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001

Road Safety Act, 1972 (Act 9 of 1972)

Road Transportation Act, 1977 (Act 74 of 1977)

Road Traffic Act, 1989 (Act 29 of 1989)

Skills Development Act, 1998 (Act 97 of 1998)

Western Cape Toll Road Act, 1999 (Act 11 of 1999)

Western Cape Land Administration Act, 1998 (Act 6 of 1998)

Western Cape Road Traffic Act, 1998 (Act 12 of 1998) - [presently being re-drafted]

2. PROGRAMME PERFORMANCE

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
1 797 365	1 712 012	85 353	1 773 251	24 114
Responsible Minister	Minister of Transport and Public Works			
Administering Department	Department of Transport and Public Works			
Accounting Officer	Superintendent General of Transport and Public Works			

2.2 Aim of the Vote

The aim of the Department is a people centred infrastructure and transport system through a transformed department.

2.3 Summary of programmes

The Public Works, Roads and Transport sector adopted a uniform budget and programme structure for the country that reflects the minimum number of programmes required. The activities of the Department of Transport and Public Works for the Western Cape are organised in the following six programmes:

Programme	Sub-programme
1. Administration <i>To conduct the overall management and administrative support of the department</i>	1.1 Office of the Provincial Minister Transport and Public Works 1.2 Head of Department 1.3 Corporate Support
2. Public Works <i>To provide accommodation for all provincial departments, manage the provincial property portfolio for the optimum benefit of all those concerned and to render professional and technical services to departments in respect of buildings and related infrastructure. The expanded public works programme is one of the methods utilised to deliver these services.</i>	2.1 Programme Support 2.2 Health 2.3 Education 2.4 Agriculture 2.5 Social Development 2.6 Other Infrastructure 2.7 Property Management
3. Roads Infrastructure <i>To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social and economic growth through socially just, developmental and empowering processes. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i>	3.1 Programme Support 3.2 Planning 3.3 Design 3.4 Construction 3.5 Maintenance

Programme	Sub-programme
4. Public Transport <i>To plan, regulate and facilitate the provision of public transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i>	4.1 Programme Support 4.2 Planning 4.3 Infrastructure 4.4 Empowerment and Institutional Management 4.5 Operator Safety and Compliance 4.6 Regulation and Control
5. Traffic Management <i>To create an appropriately authorised and safe transport environment, provide a professional and efficient service to all clients and to maximise revenue generation. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i>	5.1 Programme Support 5.2 Safety Engineering 5.3 Transport Administration and Licensing 5.4 Overload Control
6. Community-Based Programme (CBP) <i>To ensure delivery of accessible services through integrated, socially just, developmental and empowering processes in order to improve the quality of life of communities within the Western Cape by way of community development and the Expanded Public Work Programme.</i>	6.1 Programme Support 6.2 Empowerment Impact Assessment 6.3 Community Development 6.4 Emerging Contractor Development

2.4 Overview of the service delivery environment for 2005/06

The following are significant developments external to the Department that impacted on the demand for the Department's services and/or the Department's ability to deliver those services:

Construction Industry Development Board (CIDB)

Compliance with the Construction Industry Development Board Act, 2000 (CIDBA) took effect from 31 August 2005 with regard to the Province of the Western Cape. As an infrastructure delivery organisation the Department registered with the Construction Industry Development Board to gain access to the Register of Projects and the Register of Contractors. The Department was involved in marketing, registration of contractors and implementation of a development strategy. All contractors have to be registered on the Register of Contractors to be eligible for them to be awarded any tender put out by the Department. Tenders had to be advertised in a manner, which is CIDBA compliant. Consequently, tenders were advertised in terms of the prescribed grading and categorisation of works in terms of both type of works and values.

Service delivery agreements

In relation to the funding of infrastructure programmes and in terms of Section 13 of the Division of Revenue Act, 2005 the Provincial Departments of Health and Education are responsible for all capital and maintenance budgets and spending. As the Department, in particular the Branch Public Works, manages and undertakes construction and maintenance on their behalf, service delivery agreements were entered into with the respective Departments as contemplated in the Act.

The demand for the issuing of learner's and driving licences has increased to such an extent that the waiting period on average is six months. Driving Licence Testing Centres (DLTC) governed by local authorities, but registered and audited by the Department, are responsible for the issuing of such licences. The Department is in the process of entering into Service Level Agreements with the said centres in order to improve service delivery. These Service

Level Agreements will address issues including the required infrastructure (ie both accommodation and equipment), as well as the human resources required to enable the function to be properly executed.

Cost of delivery

The budget allocation for road infrastructure is being eroded by sharp increases in construction prices. Backlogs in road provision and maintenance therefore continue to grow.

Skills

The supply of scarce skills such as artisans, engineers, architects, quantity surveyors, transport economists and town planners has a delaying impact on the delivery of social, economic and general building infrastructure.

Regarding public transport, there continues to be an erosion of skills at local government level where many officials who spent time developing an understanding of public transport have left the municipal sphere of government. The result is that officials continually need to be informed of requirements and processes.

Environmental Impact Assessments

The obtaining of Records of Decisions (ROD) in respect of environmental impact assessments in terms of environmental legislation requirements has a constraining effect on the Department's ability to plan and deliver infrastructure projects within committed timeframes. One such example is the Chapman's Peak Record of Decision regarding the construction of the permanent toll plazas. Application for approval to construct the plazas was forwarded to the Department of Environmental Affairs and Tourism in December 2003 after the completion of an Environmental Impact Assessment. An ROD was issued on 3 July 2005, where after numerous appeals relating thereto were submitted during the appeal period. To date, the Minister of Environmental Affairs and Tourism has not made a ruling on the appeals and the ROD has not been finalised.

Compliance Monitoring Unit

The Minister of Transport has not yet delegated his powers to enforce legal compliance at vehicle testing stations and driving licence testing centres to Provincial Compliance Monitoring Units. This renders such units unable to enforce compliance at the various centres and results in dependency on interventions by the relevant national inspectorates, which in turn causes inefficiencies in the system.

Public Transport planning processes

As the Province's financial year drew to a close, local government was preparing for elections. This had an impact on projects and plans being taken through Council processes for approval and ratification. As a result, the Public Transport Plans were not approved by Councils (as required by the National Land Transport Transition Act, 2000), but draft documents from each of the districts were submitted.

Public Transport environment

Delivery of public transport as a function, is heavily dependent on the involvement of a myriad of stakeholders – from the City of Cape Town, to the national Department of Transport, to the various public transport operational industries, i.e. the minibus taxi industry, the SMME bus operators, as well as the metered taxi industry. Difficulties were experienced with the City of Cape Town that impacted on the Department's ability to roll-out projects in partnership with them. This is being resolved. In addition, on-going instability in the minibus taxi industry prohibited the Department from gaining buy-in and ownership of various programmes which required their active participation.

Expanded Public Works Programme

The EPWP in the Western Cape does not operate as independent initiative of the Province, but is integrated into iKapa Elihlumayo, the Provincial Growth and Development Strategy. In this respect, the Department's mandate to co-ordinate the delivery and scaling up of the EPWP in the Western Cape has been taken forward in the policy document submitted to Provincial Cabinet in September 2005 called the "Renewed Mandate for the Expanded Public Works Programme". The EPWP is growing in stature as a poverty alleviation programme and in terms of ASGISA will be set additional targets as part of the strategy of halving poverty by 2014. MEC Fransman increased the annual target of 25 000 work opportunities to 40 000 and emphasised the role of local municipalities on implementing EPWP.

2.5 Overview of the organisational environment for 2005/06

The following are significant developments internal to the Department that impacted on the Department's ability to deliver on its strategic plan:

Change in political leadership

From July 2005, the Department was guided by a new political head. The Provincial Minister assessed the purpose, mandate and service delivery responsiveness of the Department and embarked on a comprehensive change management process to align the business processes and structure of the Department to this strategy. To ensure that the proper skills were brought into the Department to enable it to deliver on its mandate, critical posts to be filled were identified, while an interim moratorium was placed on the filling of certain other post levels.

Change in key personnel

A new Chief Financial Officer was transferred from the Provincial Treasury with effect from 1 April 2005.

Skills

The Department is faced with a shortage of scarce skills, especially of professionals in the built sector. In response to this challenge, a comprehensive scarce skills strategy was developed identifying short, medium and long-term interventions. These interventions include significantly increasing the number of bursaries awarded, employing Cuban professionals to increase the technical and professional cadre in the built sector and engaging with the Department of Public Service and Administration regarding the payment of scarce skills allowances.

Regarding Public Transport, many posts within the Branch were identified as critical and as a result, were not subject to the moratorium placed by the Minister. Although a number of junior management posts were filled, difficulty was experienced in filling middle management posts. This was mainly due to the specialised nature of public transport and the lack of specific experience of applicants. Further attempts will be made in 2006/07 so as to fill these important and critical posts.

Overload control

Due to the damage inflicted on roads by overloaded vehicles the Department has set overload control targets. However, law enforcement capacity constraints at the Department of Community Safety and Municipal Traffic Police hampers the Department's efforts to meet set overload control targets.

Summary of post vacancies and supernumeraries

Staff Categories	Number			% Average Annual change
	2003	2004	2005	
Total staff complement	1 933	1 894	1 864	13.78%
Number of professional and managerial posts	296	303	298	0.35%
Number of professional and managerial posts filled	175	205	201	7.59%
Number of excess staff	0	0	0	0%

Key expenditure indicators

Category of expenditure	Percentages or Rands (000's)			Average %
	2003	2004	2005	
Compensation of employees expenditure as % of total expenditure	10.58%	11.08%	8.97%	10.21%
Expenditure on maintenance of buildings as a % of total expenditure	3.65%	3.14%	2.08%	2.96%
Expenditure on maintenance of road infrastructure as a % of total expenditure	23.97%	32.25%	32.38%	29.53%
Expenditure on construction of buildings as a % of total expenditure	6.79%	4.80%	4.07%	5.22%
Expenditure on construction of road infrastructure as a % of total expenditure	13.74%	12.44%	13.99%	13.39%
Expenditure on Public Transport infrastructure as a % of total expenditure	6.39%	1.56%	6.49%	4.81%
Other expenditure as a % of total expenditure	34.88%	34.73%	32.02%	33.88%
Total	100%	100%	100%	100%

Progress with promoting Historically Disadvantaged Individuals (HDI)

Transport

Category of expenditure	Percentages or Rand (000's)		Average Annual change
	2004	2005	
Number of contracts	184	140	162
Total value of contracts	R556 858	R578 852	R567 855
% of total contracts to HDI by value	49.05%	36.35%	42.70%

Public Works General

Category of expenditure	Percentages or Rand (000's)		Average Annual change
	2004	2005	
Number of contracts	76	90	83
Total value of contracts	R41 703	R54 561	R48 132
% of total contracts to HDI by value	74.50%	68.17%	71.34%

Public Works Health

Category of expenditure	Percentages or Rand (000's)		Average Annual change
	2004	2005	
Number of contracts	47	78	63
Total value of contracts	R63 721	R56 660	R60 191
% of total contracts to HDI by value	96.41%	88.13%	92.27%

Public Works Education

Category of expenditure	Percentages or Rand (000's)		Average Annual change
	2004	2005	
Number of contracts	329	126	228
Total value of contracts	R278 401	R141 447	R209 924
% of total contracts to HDI by value	77.67%	82.79%	80.23%

2.6 Strategic overview and key policy developments for the 2005/06 financial year

The following major policy developments and legislative changes took place:

Strategic Infrastructure Plan (SIP)

The SIP was further developed, with substantial work undertaken in determining infrastructure priority projects for the next ten years. An evaluation model was also developed underpinned by the Provincial Spatial Development Framework (PSDF) and the Micro Economic Development Strategy (MEDS) in order to allow varying infrastructure projects to be compared with one another and priorities for funding and implementation determined. In addition, the SIP identified that priority must be placed on five strategic thrusts. These encompass asset maintenance and management, ie the need to invest in the maintenance of existing infrastructure rather than constructing new infrastructure continuously; public transport and the improvement of service levels throughout the system; provision of basic sanitation; education, training and research; and sustainable management and use of resources.

Expanded Public Works Programme (EPWP)

A renewed mandate entails implementing a strategy for the up scaling of the EPWP to give further impetus to bridging the gap between the first and second economies through the creation of work opportunities coupled with skills development. The "Renewed Mandate for

the Expanded Public Works Programme” Business Plan submitted to provincial cabinet in September 2005 stated that “the Western Cape Province will entrust the Department of Transport and Public Works with the responsibility for the coordination of the delivery of the EPWP within the Provincial Government and at municipal level.” This is in line with the vision to step up the EPWP, and in promoting the goals of iKapa Elihlumayo in respect of higher economic growth and lower levels of inequality.

Immovable Asset Management Bill

The Government Immovable Asset Management Bill was published on 14 October 2005. This Bill provides for both national and provincial governments to improve the management of their immovable assets. This will give the Department, which acts as custodian of the provincial property portfolio, more power to ensure that users of provincial properties use properties optimally.

Scarce skills

The Department launched its scarce skills programme, Masakh’ iSizwe- “Let Us Build a Nation.” This program provides a comprehensive approach to the development of scarce skills in its recognition as the driver of economic development through infrastructure provision. A key element of the programme is the awarding of 250 bursaries in the built environment sector over the medium term and the establishment of a Centre of Excellence to facilitate a culture of excellence in learning, service ethos and citizenship amongst the students. Furthermore the strategy also provides for the utilisation of retired professionals to serve as mentors to students. Provision is also made for a graduate training program to facilitate the development and progression of graduates as professional engineers. This adopts a holistic approach to respond to the scarce skills challenge.

Infrastructure Delivery Improvement Programme (IDIP)

In relation to Public Works, the Department actively participates in the National Treasury’s IDIP. The aim of the programme is to assist in unblocking blockages that impede accelerated infrastructure delivery, ranging from organisational structure, financial and technical resources as well as modalities of delivery.

Construction Industry Development Board Act, 2000 (CIDBA)

The Department has amended its contract documentation used in the built sector to ensure CIDBA compliance and standardisation.

The departmental supply chain management policies require alignment with the CIDBA.

Public Transport Improvement Programme

Drafting began on a Public Transport Improvement Programme, which contains a detailed vision with respect to accessibility, safety, affordability, efficiency and sustainability targets. This can also be termed a passenger or service charter.

Special Needs Passengers (SNP)

Work began on the development of a policy with respect to Special Needs Passengers. This is required as input to the public transport contracts for subsidised services.

Amalgamation of Metrorail / South African Rail Commuter Corporation (SARCC) / Shosholozha Meyl

The environment within which the rail function is managed changed during 2005/06, with the merger of Metrorail and SARCC under the leadership of the national Department of Transport, rather than being divided with Metrorail under the control of Transnet. This will allow for a closer working relationship between the planning and operational aspects of the rail system, and for an improvement in the working relationship with the Department of Transport and Public Works. A further merger with the long distance rail operator, Shosholozha Meyl is

envisaged in the next financial year, which will further enhance the integration of planning elements.

Road Traffic Management Corporation (RTMC)

The Road Traffic Management Corporation came into effect in December 2005. The function of the body is the co-ordination of traffic related issues across the three spheres of government and between departments. The financing structure of the Corporation may have an impact on the revenue of the Department once finalised.

Overload Control

Current levels of overloading are still too high and result in serious damage to the national, provincial and local road network in the Province. A policy to ensure the uniform handling of overloaded vehicles is being dealt with as a matter of high priority and will be finalised together with the Department of Community Safety and the Director of Public Prosecutions.

2.7 Departmental receipts

The net aggregate revenue collection is R95, 537 million or 12% above the estimates for 2005/06. This performance is mainly attributed to over recovery on motor vehicle licences - R27 million, rentals - R11 million, licences and permits - R8 million and sales of fixed capital assets - R6 million. The balance of R43 million relates to the surplus on the replacement fund within the books of account of Government Motor Transport Trading Entity (GMT). The aim is to invest the surplus in the replacement of motor vehicles which have reached the end of their lifecycle.

The increased collection of motor vehicle registration and licence fees is due to an increase in the motor vehicle population and improved collection efforts.

The increase in the collection of personalised and special motor vehicle licence numbers are due to higher than expected demand. Applications for such numbers amounting to R10 million were collected during the financial year.

There was also a higher than expected number of applications to stage sports and fun events and for filming shoots on public roads. Applications involving R0,283 million were collected, exceeding the estimate by 158%.

Cash flow of transactions initiated in the previous year in connection with the sale of capital assets realised in 2005/06.

Departmental Receipts	Actual Collection 2004/05 R'000	Budgeted Collection 2005/06 R'000	Actual Collection 2005/06 R'000	% Deviation from Target
Current revenue				
Tax revenue	695 160	731 554	758 594	3.7%
Non-tax revenue	30 858	26 212	45 058	71.9%
Capital revenue				
Sales of capital assets	14 067	24 000	30 441	26.8%
Financial transactions in assets and liabilities	4 338	1 316	44 526	3 283.5%
Departmental revenue	744 423	783 082	878 619	12.2%

Specific challenges and responses - Receipts

Listed below are the most significant challenges affecting the Department.

<u>Challenge 1: Prevention of illegal cross- provincial borders of registration and licensing of motor vehicles.</u>

Due to the relatively high motor vehicle licence fees in the Western Cape in comparison with other provinces, some fleet owners and businesses re-license their vehicles in provinces where fees are lower. This practise is contrary to the regulatory framework.
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<u>Response to Challenge 1</u>

The promulgation of a regulation change recommended to the national Minister of Transport is pending. The licence inspectorate of the Department continues to follow-up identified cases and to issue notices for appropriate re-licensing.

<u>Challenge 2: Increase in Public Transport Operating Licence Application Fees</u>
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Presently, when an operator applies for an operating licence from the Provincial Operating Licence Board (POLB), an application fee of only R 25.00 is levied. This results in operators submitting numerous applications, even though the majority of routes (especially in the metropolitan area) are over-traded. However, it costs the Department in excess of R 500.00 to process a single application. The challenge is to reduce the number of superfluous applications, to decrease the processing costs and increase the fees.

<u>Response to Challenge 2</u>

A complete redesign of business and operational processes is being undertaken, including bringing in technological efficiencies. The Department intends to make over-traded routes known, so as to limit the number of applications being submitted. The redesigned services will include a pre-qualifying aspect, where, if a route is over-traded the application will not be accepted. The level of the application fee will also be reconsidered.

2.8 Departmental payments

The Department spent R1,773,251 billion or 98,7% of the budget allocation.

Programme 1 - Administration:

Expenditure for the 12 months to March 2006: R49,154m or 93.83% after final virement

Under spending:

Current:	R1,443m
Transfers:	R1,427m
Capital:	<u>R0,361m</u>
Total	<u>R3,231m</u>

The under spending on the economic classification current mainly relates to the slow filling of posts. On transfers, the under spending is due to the less than expected number of bursaries allocated for scarce skills. Capital under spending was due to equipment ordered, but which will be delivered in 2006/07.

Programme 2 - Public Works:

Expenditure for the 12 months to March 2006: R347,702m or 97.50% after final virement

Under spending:

Current:	R0,380m
Transfers:	R0,012m
Capital:	<u>R8,513m</u>
Total	<u>R8,905m</u>

Capital under spending was due to a delay in the installation of an electricity cable on the project for lecture rooms at Agriculture (PIG funding) beyond the control of the Department.

Programme 3 - Roads Infrastructure:

Expenditure for the 12 months to March 2006: R934,509m or 99.47% after final virement.

Under spending:

Current:	R0,005m
Transfers:	R4,930m
Capital:	<u>R0,006m</u>
Total	<u>R4,941m</u>

The under expenditure on transfers is due to the following:

George Municipality invited tenders for the reconstruction of a section of Beach Road. Only one tender was responsive and the tender sum was more than R5 million. George Municipality decided not to award the tender and to re-advertise in 2006/07. George Municipality therefore did not submit a subsidy claim for R2,920m during 2005/06.

R0,230m was allocated for the reseal of a municipal road in Murraysburg in 2005/06, but neither Murraysburg nor Central Karoo had the capacity in 2005/06 to do the work. Central Karoo is planning to do the work in 2006/07.

The amount also includes claims submitted after 31 March 2006 by the Municipalities of Hessequa (R0,326m) and Theewaterskloof (R1,424m).

Programme 4 - Public Transport:

Expenditure for the 12 months to March 2006: R189,019m or 99.02% after final virement.

Under spending:

Current:	R0,081m
Transfers:	R1,504m
Capital:	<u>R0,281m</u>
Total	<u>R1,866m</u>

The under spending on transfers is mainly attributed to an agreement with Casidra Pty (Ltd), a Provincial Public Business Enterprise, being finalised late in the financial year.

Programme 5: Traffic Management:

Expenditure for the 12 months to March 2006: R193,425m or 99.95% after final virement.

Under spending:

Current:	R0,075m
Transfers:	R0,006m
Capital:	<u>R0,025m</u>
Total	<u>R0,106m</u>

Programme 6: Community Based Programme:

Expenditure for the 12 months to March 2006: R59,442m or 92.15% after final virement.

Under spending:

Current:	R0,038m
Transfers:	R5,002m
Capital:	<u>R0,025m</u>
Total	<u>R5,065m</u>

The under expenditure on transfers is due to proposals for community projects being approved late in the financial year.

The table below shows the variance between actual expenditure and budget after taking final virement into account:

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Administration	48 330	8 500	(4 445)	52 385	49 154	3 231
Public Works	284 680	67 356	4 571	356 607	347 702	8 905
Road Infrastructure	928 984	4 470	5 996	939 450	934 509	4 941
Public Transport	211 127	(15 826)	(4 416)	190 885	189 019	1 866
Traffic Management	184 843	11 260	(2 572)	193 531	193 425	106
Community Based Programme	54 048	9 593	866	64 507	59 442	5 065
Total	1 712 012	85 353	0	1 797 365	1 773 251	24 114

Specific challenges and responses

Listed below are the most significant cross-cutting challenges in respect of payments affecting the Department.

Challenge 1: Shortage of skilled staff

Shortage of suitably skilled professional and technical staff, especially in the fields of engineering, architecture and other skills in the built sector.

Response to Challenge 1

In accordance with the Department's Masakh'iSizwe special bursary programme to target scarce skills, 130 full-time students were granted bursaries. The intention is to increase the number to 250 over the medium term. An Engineers in Training Program was approved to facilitate the development and progression of graduate engineers as professional engineers.

Foreign professionals were contracted in to alleviate the need for scarce skills.

The Minister for Public Service and Administration has been requested to approve the payment of a scarce skills allowance in terms of a national collective agreement.

The marketing of the built environment as a career of choice to some 30 000 learners at schools across the Province as part of the Learning Cape Festival.

Challenge 2: Alignment of business processes and structure to strategy

Assessment of the purpose, mandate and service delivery responsiveness of the Department to align the business processes and structure of the Department to its strategy.

Response to Challenge 2

A comprehensive change management process to align the business processes and structure of the Department to its strategy was embarked upon during 2005/06. This involved a review of the business processes in the Department, an understanding of the leadership and management challenges and what organisational structure is required in order for the Department to deliver on its mandate. It is the intention to complete this process during 2006/07.

2.9 Programme Performance

Key measurable objectives were developed per main division and incorporated into the 2005/06 strategic plan. In the next section the achievements on these objectives are elucidated.

2.10 Service Delivery Achievements

Programme 1: ADMINISTRATION

Review

The Re-organisation of the Department was undertaken to review the business processes of the Department and assess the degree that the current structure will enable the Department to meet its constitutional mandate. The outcome of this process will be implemented in 2006/07.

A specialised employment equity management information system was developed in-house to improve the management, monitoring and reporting around the recruitment and selection of officials in terms of equity. This system is being rolled out to other departments within the Province.

The Employee Assistance Programme is still at an early stage of implementation. The impact of the programme will only really be experienced over the next 24 months.

The Job Evaluation Review Plan is being implemented.

All departmental Human Rights Focal Units enjoy strong regional representation, enhancing a human rights culture throughout the organisation. This led to the completion and implementation of a Gender Action Plan and the roll out of Disability sensitive programs.

The launch of the Junior Management Programme was extremely successful and acknowledged throughout the Province. Specialised training interventions for senior managers delayed due to new developments in this regard within the Department on the Premier.

The Induction Programme was successfully implemented in relation to new officials, while serving officials are required to undergo re-induction as well as attend the iKapa Elihlumayo and Home for All training programmes. These are currently underway in partnership with the Cape Administrative Academy.

The departmental Language Policy is currently being implemented. However, its realignment to the Provincial Policy Framework is underway.

Learnerships continue to be rolled out for both internal staff and persons engaged on Expanded Public Works Projects.

Benefits of improved management of projects are beginning to be reaped from the implementation of the Rational Portfolio Management system, a project management system, as all technical disciplines and branches align to this system.

Quarterly performance reporting in accordance with National Treasury guidelines was introduced.

In relation to supply chain management (SCM) activities, the following:

- The majority of job description and job evaluation processes of the SCM unit were completed.
- The procedure for the routing of submissions via Sub Bid Committees has been shortened by means of forwarding submissions directly to the Central Bid Committee where contract values are greater than R1 million.

- Registration of contractors and projects on the Construction Industry Development Board's (CIDB) national register of contractors and projects has been promoted.
- A review of the cell phone policy has been initiated with the view to conclude more cost effective contracts directly with relevant service providers.
- The SCM knowledge and skills of 13 officials in the Department have been enhanced through their enrolment in an accredited one-year supply chain management university course.
- Construction related tender documents were reviewed to comply with the requirements of the Construction Industry Development Board.
- A departmental asset management team has been established in accordance with government's asset management reform programme, which will drive the departmental asset management implementation plan in association with the Provincial Treasury's asset management unit.

The accounting officer's financial delegations, inclusive of Supply Chain Management, were reviewed with the view to enhance performance.

The Department as well as the Government Motor Transport Trading Entity received unqualified audit reports for the financial year ending 31 March 2005.

The Strategic Infrastructure Plan was further developed, with substantial work undertaken in determining infrastructure priority projects for the next ten years. An evaluation model was developed, underpinned by the Provincial Spatial Development Framework (PSDF) and the Micro Economic Development Strategy (MEDS) in order to allow varying infrastructure projects to be compared with one another. Consultation with stakeholders with respect to specific projects identified was also undertaken.

Programme 2: PUBLIC WORKS

STRATEGIC GOAL 1:

Infrastructure delivery: To manage, develop, construct and maintain infrastructure in terms of the provincial strategic accommodation and infrastructure plan in order to optimise the social, financial, developmental and environmental return on the provincial property portfolio.

STRATEGIC OBJECTIVES:

- To improve relations with client Departments, by concluding service level agreements with them.
- To reduce asset poverty through optimal provision, maintenance and management of the provincial property infrastructure
- To deliver infrastructure on time and cost effectively
- To improve internal and external communication.
- To implement the Expanded Public Works Programme through the building preventative maintenance programme
- To implement labour intensive construction activities on site.
- Assist in the co-ordination of the infrastructure planning and development for the 2010 World Cup.
- Acquire land and infrastructure to develop and provide accommodation for our provincial client departments
- Evaluate each and every property for highest and best use and if not, dispose of or first ennoble or re-use for another function or disposed for socio-economic or economic purpose.
- Acquire land and buildings in both rural and urban areas for development or use by provincial client departments
- Provide accommodation for provincial client departments in terms of the SPIAP and other provincial strategies.
- Ensure full compliance with Occupational Health and Safety, Construction Industry Development and Building Industry Bargaining Council regulations.

STRATEGIC GOAL 2:

Job creation and skills development

STRATEGIC OBJECTIVES:

- To utilise competent and skilled service providers.
- Dispose of and/ or re-use redundant or superfluous properties to allow job creation and poverty alleviation.
- Implementation of EPWP through the preventative maintenance programme and the conventional contracts awarded to contractors.
- To equip EPWP beneficiaries to become skilled artisans within the built sector.
- To secure the co-operation of the private sector and other organs of state in equipping EPWP beneficiaries within the built sector.
- To purchase proudly South African products and services for purposes of creating indirect jobs within South Africa.

STRATEGIC GOAL 3:

Black economic empowerment

STRATEGIC OBJECTIVES:

- To facilitate the empowerment and participation of HDI in the mainstream built environment.
- Dispose properties in terms of the White Paper on the Management of Provincial Properties and the disposal policy as approved by Cabinet.

STRATEGIC GOAL 4:

Departmental transformation

STRATEGIC OBJECTIVES:

- To establish a competent, empowered, and representative personnel complement.
- To secure assistance of built sector professionals who are prepared to transfer skills and subscribe to departmental developmental ethos.

The Province's Property Portfolio by Department

State Owned Portfolio	Land				Buildings	
	Number of properties	Number vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square Meters of building
Health Department	234	0	0	7 810	1 583	1 685 643
Education Department	3 977	0	0	220 521	8 876	4 964 358
Social Development Department	10	0	0	78	150	100 000
Other clients combined	1 640	0	0	69 573	1 723	395 944
Unutilised	700	376	301	18 416	0	0
Total	6 561	376	301	316 398	12 332	7 145 945

The Province's Leased Portfolio by Department

Leased Portfolio	Land		Buildings		Cost to government in R' 000
	Number of properties Leased	Total number of hectares	Number of buildings leased	Square Meters of building	
Health Department			28	12 142	9 002
Education Department			347	95 714	55 165
Social Development Department			20	17 857	7 549
Other clients combined			64	54 478	57 852
Unutilised			0	0	0
Total			459	180 191	129 568

The condition of government buildings by department

Department	Condition of State Owned Buildings (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very Poor		
Health Department	48	3%	392	24%	832	52%	316	20%	12	1%	1 600
Education Department	411	5%	1 790	20%	6 067	68%	520	6%	55	1%	8 843
Other clients combined	25	1%	462	25%	1 103	58%	267	14%	38	2%	1 895
Total	484	4%	2 644	21%	8 002	65%	1 103	9%	105	1%	12 338

Demand for new Space

New Demand for Space	Number	Actual Number 2005/06	Number of square metres	Planned Capital Expenditure				
				2005/06				
				Deviation from Target		Budget	Actual	
				Unit	%			
Social Services	2	2	4023	0	0%	4 500	697	
Agriculture	10	3	2335	(7)	70%	12 310	11 055	
Other Infrastructure	27	17	28602	(10)	37%	23 811	60 371	

Note: The Health and Education budgets were shifted to the respective user departments

Review

The Department has the responsibility of being the lead department for the development of the Provincial Strategic Infrastructure Plan (SIP). As the custodian of the provincial property portfolio the Branch Public Works commenced with the process to develop a Total Asset Management System. The latter focuses on capital investment, asset disposal, asset maintenance and office accommodation.

A key strategy was to focus on the disposal of superfluous properties with a high potential financial return, to optimise the acceleration of infrastructure delivery. However, the disposal of superfluous properties did not progress as was expected due to the complexities related to such transactions.

The Department embarked on a process to enoble and/or dispose of properties of strategic value to act as a catalyst for significant private sector investment in infrastructure development, with its resultant contribution to job creation and poverty alleviation. *The Somerset/ City Hospital site:* A development framework was approved. This site has enormous potential for mixed use development, and links in closely with the development plans for the region, given its proximity to the planned 2010 World Cup stadium in Green Point. The plans include a significantly upgraded Somerset Hospital on the site. *The old Conradie Hospital site in Pinelands:* A contract was concluded with a BBBEE company which will develop the site as a mixed-use development, incorporating the principles of Sustainable Human Settlements. *Redundant school property "The Bult" George:* Various individual erven were disposed of at market value after it was redeveloped. In addition 50 other smaller properties were disposed of. 23 of these properties were completely transferred, including cashflow.

A property consolidation transaction between the City of Cape Town, the Provincial Government and Media 24 was entered into. It is estimated that the redevelopment of the sites involved will result in an infrastructure investment of more than R1 billion.

In relation to social infrastructure the Department, on behalf of the Department of Health, continued with the upgrading of Worcester Regional Hospital, George Regional Hospital, and Vredenburg District Hospital and steady progress is being made. These three major hospital upgrading projects are funded through the national Hospital Revitalisation Programme. The business plan for the upgrading of the Paarl Regional Hospital was approved and construction will commence during 2006/07. Planning has commenced for other projects that are to be funded by the Hospital Revitalisation Programme, such as the Khayelitsha District Hospital.

The Department made significant progress with the acceleration of infrastructure delivery in respect of schools. 16 new schools were completed and opened during the year under review, which provided approximately 22 000 learners with new accommodation at year end. These schools were completed with significantly reduced construction periods, more than 3 000 jobs were created during the construction phase and more than 80 per cent of the contracts were awarded to previously disadvantaged contractors through the competitive tendering system.

With regard to general building infrastructure new student hostels, accommodation for lecturers and a new administration building was constructed for the Department of Agriculture at Elsenburg. The Emergency Medical Management Centre was completed at the Tygerberg Hospital.

The Department entered into Service Delivery Agreements with the Departments of Health and Education respectively in an effort to improve the working relationships between the Department and the respective client departments following the transfer of the infrastructure budgets to these departments. Although teething problems have been experienced during the earlier phase of the implementation of the Service Delivery Agreements considerable progress has been made towards improving the quality of service delivery

Preferential procurement, by means of the Preferential Procurement Implementation Plan, continued to be used as an instrument to promote Black Economic Empowerment (BEE). The objective of exceeding the stated provincial minimum target of 40 per cent of the rand value of contracts that had to be awarded to Previously Disadvantaged Individuals was achieved.

Empowerment opportunities for Previously Disadvantaged Individuals through the purchasing and disposal of properties were increased as a result of the implementation of a property disposal policy that was adopted by the Provincial Cabinet.

10 709 direct jobs was created through conventional contracts and provided 2 500 work opportunities through the building maintenance programme which is part of the Expanded Public Works Programme, thus realising the Departments objectives of work opportunity and job creation.

The Branch Public Works awarded 294 tenders to the value of R252,668 million of which R205 million worth of contracts were awarded to PDI's (Previously Disadvantaged Individuals) and R137 million to women . With regard to quotations, contracts to the value of R6,5 million were awarded with PDI constituting 78% of the value of contracts awarded, thus realising the Department objectives of Black Economic Empowerment.

Good progress was made in respect of departmental transformation through the implementation of the departmental employment equity plan when making new appointments. Two senior managers from designated groups were appointed in the Branch during the year under review.

The Branch Public Works participated in planning initiatives geared towards the 2010 FIFA World Cup event, particularly as it pertained to infrastructure requirements.

Service delivery achievements

Chief Directorate Works: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Input						
Expenditure by Agriculture:	Rands (R '000's)	16 590	14 943	11 054	(3 889)	26%
• Construction						
• Maintenance		2 877	2 000	2 245	245	12%
Expenditure by Social Development:	Rands (R '000's)	3 506	2 265	697	(1 568)	69%
• Construction		972	2 200	1 755	(445)	20%
• Maintenance						
Expenditure by Other Infrastructure:	Rands (R '000's)	40 290	54 286	60 371	6 085	11%
• Construction		35 647	31 777	33 054	1 277	4%
• Maintenance						
Process						
Updating of Building and Maintenance Audit Programme.	% updated	60%	100%	100%	0%	0%
Enter into service level agreements with all line function departments.	Percentage completed	Nil	100%	18 %	(82%)	82 %
Interact with user departments on a structured basis to improve relations.	Monthly	100%	100%	100%	0%	0%
Comply with the building industry bargaining council regulations.	Percentage complied	100%	100%	100%	0%	0%
Compatible with CIDB regulations.	Percentage complied	50%	100%	100%	0%	0%
Compliance with occupational health and safety.	Percentage complied	80%	100%	100%	0%	0%

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Reduce the construction periods to an acceptable period.	Percentage reduction of contracts	80%	60%	60%	0%	0%
Reduce failure rate of service providers through capacitation and access to information.	Structured information and capacitation sessions	2	4	2	(2)	50%
Output						
Number of projects by Health:						
• Construction	Number of projects.	3	14	9	(5)	36%
• Upgrading		3	22	9	(13)	59%
• Maintenance		141	135	107	(28)	21%
• Planning		9	158	24	(134)	85%
Number of projects by Education:						
• Construction	Number of projects.	55	50	54	4	8%
• Maintenance		960	250	1 194	944	378%
• Planning		42	70	28	(42)	60%
Number of projects by Agriculture:						
• Construction	Number of projects.	8	4	3	(1)	25%
• Maintenance		22	8	22	14	175%
• Planning		3	1	3	2	200%
Number of projects by Social Development:						
• Construction	Number of projects.	2	2	2	0	0%
• Maintenance		28	20	21	1	5%

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Number of projects by Other Infrastructure:	Number of projects.	17	15	18	3	20%
• Construction						
• Maintenance		498	250	265	15	6%
Number of work opportunities created as a result of the Expanded Public Works Programme	Number of work opportunities created.	2000	2 500	2 500	0	0%
Number of direct jobs created as a result of the conventional contracts.	Number of jobs created					
• Health		7 330	3 791	5 316	1 525	40%
• Education		4 480	3 060	3 780	720	24%
• General buildings		2 252	1 513	1 613	100	7%
BEE and Tenders:						
Historically disadvantaged individuals (HDI)	% of all tenders allocated.	80%	80%	95%	15%	19%
	R value of tenders	R316m		R191m		
Women owned equity	% of all tenders allocated.	48%	48%	82%	34%	71%
	R value of tenders	R189m		R137m		
BEE and Quotations:						
Historically disadvantaged individuals (HDI)	% of all Quotations	82%	85%	63%	(22%)	26%
	R value of tenders	R4,752m		R5,114m		
Women owned equity	% of all tenders allocated.	52%	55%	48%	(7%)	13%
	R value of tenders	R2,981m		R3,168m		

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
BEE and Professional service providers: Historically disadvantaged individuals (HDI)	% of all service providers R value of tenders	62% R46m	60%	63% R127m	3%	5%

Chief Directorate Property Management: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Input Provide an integrated and cost effective property management service.	Develop systems, maintain and update property records, need assessments of users and new requirements	70%	80%	50%	(30%)	37.5 %
Process Implement the Provincial Strategic Accommodation Infrastructure Plan (PSAIP)	Finalise phase 2 of PSAIP plan and update	60%	100%	60%	(40%)	40%
Output Income generation Purchases:	Disposals:	38	20	23	3	15%
	Number sold	R14m	R24m	R30m	6	25%
	Income generated	730	750	750	0	0%
	Number leased	R18.1	R18,4m	R29m	R10.6	58%
	Income generated	5	30	30	0	0%
	Acquisitions:					
	Units purchased	R3.1m	R8,2m	R19m	R10.8m	131.7%
	Amount paid	456	500	500	0	0%
	Units leased	R95m	R110m	R129m	19	17%
	Amount paid					
Quality Quality service to users of provincial properties.	Functional user agreements with all users.	20%	70%	9%	(61%)	87%

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Efficiency Client needs are satisfied.	Functional user agreements with all users.		50%	100%	50%	100%
Outcome Provincial assets are optimally utilised.	Undertake user inspections of % of property portfolio per year.	2%	5%	5%	0%	0%

* represents 13 units purchased, but not yet registered.

Specific challenges and responses – Programme 2

<u>Challenge 1: Increasing accommodation needs (space) of client departments</u>
The impact of the increasing accommodation needs (space) of client departments.
<u>Response to Challenge 1</u>
Acquisition of more space.
Improved utilisation of existing accommodation and open plan.
<u>Challenge 2: Changing needs of client departments</u>
To determine the impact of the changing needs of client departments on the ability to deliver.
<u>Response to Challenge 2</u>
Signed service delivery agreements with client departments.
Timeous conclusion of client needs schedules.
<u>Challenge 3: Increasing maintenance</u>
To determine the impact of the growing maintenance needs due to the increasing and changing needs of client departments.
<u>Response to Challenge 3</u>
Development of a Total Asset Management framework.
Disposal of superfluous properties.
The development of a policy with built in guidelines re the funding of maintenance, cleaning services and telecommunication services and the carry through costs into the outer years.
<u>Challenge 4: Municipal services accounts</u>
Arrear municipal accounts.
<u>Response to Challenge 4</u>
Increased budgetary allocations to pay for service accounts.
Increased utility service management to reduce costs.
<u>Challenge 5: Optimal management of provincial property portfolio</u>
The challenge of optimally managing the Provincial Property Portfolio particularly within the context of sustainable human settlements and integrated development.
<u>Response to Challenge 5</u>
Development of an integrated medium to long term disposal plan.
Development of a Total Asset Management framework.

Issues requiring ongoing attention

The conclusion of:

- User agreements with user departments and the finalisation of the Property User Portfolio that specify the properties used by the departments for core business.
- Service delivery agreement pertaining to service delivery within the infrastructure sector with all client departments

The vesting of ownership of properties in the name of the Provincial Government of the Province of the Western Cape.

Increased job creation and skills development through the Expanded Public Works Programme.

The acceleration of infrastructure delivery to reduce the backlogs in Education and Healthcare facilities.

To retain and attract the services of professionals within the built sector.

Programme 3: ROAD INFRASTRUCTURE

STRATEGIC GOAL 1:

Infrastructure delivery: Promote and facilitate iKapa Elihlumayo through provision of road infrastructure

STRATEGIC OBJECTIVES:

- Appropriate transport legislation
- Coordinated planning through Integrated Transport Plans (ITP's), Integrated Development Plans (IDP's) and the Strategic Infrastructure Plan (SIP)
- Well planned, designed, constructed and maintained provincial road network
- Promote co-operative governance
- Maximization of work opportunities and skills transfer in terms of the Expanded Public Works Programme
- Sufficient funding for infrastructure

STRATEGIC GOAL 2:

Black economic empowerment and SMME development

STRATEGIC OBJECTIVES:

- The growth and development of PDI's in the road construction and maintenance industry

STRATEGIC GOAL 3:

Creation of work opportunities and skills development

STRATEGIC OBJECTIVES:

- Increased labour intensity in contracts
- Development of engineering and other skills through bursaries, learnerships and mentoring.

STRATEGIC GOAL 4:

2010 World Cup: The co-ordination of infrastructure investment and integration of public transport facilities in preparation of the 2010 World Cup.

STRATEGIC OBJECTIVES:

- Co-ordinated transport planning

Condition of road infrastructure by region

Region of Province	Condition of infrastructure (km's or number)					Total km's or total no.
	Very Good	Good	Fair	Poor	Very Poor	
Central Karoo District Municipality						
Highways						
Surfaced roads (excluding highways)	83.15	320.98	167.35	8.00		579.48
Gravel roads	5.00	314.94	774.38	973.17	358.31	2 425.80
Unsurfaced dirt roads						
Bridges with span > 2 metre						385
Eden District Municipality						
Highways						
Surfaced roads (excluding highways)	238.70	606.42	461.82	53.19		1 360.13
Gravel roads	10.76	500.09	1 375.59	970.48	185.13	3 042.05
Unsurfaced dirt roads						
Bridges with span > 2 metre						558
Overberg District Municipality						
Highways						
Surfaced roads (excluding highways)	266.90	350.40	130.76	24.45		772.51
Gravel roads		104.42	465.52	585.86	210.28	1 366.08
Unsurfaced dirt roads						
Bridges with span > 2 metre						288
Cape Winelands District Municipality						
Highways						
Surfaced roads (excluding highways)	382.84	633.46	396.45	117.84	24.98	1 555.57
Gravel roads	5.80	95.02	356.09	631.90	173.88	1 262.69
Unsurfaced dirt roads						
Bridges with span > 2 metre						499
West Coast District Municipality						
Highways						
Surfaced roads (excluding highways)	330.82	397.58	585.51	349.17	78.24	1 741.32
Gravel roads	10.33	88.06	847.75	1 010.70	181.59	2 138.43
Unsurfaced dirt roads						
Bridges with span > 2 metre						412
Cape Town Metro						
Surfaced roads (excluding highways)	103.62	107.97	107.74	9.66		328.99
Gravel roads						
Unsurfaced dirt roads						
Bridges with span > 2 metre						152
Total Whole Province						
Highways						
Surfaced roads (excluding highways)	1 406.03	2 416.81	1 849.63	562.31	103.22	6 338.00
Gravel roads	31.89	1 102.53	3 819.33	4 172.11	1 109.19	10 235.05
Bridges with span > 2 metre						2 294

Construction of road infrastructure by region

Performance Measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target	
				Unit	%
Whole Province					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	79	68	46	(22)	32%
Gravel roads (no of km)					
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (no.)					

Information per region is not available

Review

The following projects have been completed or have been started.

Rehabilitation of MR201 between Paarl and N1 (completed)

Rehabilitation of N7 between Piketberg and Citrusdal (completed)

Viljoenshoop Road (completed)

Hemel en Aarde Intersection (completed)

Upgrading to a surfaced standard of the Gansbaai/Bredasdorp Link (started)

Rehabilitation of the N1 (completed)

Rehabilitation of TR 1 / Section 1: George-Outeniqua Pass (completed)

Potsdam Interchange on the N7 (started)

As per the Contractor Development component of the Expanded Public Works Programme (EPWP), the 10 emerging contractors who are on learnership contracts with the Department are implementing a number of negotiated road maintenance contracts throughout the Province as part of the practical training component of the programme.

The majority of the maintenance and construction projects listed above have been registered with the Expanded Public Works Programme in that they will comply with the requirements relating to skills transfer and the maximisation of work opportunities. The flagship project for the Roads Infrastructure Branch is the Gansbaai-Bredasdorp road upgrade project, which started in November 2005.

The N2 Gateway Project, which is a co-operative government initiative between National Housing, Provincial Government and the City of Cape Town to improve housing along the N2 corridor and in the Metro South East, was supported by reprioritising the budget and the transfer of R21 million to the City of Cape Town for construction of Symphony Way, Hindle Road and Bhunga Drive Extension.

Black and woman economic empowerment continued to be a key focus during 2005/06, with 41,68 per cent by value and 71,13 per cent by number of tenders being awarded to HDI's and 3,56 per cent by value and 34,02 per cent by number being awarded to women.

To address the shortage of engineering and technical skills, both within the Roads Infrastructure Branch and the industry as a whole, a comprehensive schools awareness, recruitment, employment and training programme was launched. This programme was implemented during 2005 with the view of employing and registering Engineers-in-Training at the beginning of the 2006 calendar year.

The training of staff at the lower post levels through registration of category 18.1 Learnerships with the Construction Education Training Authority (CETA) was delayed due to funding problems from the CETA.

Integrated infrastructure planning with other branches, departments, municipalities, organisations and the private sector, is of utmost importance and therefore the Roads Infrastructure Branch is currently in the process of aligning its budget to the Strategic Infrastructure Plan (SIP). Certain initiatives like the N1 and N2 Corridors and Airport Interchange (2010 FIFA World Cup) have already started and/or are already provided for in the MTEF period. Co-operation with other institutions and alignment of budgeting is facilitating freight movement to the Port of Cape Town (in conjunction with the City of Cape Town, the Port Authority and Propnet, among others) and, helped by private sector funding, enabling development to take place. The design of MR559 to improve access to the Port of Saldanha also began.

Chapman's Peak Drive continued to operate effectively as a Public Private Partnership. However, the pending environmental record of decision affects the construction of toll plazas.

Service delivery achievements

Sub programme 3.2: Planning: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Input Planning as % of Programme 3 budget	Percentage	4.0%	3.1%	3.1%	0%	%
Output Drafting Legislation	Number of pieces of legislation finalised	0	3	0	(3)	100%
Devolution of roads process	Metro area and rural area	0	1	0	(1)	100%
Land-use change proposals	Percentage dealt with on time	95%	98%	98%	0	0%
Consultants with majority PDI equity	Percentage of number of appointments	58%	50%	55%	5%	10%

Sub programme 3.3: Design: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	Deviation from target	
					Unit	%
Input Design as % of Programme 3 budget	Percentage	8.0%	7.5%	7.4%	(0.1%)	1%
Output Designs completed	Number	38	11	20	9	82%

Sub programme 3.4: Construction: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Construction as % of Programme 3 budget	Percentage	24.0	33.2%	26.6%	(6.6)	20%
Process						
BEE as a percentage of construction expenditure	Percentage to PDI contractors	44.7%	50%	30.38%	(19.62)	39%
Output						
Number of projects completed	Number of projects	7	12	12	0	0%
Upgrade to surfaced roads	No. of km	10	12	13	1	8%
Rehabilitation of surfaced roads	No. of km	69	56	33	(23)	41%
EPWP employment output	Number of jobs created		1 000	578	(422)	42%
	No. of person days	70 741	200 000	72 752	(127 248)	64%
	No. of learnerships		130	0	(130)	100%

Sub programme 3.5: Maintenance: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Maintenance as % of Programme 3 budget	Percentage	62.2%	54.5%	61.5%	7%	13%
Process						
BEE as a percentage of maintenance contracts by value	Percentage to PDI contractors	99.25%	90%	89.33%	(0.67)	1%
Output						
Reseal tarred roads	Number of km	682	364	548	184	51%
Re-gravel roads	Number of km	661	575	581	6	1%
Routine maintenance	Number of km	35 000	39 000	34 000	(5 000)	13%
EPWP employment output	Number of jobs created		5 000	4 004	(996)	20%
	No of person days	202 522	1 000 000	221 794	(778 206)	78%
	No of learnerships		200	35	(165)	83%

Specific challenges and responses – Programme 3

<u>Challenge 1: Address the backlog in roads infrastructure</u>
To maintain the condition of roads at an appropriate standard, to address capacity constraints of the road network and simultaneously address backlogs.
<u>Response to Challenge 1</u>
To negotiate a larger share of available resources. A phased approach towards addressing the backlog. The application of sound project management principles and systems. (Rational Project Management)
<u>Challenge 2: Flood/ storm/ disaster damage</u>
Accommodation of projects related to flood/ storm damage repairs.
<u>Response to Challenge 2</u>
To negotiate a larger share of available resources that will ensure stability in the execution of planned projects.
<u>Challenge 3: Shortage of Engineering and Technical Staff</u>
To improve the limited numbers of engineering graduates in the labour market.
<u>Response to Challenge 3</u>
A practical training programme for engineers and technicians, registered with the relevant professional associations.
<u>Challenge 4: Work opportunities and skills training</u>
Roads construction is inherently capital intensive.
<u>Response to Challenge 4</u>
Certain road infrastructure projects provide opportunities for the maximization of labour and skills development of such labour. Revise contract documentation to ensure that EPWP principles are addressed adequately.
<u>Challenge 5: Project Prioritisation</u>
Lack of adequate Integrated Transport Plans and Integrated Development Plans at the local sphere of government limits the ability to adequately prioritise and integrate the strategic infrastructure needs within the Province.
<u>Response to Challenge 5</u>
Ongoing facilitation and interaction by the Province with municipalities through the PROVCOM (political) and PROVTECH (officials) committees, the finalization of the Provincial Land Transport Framework, and the finalization of the Strategic Infrastructure Plan.

Issues requiring ongoing attention

The shortage of professional and technical staff necessitates the development of staff through special training and mentorship programmes.

Attainment of Employment Equity targets.

Programme 4: PUBLIC TRANSPORT

STRATEGIC GOAL 1:

Public Transport - Improved mobility of all communities

STRATEGIC OBJECTIVES:

- Safer public transport vehicles, facilities and operations through user surveys and statistical analysis of incidents and accidents.
- More affordable and accessible public transport through modal integration and subsidy transformation and infrastructure provision.
- Job creation and empowerment of the public transport industry.
- Promotion of non-motorised transport and universal accessibility.
- Building capacity within the branch.
- Improved communication with all role players and institutions and the marketing of public transport in order to increase patronage.
- To co-ordinate tourism transport in order to improve services.

STRATEGIC GOAL 2:

2010 World Cup: Integration of Public Transport facilities and services in preparation of 2010 World Cup

STRATEGIC OBJECTIVES:

- Co-ordinated Public Transport planning
- Roll-out of Intelligent Transport Systems (ITS) measures
- Provision of integrated Public Transport for the 2010 World Cup
- Black Economic Empowerment and job creation

Review

The Public Transport Branch developed a draft Public Transport Improvement Programme. Its aim is to provide the overarching framework within which all public transport initiatives will be undertaken over the next ten years.

The preliminary design of the restructured scheduled services in the City of Cape Town was completed, while the detailed design of two contract packages for the Klipfontein and Lansdowne corridors were designed for open or negotiated tendering. The services have been designed to integrate the current minibus taxi operations operating on the same or similar routes as the subsidised bus services so as to promote the formation of a single road-based operating environment which is not distinguished by the classification of minibus taxi operators or bus operators, but public transport operators. In order to promote integrated delivery of public transport services, prospective tenderers were pre-qualified for the provision of integrated ticketing and fare management systems.

The conceptual design for the George Mobility Strategy was completed, as well as the construction of cycle and pedestrian paths on either side of Mandlenkosi Road in Beaufort West, which is linked to the Central Karoo Mobility Strategy. As part of the Klipfontein Corridor Mobility Strategy, 25 Closed Circuit Television (CCTV) cameras were installed along the corridor to promote safety on public transport. The construction of the following dignified urban spaces linked to the Klipfontein Corridor commenced: NY1, Athlone/ Gatesville/ Heideveld/ Gugulethu and Sithandu/ New Eisleben. Furthermore, funding was transferred to the City of Cape Town for the construction of pedestrian and cycle paths leading into and supporting the main corridor.

A further safety initiative, the Safer Trains project managed in partnership with the Department of Community Safety, was undertaken throughout the City to enhance the safety of commuters on the rail system.

A first draft of a Safety and Security Strategy was developed. Stakeholder participation is required to inform the details of this strategy. However, in the absence of such a strategy, the Department organised two strategic forums, namely JOINTS and the Public Transport Priority Committee which deals with moving violations and critical public transport programmes.

The statutory planning processes of municipalities progressed slower than expected. Five of the six Public Transport Plans (PTP's) have been drafted and are awaiting approval of the respective municipal councils. This was delayed partially due to the local government election process.

An investigation began into the possibility of establishing a public transport authority for the Western Cape, and the most appropriate model for this entity. The current legislation makes provision for the establishment of a transport authority within the boundaries of a local municipality. However, with the spatial development of the province which will ultimately link the Cape Metropolitan Area with regions such as Saldanha Bay and the Southern Cape, there is a need to consider the regional linkages of public transport and therefore a wider and more inclusive provincial authority.

Drafting began on a policy for special needs passengers, which will undergo public participation and approval processes in 2006/07. In further support of persons with special needs, the Department continued to participate as a supporter of the Dial-a-Ride service, which is managed by the City of Cape Town in terms of a tri-partite agreement concluded four years ago. The service is aimed at providing transport for people with disabilities to allow them to access employment opportunities. Discussions with the City of Cape Town regarding further support in 2006/07 began. The project, undertaken in partnership with the South African Rail Commuter Corporation (SARCC), for the upgrading of Mandalay and Lentegeur Stations, such that they could be used by special needs passengers was finalised. This project arose due to the relocation of the Conradie Hospital to the Lentegeur Hospital Site in Mitchell's Plain.

Municipalities were assisted in the construction of critical public transport infrastructure and facilities such as pedestrian and cycle pathways, ranks, shelters and embayments. The Piketberg taxi rank was opened, utilising a new design to improve operational efficiencies. In addition, several public transport interchanges were constructed in the City of Cape Town, notably Mitchell's Plain, Hanover Park and Guguletu.

Elections for new members of the Western Cape Provincial Taxi Council as well as the Metered Taxi Council took place as part of the democratisation of these industries. The business plan for the minibus taxi industry was developed and a memorandum of agreement signed to provide a basis for further engagement. The Department also appointed a new Provincial Transport Registrar in August 2005.

During August 2005, the Ntsebeza Committee of Inquiry report was made public. It highlighted critical weaknesses in the Provincial Operating Licencing Board (POLB) administration and its compliance to the 90-day process as prescribed by the NLTTA. In addition, a forensic audit was performed at the POLB and the report highlighted specific areas for intervention to bring the centre under control. As a result, a task team was established to review and turn-around the functioning of the administration. After three months involvement of the task team, the following areas were identified as requiring aggressive intervention:

- Redefining of the processes
- Improvement of the systems
- Enhancement of the staff development programme; and
- Change management programmes.

Flowing from this, the concept of a Shared Service Centre was proposed as an enhancement to the public transport improvement programme and one of the key deliverables to ensuring service delivery.

It must be further highlighted that although improvements in services were experienced until January 2006, it was then decided that, as more than 50% of the staff at the centre were contract staff, these contracts would not be renewed so as to allow the new processes and interventions to be implemented. This did result in a decline in service levels, however contingency plans were put in place during peak times to ensure that an adequate service could be provided to operators.

On 26 July 2005, the then Minister of the Department of Transport and Public Works, Mr. M Skwatsha, appointed a new Provincial Operating Licensing Board (POLB) in terms of section 30 of the National Land Transport Transition Act, No 22 of 2000 (NLTTA). After analyzing complaints by the tourism industry, the new Minister, Mr. M Fransman, was of the opinion that the appointment of a new board was procedurally and administratively unfair. The new board was informed of this and it was agreed that a new advertising process be undertaken. This happened in October, however on the day before the advertisement closed, the members indicated that they would interdict the Department. Minister Fransman was then forced to take the matter on Review. The matter was heard on 6 March 2006 in the Cape High Court before Judge Thring. Judge Thring made the following orders:

Order 1: The decision made by Mr. M Skwatsha on 26 July 2005 to appoint nine members to the POLB was declared unlawful and invalid and was accordingly set aside. Order 2: The first respondent, Mr. Vincent Diba, was ordered to bear the legal costs occasioned by his opposition to the review application

October 2005 was set as Public Transport Month throughout South Africa. The Department organised various events including two Car Free days in Oudtshoorn and Klipfontein Road in the Metro. In addition a metered taxi office was opened in Cape Town central business district, a taxi rank was opened in Piketberg and a Driver Fatigue day was hosted in the Hex River Pass about 160 kilometres from Cape Town.

The Department co-hosted the Velo Mondial Conference held in Cape Town, an international conference focussing on non-motorised transport, in particular cycling. The Velo Mondial 2006 Cape Town Declaration Towards Prosperity was endorsed by all of the 350 delegates from 41 countries. The Department also supported the Argus cycle tour. Marketing rights were bought, caps and sweaters with the provincial logo were distributed to 125 provincial staff and bicycle and cycling gear for 15 cyclists from disadvantaged backgrounds were purchased.

As a national programme, the taxi recapitalisation programme requires involvement and a state of readiness in the Province. In order to proceed with the programme, the first milestone to be reached was the conversion of permits to operating licences. As at 27 March 2006, 7,561 applications for conversion were received, while the POLB had dealt with 7,447 of these.

With respect to commuter rail, the South African Rail Commuter Corporation (SARCC) developed a National Rail Plan, during 2005/06. This was to guide the preparation of regional rail plans which although due to begin in 2005/06 only commenced thereafter. The purpose of the regional plan is to develop an approach, with the buy-in of the province and City of Cape Town, to how the SARCC would focus its business strategies within the area. It is accepted that there is a shortage of train sets, which leads to reduced service levels, as well as a generally poor condition of infrastructure. The amalgamation of SARCC, Metrorail and Shosholozha Meyl is expected to assist in improving service levels and planning interactions.

Service delivery achievements

Sub-Programme 4.2: Planning: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Process						
Development of provincial public transport legislation	Percentage completed		50%	20%	(30%)	60%
Preparation of provincial passenger (quality) charter	Percentage completed		100%	50%	(50%)	50%
Public transport plans (PTP's) for the district municipalities and City of Cape Town	Number of municipalities PTP's completed	3	6	5	(1)	17%
Central Karoo Mobility Strategy	Complete concept plan		80%	100%	20%	25%
Development of special needs passenger policy	Percentage completed		100%	90%	(10%)	10%
Development of Non-motorised transport policy	Percentage completed		100%	90%	(10%)	10%
Preliminary design of subsidised modal contracts	Percentage completed		100%	100%	0%	0%
Detailed design of subsidised modal contracts	Percentage completed		40%	33%	(7%)	18%
Output						
Provincial public transport plan	Complete provincial public transport plan every two years.	40%	0%	50%	50%	100%
Subsidised public transport services	Percentage of contracts awarded.		40%	0%	(40%)	100%

Sub-Programme 4.3: Infrastructure: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Output						
Klipfontein Corridor infrastructure	Percentage completed	15%	100%	70%	(30%)	30%
• Conceptual design			80%	40%	(40%)	50%
• Preliminary design			60%	20%	(40%)	67%
• Detailed design			20%	20%	0%	0%
• Implementation			20%	20%	0%	0%
Oudtshoorn pedestrian and cycle path	Percentage completed			R55,652m	0	0%
District and local municipal projects	Value of projects completed		R55,652m			
George mobility strategy infrastructure projects	Number of projects completed		5	1	(4)	80%
Central Karoo infrastructure projects	Number of projects completed		3	1	(2)	67%
Establishment of accessible and safe rail infrastructure	Number of projects completed		2	2	0	0%

Sub-Programme 4.4: Empowerment and institutional management: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Process						
Communication representative structures	Formation of structure for each road-based mode		3	3	0	0%
Maintain open and transparent communication structures	Annual elections		2	2	0	0%
Development of a communication and marketing plan	Percentage complete		100%	20%	(80%)	80%
Output						
Identify empowerment opportunities per sector	Market research per sector		2	1	(1)	50%
Promotion of non-motorised transport	No of activities		2	2	0	0%
Develop provincial BEE charter for each public transport sector	Number of charters developed		1	0	(1)	100%
Target training programmes for industry	Number of person days of training	550	1 500	128	(1 372)	91%

Sub-Programme 4.5: Operator safety and compliance: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Process						
Conclusion of performance agreement with authorities	Number of agreements		10	0	(10)	100%
Development of a public transport safety and compliance policy	Percentage complete		100%	80%	(20%)	20%
Appointment of project teams to conduct audits of lighting, crime and accessibility		2	15	0	(15)	100%
Public transport safety marketing and communication campaigns	Number of campaigns		3	3	0	0%
Development and implementation of training courses for law enforcement authorities	Number of officials trained		600	350	(250)	42%
Output						
Implementation of safety improvement projects, e.g. lighting, ramps	Number of projects	3	15	3	(12)	80%
Development and integration of information databases for safety and compliance for monitoring	Percentage complete		40%	10%	(30%)	75%
Outcome						
Improved safety	User surveys (% satisfied with improvements)		50%	0	(50%)	100%

Sub-Programme 4.6: Regulation and control: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Process						
Implementation of National Land Transport Information System	Date implemented					
Registration administration system		Jan 2004				
Subsidy management system		Jan 2004				
Operating licence administration system			Oct 2005	Nil	Nil	100%
Staff training and capacity building	Number trained	30	30	80	50	167%
Establishment of two regional offices	Offices established	50%	100%	50%	(50%)	50%
Conversion of permits to operating licences	Percentage converted	85%	100%	98%	(2%)	2%
Output						
Improved response time on applications	Number of days	120	90	76	(14)	15%
Quality						
Customer satisfaction	Percentage satisfied	20%	80%	0	(80%)	100%
Efficiency						
Number of days turnaround time on applications	Number of days	120	90	76	14	15%

Specific challenges and responses – Programme 4

<u>Challenge 1: Public transport planning</u>
Improvement of public transport planning capacity within the district municipalities.
<u>Response to Challenge 1</u>
To assist in forming and administering public transport committees within the district municipalities to improve planning capacity, and thereby increasing the alignment of integrated transport plans with the regulatory licensing process, i.e. the processes under the auspices of the Provincial Operating Licence Board.
<u>Challenge 2: Instability within the Minibus Taxi Industry</u>
The minibus taxi industry, as well as the passengers they transport, must be included into the formalised, scheduled and contracted public transport system. This is imperative in order to provide a safe, reliable and affordable public transport service to the public. However, as was shown in the report of the Committee into Taxi Violence, there are many underlying reasons which are prohibiting the industry from participating in many of the programmes which government must roll-out.
<u>Response to Challenge 2</u>
<p>During November 2005, the Department assisted the minibus taxi industry with elections for a new Council. It was anticipated that this Council, with the representation which was elected to it, would be able to reduce the levels of conflict and bring stability to the industry. This, however, proved not to be the case. As a result, conflict and mediation consultants have been appointed to attempt to mediate between the various parties and to broker an agreement between them.</p> <p>The Department has also been working closely with, amongst others, the Department of Community Safety, the South African Police Services, as well as the National Intelligence Agency to try to understand and resolve the various issues. Work will continue in this regard.</p> <p>In addition, the Department is working closely with the Western Cape Provincial Taxi Council executive committee so that they are able to understand the various programmes which will be introduced, in order for them to be able to inform their members.</p>

Issues requiring ongoing attention

Partnership Building

Public transport is not a function which lies solely within the realm of one sphere of government, let alone within government alone. The private sector, in the form of operators, also plays a vital role. Partnerships are vital if public transport is going to be successfully improved. Critical to this, is the formation of a public transport authority. Work is underway to develop the business case for forming such an authority(ies) in the Western Cape. Other partnerships with the industries are necessary for them to understand the approach to public transport, its importance and the role which it plays within the economic and social requirements of communities.

Safety and Security

Although new public transport contracts will improve the levels of service in terms of frequency of services, new vehicles, passenger information, integrated ticketing, etc, a safer and more secure service is imperative. Work is required, in consultation and partnership with the enforcement and security agencies to ensure that the system's safety is improved. A strategy for safety and security is being prepared to guide the various initiatives in this regard.

Increasing the budgetary envelope for Public Transport

Preliminary work undertaken on the design of public transport services for the metropolitan area indicates that there will be a substantial increase in the level of funding required for public transport subsidies, initially. This is due to three factors:

- Many of the vehicles required for the contracts will have to be purchased. This will lead to an increase in the amount tendered by operators, and therefore an increase in subsidy;
- The number of passengers being carried on the subsidised system will increase, as those currently being transported by the minibus taxi industry are included in the overall system design. As a result, the subsidy requirements increase;
- The levels of service have been increased to provide for an 18-hour service, increased services in the off-peak time, etc. This results in increased subsidy requirements.

Discussions with the national Department of Transport have begun and further consultation with the National and Provincial Treasuries will take place.

Programme 5 – TRAFFIC MANAGEMENT

STRATEGIC GOAL 1:

Maximise the opportunities for the generation of income

STRATEGIC OBJECTIVES:

- Collection of arrear licence fees
- Inspections at Vehicle Testing Stations and Driving Licence Testing Centres

STRATEGIC GOAL 2:

Managing and monitoring the Road Traffic Act to create a safe operating environment on the Provincial transport network

STRATEGIC OBJECTIVES:

- Implementing and managing processes through the e-NaTIS
- Empowering the Compliance Monitoring Unit for Driving Licence Testing Centres (DLTC's), Vehicle Testing Stations (VTS's) to undertake investigations
- Enforce overload control at all nine weighbridge stations
- Improvement of traffic safety through safety audits and identification of high accident locations

Review

To improve service delivery at the 76 registering authorities for the registration and licensing of motor vehicles the Department, in consultation with the national Department of Transport and its appointed contractor has now completed replacement of all the existing computerised equipment to facilitate the simplified recording of transactions. Training of 400 municipal personnel has commenced.

The current initiative to address arrear licence fees will continue, with the aim to maintain the arrears at less than 2 per cent of the total motor vehicle population. A large number of transactions that were previously assigned to the registering authorities are now centralised at provincial level to ensure uniform recording of transactions where a discretionary measure is involved. To facilitate this, a computerised system has been purchased to capture all the documentation and to return the results to the 76 registering authorities.

Activities at some of the 49 driving licence testing centres in the Province were streamlined through the deployment of new computer software. The new equipment is now being used for eye testing and electronic fingerprint taking as part of the process to apply for learner's and driving licences. The Provincial Compliance Monitoring Team continued its efforts to monitor the activities at motor vehicle testing stations and driving licence testing centres.

The rate of irregular activities detected, warrants continued and concerted efforts to ensure that fraud and corruption are eradicated in the shortest time possible. Currently 3 000 driving licences are being investigated.

The Provincial Accident System was further developed to include the statistical analysis of accidents in the urban areas and to produce system generated accident reports to all role players. In conjunction with the City of Cape Town and national Department of Transport steps were taken to improve the accident data gathering process to ensure quality data by providing feedback and training at police service stations throughout the Province. The personnel component of the Accident Data Centre was strengthened accordingly.

Infrastructure and signage improvements at the current 9 weighbridges were completed. The planning and installation of electronic mass surveillance equipment were completed at two weighbridge sites. The development of the Overload Control Management System to analyse

patterns and trends in overloading control processes proceeded as planned. New two-year management contracts were awarded to Previously Disadvantaged Individuals contractors for all nine weighbridges.

Apart from providing safe road infrastructure, delivering safer roads to all road users is one of the Departments main challenges. Through integrated strategies between National, Provincial and Local Government and the SAPS the Department should ensure that all drivers and Professional Drivers are appropriately licensed, motor vehicles are roadworthy and overload vehicles are reduced. The Department is currently in the process to compile service delivery agreements to ensure compliance and delivery by local authorities. Amendment of legislation is also in the process to ensure more effective control in the issuing of roadworthy certificate by all vehicle-testing stations.

A request was made to the national Department of Transport to provide more stringent legislation to deal with the issue of cross-boarder registration of vehicles, by having more punitive measures in place to allow the Department to act against offenders. In addition, the Department began to address specific cases as and when they arose, within the current legislative framework.

It must be noted that part of the revenue to the Department comes from the collection of motor vehicle licence fees. For 2005/06, the target of collection was set at R 731,554,000, while the actual collection was R 758,594,000 ie an increased collection of 3.56%.

Service delivery achievements

Sub-programme 5.2: Safety Engineering

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Number of accidents form verifiers per 10 000 accident reports received	Productivity ratio	2.1	4.3	2.3	(2.0)	47%
Number of data capturers per 10 000 accident reports received.	Productivity ratio	1.6	3.2	0.9	(2.3)	72%
Process						
Number of accident forms verified and captured	Actual number	19 200	18 000	5 459	(12 541)	69.7%
Number of copies of accident form requests	Actual number	835	900	1 345	445	49%
Output						
Number of accident reports	Number of regular accident reports Number of ad hoc accident reports	1 34	13 30	1 96	(12) 66	92% 220%

Sub-Programme 5.3: Transport Administration and Licensing: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Collect arrear licence fees	Number of arrear licences	7 189	4 000	8 846	4 846	121%
Manage events on public roads	Number of events managed	211	200	310	110	55%
Do inspections	Number of inspections undertaken	16	70	137	67	95.7%
Process						
Legal compliance	Number of cases initiated	7 189	4 000	8 846	4 846	121%
Legal compliance	Number of applications managed	211	250	310	60	24%
Legal compliance	Number of inspections conducted	16	70	137	67	95.7%
Output						
Administrative procedures	Issue notices of demand	7 189	4 000	8 846	4 846	121%
Approve applications	Issuance of letters	211	250	310	60	24%
Do inspections	Inspect testing activities	16	70	137	67	95.7%
Quality						
Number of cases concluded	Number of cases concluded	7 189	4 000	8 846	4 846	121%
Number of events approved	Number of events managed	211	250	310	60	24%
Number of inspections concluded	Number of inspections undertaken	16	70	137	67	95.7%
Efficiency						
Arrear licence fees collected	Monetary value collected	R4.2m	R3m	R3.6m	R0.6m	20%
Revenue generated from public road events	Monetary value collected	R0.3m	R0.3m	R0.2m	(0.1)	33%
Number of inspection reports	Number of completed reports	16	70	137	67	95.7%
Outcome						

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Reduced arrear licence fees	Percentage decrease	1.2%	1.2%	1.2%	0	0%
Increased events on roads	Percentage increase	15%	15%	24%	9	60%
Decrease in fraud and corruption	Number of cases successfully concluded	5	25	10	(15)	60%

Sub-Programme 5.4: Overload Control: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Number of weighbridges	Number	9	9	9	0	0%
New weighbridges to be constructed	Number	0	0	0	0	0%
Process						
Hours weighbridges to be operated	Number of hours	34 402	48 400	36 980	(11 420)	24%
Number of transport vehicles inspected	Number of vehicles	299 267	484 000	305 696	(178 304)	37%
Output						
% of vehicles overloaded (i.e. over the 5% tolerance)	Percentage of decrease	5.1%	0%	4.7%	(4.7%)	100%
Efficiency						
Number of hours weighbridges operated as % of total hours in year	Percentage hours	43.6%	50%	42.7%	(7.3%)	15%
Number of vehicles inspected per hour	Number of vehicles	8.7	10	8.3	(1.7)	17%

Specific challenges and responses – Programme 5

<u>Challenge 1: Reduction of arrear licence fees</u>
Reduce arrear licence fees receivable.
<u>Response to Challenge 1</u>
Strengthen the collection capacity for licence fees and improve the integrity of data.
<u>Challenge 2: Fraud prevention</u>
Prevention of fraud and corruption with the issuance of fraudulent driving licences and roadworthy certificates for motor vehicles.
<u>Response to Challenge 2</u>
Conclusion of Service Level Agreements with Driving Licence Testing Centres and Vehicle Testing Stations. Amendment of legislation to empower the Compliance Monitoring Unit for Driving Licence Testing Centres (DLTC's), Vehicle Testing Stations (VTS's) to enforce compliance. Compilation of an integrated Driver and Vehicle Fraud and Corruption Prevention Plan between the three spheres of government.
<u>Challenge 3: Determine agency fees for collection of motor vehicle registration and licence fees</u>
The current agency fees are considered, in some cases, to be excessive.
<u>Response to Challenge 3</u>
Develop innovative ways to collect the fees in a cost effective manner through the use of an agent which provides the service in the most cost effective manner.
<u>Challenge 4: Long waiting period for testing and issuing of learner's and driving licences</u>
The waiting period for the testing and issuing of learner's and driving licences at Driving Licence Testing Centre's, governed by local authorities is on average 6 months.
<u>Response to Challenge 4</u>
Enter into Service Level Agreements (SLAs) with Driving Licence Testing Centres in order to ensure improved service delivery to applicants. SLAs would address issues such as infrastructure requirements (ie accommodation and equipment), as well as human resources required to undertake the function.

Issues requiring ongoing attention

The implementation of e-NaTIS to ensure effective and efficient management of vehicle and driver data.

Current levels of overloading are still too high and result in serious damage to the national, provincial and local road network in the Province. Policies to ensure the uniform handling of overloaded vehicles is being dealt with as a matter of high priority and are finalised together with Department of Community Safety and the Director of Public Prosecutions.

Programme 6: COMMUNITY-BASED PROGRAMME

STRATEGIC GOAL 1: -

Infrastructure delivery: Community Development through Infrastructure Upgrade

STRATEGIC OBJECTIVES:

- Road Safety – construction of pedestrian walkways and bicycle pathways
- Access roads – linking of communities to existing surface road network
- Upgrading of community primary routes used by public transport services
- Participation of community in project planning

STRATEGIC GOAL 2: -

Black Economic empowerment

STRATEGIC OBJECTIVES:

- To engage local small and medium enterprises
- Development of youth in construction management processes within the built environment
- Assist black enterprises to secure service provision contracts through the contractor development programme

STRATEGIC GOAL 3: -

Job creation and skills development

STRATEGIC OBJECTIVES:

- Co-ordinate the provincial EPWP monitoring process
- Create work opportunities within community based projects
- Provide worker exit strategy including learnerships, ABET training, job placement and personal development plans
- To increase the number of work opportunities in a project through empowerment impact assessment

Demand for and performance of Community Based Programmes by region

Magisterial Districts	Number of unemployed people (SA Stats Census 2001)				Community based programmes			
	Female	Male	Total	% of Provincial total	Number of Projects 2005/06	Number of work opportunities employment created		
						Female	Male	Total
City of Cape Town	196 361	190 510	386 871		11	123	89	212
DC1 West Coast District Municipality	8 303	8 914	17 217		18	195	171	366
DC2 Boland District Municipality	25 487	24 317	49 804		3	20	41	61
DC3 Overberg District Municipality	8 252	8 107	16 359		7	71	52	123
DC4 Eden District Municipality	26 229	22 984	49 213		10	88	97	185
DC5 Central Karoo District Municipality	4 156	3 497	7 653					
Total Western Cape	268 788	258 329	527 117		49	*497	*450	*947

* This total excludes youth and disabled
 Youth 721
 Disabled 2

Review

The Department is responsible for the coordination of the delivery and the scaling up of the Expanded Public Works Programme in the Western Cape. The "Renewed Mandate for the Expanded Public Works Programme" Business Plan submitted to provincial cabinet in September 2005 stated "the Western Cape Province will entrust the Department of Transport and Public Works with the responsibility for the coordination of the delivery of the EPWP within the Provincial Government and at municipal level." This is in line with the vision to step up the EPWP, and in promoting the goals of iKapa Elihlumayo in respect of higher economic growth and lower levels of inequality. The EPWP set the goal for the Province of attaining a target of 120 000 work opportunities by 2008. The target for 2005/06 was set at 25 000 work opportunities. Un-audited figures for the financial year stand at 27 917. The Department has contributed over a quarter of these work opportunities.

Provincial performance against the EPWP target, although exceeding the required 25 000 work opportunities per annum, fall far short of what is possible. The Western Cape could not claim over 12 000 actual work opportunities due to inadequate reporting on the part of relevant project managers, and local municipal contribution from own budget is seriously inadequate. The restructuring of the CBP within the Department in 2006/7, the setting up of the required institutional arrangements within the province for managing EPWP and the development of the Provincial Implementation Plan for EPWP will address these shortcomings. However, special mention needs to be made in respect of the Social Sector EPWP initiatives in the Early Childhood Development and Home Community Based Care learnerships that have effectively scaled up with the additional funding supplied.

Key Infrastructure Sector initiatives include the Learnership 1000 programme, the Building Maintenance Pilot Programme and the Klipfontein Corridor learnerships.

As part of the renewed mandate to give momentum to EPWP, the Department's Learnership 1000 was initiated through which 1000 learnerships are provided for artisans, technicians and professionals within the built environment sector as a contribution to eradicate the scarce skill in this industry, which could have an adverse effect on infrastructure delivery.

The Building Maintenance Pilot Programme delivered 2 500 work opportunities, while to support the Klipfontein Corridor learnerships programme, the department contributed R 11,977,000 towards Dignified Urban Space projects with the City of Cape Town. 960 person days of accredited training were generated, while work opportunities were created as follows: 272 Local labour, 168 Males, 106 females, 168 Youth and 1 disabled person.

In relation to community based programmes, the Saamstaan programme includes the full spectrum of building and transport infrastructure upgrade and maintenance of community development projects, throughout the Western Cape. Projects totalling 72 were undertaken over the suite of programmes. These include the Saamstaan School Maintenance; Zenzele Road Maintenance and the Community Access Roads Programmes. - *Saamstaan Schools Programme*: 24 projects were completed in which 576 unemployed parents of learners from poor communities were trained and employed to maintain school buildings in their communities. - *Zenzele road maintenance projects*: 32 were implemented and these were located mainly in the rural areas on provincial roads close to designated underdeveloped communities requiring poverty alleviation; 768 persons were trained and employed in this programme.

Empowerment programmes implemented include the Technical Student Experiential Training, Empowerment Impact Assessment and Contractor Development Programmes. These programmes were set to provide transversal support to the efforts of the Branch to fulfil the goals of iKapa Elihlumayo in respect of employment and participation by the designated categories of persons/business entities in the economy of the Western Cape. 22 Experiential Training students, 14 Social Development Training students and 18 Internship opportunities were created. 6 Procurement Sessions were held for contractors, which was attended by some 270 persons of whom 216 were registered businesses. Added to the training sessions on procurement is the Contractor Mentorship facility that was provided where there was a request for the support of 6 emerging contractors. A structured finance facilitation agreement between established banks and the Department has provided guarantee and financing support for a limited number of contractors who have been awarded contracts by the Department.

The goals of iKapa Elihlumayo, specifically relating to "employment and participation in the economy" for the poorest communities, as well as "reduce socio-economic and geographic inequality", and the Presidential nodes of the Western Cape, namely Central Karoo; Mitchell's Plain and Khayelitsha guide the prioritisation of the projects within the Programme. The SIP will also make a contribution in this regard.

Service delivery achievements

Programme 6: Community Based Programmes: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Input						
Programmes and technical support	Budget amount (R1 000's)	8 422	8 532	8033	(499)	6%
Empowerment impact assessment	Budget amount (R1 000's)	1 517	12 842	10353	(2489)	19%
Contractor development	Budget amount (R1 000's)	418	1 085	907	(178)	16%
Community development projects	Budget amount (R1 000's)	35 116	41 182	40149	(1033)	3%
Output						
No of community projects implemented (by the CBP only. Previous targets included projects implemented jointly with SANRAL)	On site commencement of project or continuation of project.	63	50	49	(1)	2%
Number of temporary jobs created	Number of persons employed	1 647	1 700	1 670	(30)	2%
% of jobs for youth (16-25yrs old)	Youth percentage of persons employed	40%	50%	43%	(7)	14%
% of jobs for women	Women percentage of persons employed	30%	50%	30%	(20)	40%
Number of National Qualification Framework (NQF) training units attained by community workers	Number of NQF units credited to trainees by CETA accredited trainers.	0	500	0	(500)	100%
Number of empowerment impact assessments completed	Number of EmplA reports accepted by the empowerment manager	25	40	21	(19)	48%
Number of empowerment workshops conducted	Number of 1-day workshops presented by empowerment unit of CBP to provincial, municipal and private sector staff	2	3	3	0	0%

Measurable Objective	Performance Measure or Indicator	Actual outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from target	
					Unit	%
Number of contractor mentorship's provided	Number of mentoring services provided to developing contractors engaged by the department	4	10	6	(4)	40%
Number of contractor training workshops	Number of 1-day tendering workshops provided to existing and new ABE's.	12	6	12	6	100%
Contract development project helpdesk services	Number of contractor and empowerment enquiries handled.	899	1 000	981	(19)	2%
Approved experiential training course	Number of students passing 2 nd year course	45	40	50 – Technical 20 – Administrative	30	75%
Quality						
Average daily wage earned by workers	Rands per day	R67.59	R71.64	R56.08	(R15.56)	22%
Efficiency						
Routine maintenance cost per day for employment created	Total routine maintenance project cost averaged per day of direct employment created	R124.00	R129.00	R95.68	(R33.32)	26%
Planned maintenance cost per day for employment created	Total planned maintenance project cost averaged per day of direct employment created	R190.00	R196.00	R246.89	R50.89	26%
Upgrade/ construction cost per day for employment created	Total project cost averaged per day of direct employment created	R344.00	R358.00	R241.91	(R116.09)	32%
Average daily wage as % of cost per employment day	Routine maintenance %	55%	55%	59%	4%	7%
	Planned maintenance %	37%	37%	23%	(14%)	38%
	Upgrade/ construction %	20%	20%	2%	(18%)	90%
Average cost per project empowerment impact assessment report		R30 000	R33 400	R28 407	(R4 993)	15%

Specific challenges and responses – Programme 6

<p><u>Challenge 1: EPWP performance</u></p> <p>Bridging the divide between the first and second economies.</p>
<p><u>Response to Challenge 1</u></p> <p>The President launched the EPWP in the Western Cape. The new policy, the “Renewed Mandate for EPWP”, for scaling up the EPWP in the Western Cape was developed, and submitted to Provincial Cabinet.</p>
<p><u>Challenge 2: Mainstreaming</u></p> <p>Mainstreaming in provincial and municipal line functions.</p>
<p><u>Response to Challenge 2</u></p> <p>The “Renewed Mandate for EPWP” strategy has been further developed into a business plan that resources technical support for local authorities. Also, discussions have been held with provincial departments to look to mainstreaming EPWP. For example, the Department of Local Government and Housing is looking to utilising EPWP principles for the Participatory Housing Project, the Department of Transport and Public Works is in process of developing EPWP mainstreaming plans, especially with regard to ASGISA funding. The Social Sector has scaled up and has approved implementation plans. The EPWP task team for local government has been established with the Department of Local Government and Housing.</p>
<p><u>Challenge 3: Small scale projects</u></p> <p>Projects are small in scale and adhere only to the minimum requirement for compliance.</p>
<p><u>Response to Challenge 3</u></p> <p>Projects will remain small in scale and in 2007/08, the capital budget (project funding) of Programme 6 will be transferred to Roads Infrastructure. Labour Intensive Construction principles are in place for 100% of the CARP projects and the Zenzele Roads Maintenance projects are to become task based with 50% women beneficiaries.</p>
<p><u>Challenge 4: Skills development</u></p> <p>Weak skills development</p>
<p><u>Response to Challenge 4</u></p> <p>Local level skills development strategies have been developed and the regional Department of Labour office is partnering this process. Unemployed databases are being initiated at local level to ensure proper recognition of prior learning and appropriate tracking of skills development. The Learnership 1000 programme has been initiated with 1000 predominantly unemployed youth targeted for trade specific and small business learnerships. The EPWP Contractor development programme is to be scaled up to a “Stepping Stones” initiative that enables more small businesses to have a chance at skills development.</p>
<p><u>Challenge 5: Lack of effective exit strategies</u></p> <p>Linked to the levels of weak skills development, is the matter of ineffective exit strategies.</p>

Response to Challenge 5

In this respect local level initiatives will be developed with municipalities linked to their Local Economic Development strategies to ensure skills development that speaks to local economic needs. This will result in consolidated skills development strategies at District municipal level and integrated into the IDPs.

Issues requiring ongoing attention

Developing capacity within the Department of Transport and Public Works requires concerted attention over the next year to enable proper resourcing of local level support and sector development. Data management of EPWP information still requires much improvement. The provincial EPWP and sector forums need to be established. Utilisation of the Empowerment Impact Assessment tool for all infrastructure projects over R2 million needs to be mainstreamed into the Department of Transport and Public Works.

2.11 Transfer payments

The transfers indicated in this section exclude payments made for regional service council levies and households. These are included in the notes to the Annual Financial Statements. This section shows those payments that mainly relate to the service provided by this Department and in most cases contribute to infrastructure delivery. These payments are supported by formal agreements between the beneficiary institutions and the Department.

Programme 1: Administration

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Transfers to non-profit institutions				
Department of the Premier		50	50	0
TOTAL		50	50	0

This transfer relates to the support of the 1st NEPAD Cultural Project, the Mali project - Timbaktu, driven by the Presidency.

Programme 3: Roads Infrastructure

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Transfers to local government				
Beaufort West Local Municipality	450	0	450	0
Berg River Local Municipality	52	0	51	1
Bitou Local Municipality	48	0	0	48
Breede River/Winlands Local Municipality	76	0	76	0
Breede Valley Local Municipality	156	137	173	120
Cape Agulhas Local Municipality	180	0	179	1
Cape Winelands District Municipality	0	0	0	0
Cederberg Local Municipality	28	164	95	97
Central Karoo District Municipality	246	0	2	244
City of Cape Town	8 100	21 000	29 100	0
Drakenstein Local Municipality	3 428	293	3 010	711
George Local Municipality	4 067	0	1 147	2 920
Hessequa Local Municipality	160	732	878	14
Kannaland Local Municipality	52	0	0	52
Knysna Local Municipality	64	0	64	0
Laingsburg Local Municipality	24	0	7	17
Matzikama Local Municipality	35	61	94	2
Mossel Bay Local Municipality	260	0	248	12
Oudtshoorn Local Municipality	1 864	0	1 768	96
Overstrand Local Municipality	28	1 067	1 088	7
Prince Albert Local Municipality	24	0	0	24

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Saldanha Bay Local Municipality	77	0	40	37
Stellenbosch Local Municipality	80	0	80	0
Swartland Local Municipality	371	227	574	24
Swellendam Local Municipality	8	0	0	8
Theewaterskloof Local Municipality	386	0	386	0
Witzenberg Local Municipality	336	147	0	483
TOTAL	20 600	23 828	39 510	4 918

The transfer payments above represent subsidies paid in accordance with section 56(1) of the Roads Ordinance Act, Act 19 of 1976 for the maintenance of proclaimed roads.

Contracts were concluded with the municipalities containing conditions and remedial measures requiring the municipality to establish and implement effective, efficient and transparent financial management and internal control systems before such payments are made.

Programme 4: Public Transport

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Transfers to local government				
Beaufort West Local Municipality	2 000	0	2000	0
Berg River Local Municipality	1 850	800	2650	0
Bitou Local Municipality	600	3 450	4050	0
Breede River/Winlands Local Municipality	625	833	1458	
Breede Valley Local Municipality	625	0	625	0
Cape Winelands District Municipality	875	1 250	2125	0
Cape Agulhas Local Municipality	500	900	1400	0
Cederberg Local Municipality	500	800	1300	0
Central Karoo District Municipality	2 750	0	2750	0
City of Cape Town	30 000	34 000	64000	0
Drakenstein Local Municipality	625	0	625	0
Eden District Municipality	450	0	450	0
George Local Municipality	7 500	1 300	8800	0
Hessequa Local Municipality	450	1 000	1450	0
Kannaland Local Municipality	300	350	650	0
Knysna Local Municipality	500	4 300	4800	0
Laingsburg Local Municipality	1 000	0	1000	0
Matzikama Local Municipality	500	0	500	0
Mossel Bay Local Municipality	3 450	0	3450	0
Oudtshoorn Local Municipality	750	3 500	4250	0

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Overberg District Municipality	500	0	500	0
Overstrand Local Municipality	500	900	1400	0
Prince Albert Local Municipality	550	0	550	0
Saldanha Bay Local Municipality	519	0	519	0
Stellenbosch Local Municipality	625	0	625	0
Swartland Local Municipality	550	900	1450	0
Swellendam Local Municipality	500	0	500	0
Theewaterskloof Local Municipality	500	3 000	3500	0
West Coast District Municipality	400	0	400	0
Witzenberg Local Municipality	625	1250	1875	0
TOTAL	61 119	58 533	119652	0

Transfers to public corporations				
Casidra		2 000	500	1 500
TOTAL		2 000	500	1 500

Agreements entered into with the respective municipalities for the construction of public transport facilities, contain a clause indicating that the municipality implement effective, efficient and transparent financial management and internal control systems. Detailed monthly reports as to the progress of the projects after transfers have been made are also required.

A similar agreement was also entered into with Casidra (Pty) (Ltd), but the agreement was finalised late in the financial year and consequently only the first tranche to Casidra was made.

Programme 5: Traffic Management

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Transfers to Departmental Agencies and Accounts				
Government Motor Transport		9 260	9 260	0
TOTAL		9 260	9 260	0

Agreements were entered into between the Departments of Health and Agriculture and the Government Motor Transport Trading Entity for the purchase of vehicles which contains a clause indicating that effective, efficient and transparent financial management and internal control systems must be in place.

Programme 6: Community Based Programme

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Transfers to local government				
Cape Agulhas Local Municipality	2 080	(2 080)	0	0
Drakenstein Local Municipality	2 052	0	2 052	0
Eden District Municipality	1 382	0	1 382	0
Oudtshoorn Local Municipality	2 378	0	2 378	0

NAME OF INSTITUTION	VOTED	ADJUSTMENTS ESTIMATE	AMOUNT TRANSFERRED	VARIANCE
Prince Albert Municipality	1 000	0	1 000	0
West Coast District Municipality	3 000	(3 000)	0	0
TOTAL	11 892	(5080)	6 812	13 624

Transfers to public corporations				
Independent Development Trust	5 000	5 000	5 000	5 000
TOTAL	5 000	5 000	5 000	5 000

Agreements entered into with the respective municipalities contain a clause indicating that the municipality implements effective, efficient and transparent financial management and internal control systems. Detailed monthly reports as to the progress of the projects after transfers have been made are also required.

Similar agreements were also entered into with the Independent Development Trust.

2.12 Conditional grants

Summary of Conditional Grants for 2005/06

Conditional Grant	Total Allocation	Total transfers
Provincial Infrastructure Grant	92 557	92 557

Provincial Infrastructure Grant

Province	Total Allocation	Total transfers
Western Cape	92 557	92 557

Performance

Transfers of R92,557m were received in respect of Provincial Infrastructure Grant

Roads Infrastructure

Transfers of R88,757m were received in respect of Provincial Infrastructure Grant. The total amount was utilised to fund the resealing and re-gravelling of provincial roads in the Western Cape. The schedule below indicates the financial performance. The targets were met and the requirements of the Division of Revenue Act, 2005 were complied with.

Roads Infrastructure	Allocation R'000	Expenditure R'000
Provincial Infrastructure grant		
Reseal	38 757	38 757
Regravel	50 000	50 000
Total	88 757	88 757

Public Works

The total amount available for Provincial Infrastructure Grant funding for Public Works was R7,100m, which consisted of R3,300m rollover funding and R3,800m transfer funding received. Of the full amount of R7,100m, R2,781m or 39% was spent. The main reason for under expenditure is attributed to the initial delay in the installation of an electricity cable by the service provider in respect of the

project: Lecture rooms at Elsenburg for the Department of Agriculture. The requirements of the Division of Revenue Act were complied with.

The table below indicates the financial performance achieved on the various projects.

Agriculture	Allocation R'000	Expenditure R'000
Provincial Infrastructure grant		
Elsenburg finance phase 2	4 500	2 244
Oudtshoorn FET lecture rooms	2 600	537
Total	7 100	2 781

2.13 Capital Investment, Maintenance and Asset Management Plan

Roads Infrastructure

The table below indicates capital projects, completed, in progress, as well as the planned construction of new facilities, and the expected completion thereof during the MTEF period.

Function	2005/06 R'000	2006/07 R'000	2007/08 R'000	2008/09 R'000
CONSTRUCTION				
C650 Elandsbaai – Lambertsbaai	29			20 000
527.3 Hemel en Aarde I/C	9 901			
C377.11 George – Outeniquapass	37 980	11 840		
C637.1 Paarl – N1	19 412	1 174		
C635 Piketberg – Citrusdal	5 958	554		
C707.5 N1 Rehab Phase 2	47 239	12 000		
C569 Viljoenshoop	12 293	200		
C586 Pniel – Simondium		12 000	10 000	
C636 Wellington – Hermon	393	75 000	47 000	
C634 Nuwekloof – Wolseley				30 000
C500.2 Mossel Bay Phase 1		10 000	2 000	
C708.1 N2 Balustrade	8 254	114		
C707.3 N1 Rehab Phase 1	9 049	825		
C708.6 N2 Rehab Phase 2	4 723	49 151	5 000	
C708.5 N2 Rehab Phase 1	17 495	114		
Accident Spots	995			7 000
Community Accesses				3 000
Bredasdorp – Gansbaai	10 687	500	600	
Bredasdorp – Gansbaai Phase 1		60 000	20 000	
Bredasdorp – Gansbaai Phase 2		20 000	53 703	30 000
C761 Lynedoch I/S		6 000		
C682.1 Potsdam Streetlights	3 109			
C733.1 Somerset West Streetlights	89			
C559.21 Century City Walkways		500		
Granger Bay link (Transfer payment)	1 000			

Function	2005/06 R'000	2006/07 R'000	2007/08 R'000	2008/09 R'000
Film studio infrastructure			15 000	
C682 Potsdam I/C Phase 1	13 811	46 000	20 000	
White Bridge – Knysna	1 012	853		22 000
C415.2 Saldanha Bay – TR77		5 000	35 021	5 000
C733 Somerset West – Sir Lowrys Pass Phase 1		20 353	65 000	25 000
C706 Koeberg Corridor				163 500
C708.7 N2 Rehab Phase 3		10 000	60 000	20 000
C785 Huis River Pass		4 000		
Wingfield – Malmesbury		9 000		
C747.2 Worcester – Bainskloof				40 000
C498.2 Stellenbosch Arterial Phase 2		12 000	16 000	
C527 Mount Pleasant		12 000	18 000	
C500.2 Mossel Bay safety Phase 2				28 000
C707 N1 Streetlights			2 000	12 000
Rehabilitation	17 126			
C842 Pakhuis Pass		10 000	25 000	
C836 Citrusdal Paleisheuwel		10 000	25 000	
C848 Citrusdal		1 000	14 000	
C783 Algeria Road		15 000	8 000	
C788 Marcuskraal Road		10 000	2 000	
C829 Dal Josafat		1 000	5 000	
C847 Calitzdorp		1 000	7 000	
C708.8 Rehab N2 Phase 4		36 000		
C552 Malmesbury - Hermon		20 000	20 000	
C785.1 Repair of slip failure		2 000		
C838 Caledon – Hemel-en-Aarde			10 000	25 000
C846 Plettenberg Bay				20 000
C850 Simonsvlei				10 000
C853 Geelhoutboom				6 000
C733.1 Somerset West – Sir Lowrys Pass Phase 2				30 938
C638 TR 24/1 – TR 11/2 Moorreesburg				16 000
C816 Plettenberg Bay				20 000
C789 Greyton / Genadendal		4 700	2 000	
C698.1 Streetlighting on N7 at Piketberg		1 000		
C546.2 Stellenbosch – Somerset West Bredell & Stellenrust i/s			5 000	10 000
Transfers	27 500	17 500	23 000	15 000
TOTAL	248 055	508 378	515 324	558 438

Function	2005/06 R'000	2006/07 R'000	2007/08 R'000	2008/09 R'000
MAINTENANCE				
Major maintenance projects				
Reseal Contracts	191 524	118 722	112 000	136 000
Regravelling Contracts	118 743	117 273	109 620	145 000
C642 Gouritz River		2 500		
C585.2 Bridge handrails	18	7 000		
Bridge joints		2 000	2 000	10 400
C735 Duivenhoks River Bridge	7 001	600		
C739 Eden Armcos		6 000		
C735.1 Zuurbraak	2 319			
C784 Bain Kloof Pass		4 000		
C781 Rehab of bridges in Oudtshoorn		16 000	10 000	
Rehab of bridges			10 000	5 000
Transfers	6 574	5 000	5 000	6 000
Capital	248 055	508 378	515 324	558 438
Current	326 179	279 095	248 620	302 400
TOTAL	574 234	787 473	763 944	860 838

The following monitoring and reporting information technology systems are in use:

Gravel Road Management System (GRMS): The purpose of this system with regards to gravel roads is to keep track of how the gravel road network is performing through regular surveillance.

Maintenance Management System (MMS): The MMS keeps track of the expenditure at the District Roads Engineers' (DRE) offices, the Central Workshop in Bellville and the District Municipalities (DM's) which act as agents for the Department. This information is reconciled with the Basic Accounting System, BAS. (The District Municipalities have their own financial management systems as prescribed).

Pavement Management System (PMS): The purpose of this system with regards to surfaced roads is to:

- Keep an inventory of pavement structures.
- Keep track of how the network is performing through regular surveillance.
- Identify projects (reseal, rehabilitation, maintenance).
- Prepare programs by using dTims to optimise benefits within the available budget.
- Provide information regarding the state of roads for the compilation of the annual report.

Plant and Equipment Management System: This system is used to keep and process information relevant to the road construction plant and equipment. Maintenance and repair costs, utilisation and other logged data are currently transferred from the Maintenance Management System by means of magnetic disks.

Road Network Information System: This system is used to manage the rural road network information of the Western Cape and to make this information available to the various subsystems. The information in the database is updated by periodical surveys of roadside element data as well as various other sources. This system is designed to eliminate the need for the duplication of data, and forms the core of the ongoing effort to achieve integration between the various systems.

Summary of the condition of provincial road infrastructure

Condition of infrastructure ⁽¹⁾ (km's or number)						Total km's
	Very Good	Good	Fair	Poor	Very Poor	
Highways						
Surfaced roads (excl. highways)	1 406.03	2 416.81	1 849.63	562.31	103.22	6 338.00
Gravel roads	31.89	1 102.53	3 819.33	4 172.11	1 109.19	10 235.05
Unsurfaced dirt roads						
Bridges with span > 2 metre						2 294
Note ⁽¹⁾ : Description of degrees of overall condition of pavement (Provincial Roads Infrastructure)						
Very Good	-	Very few or no defects.				
Good	-	Few defects. Degree of structural defects mostly less than warning				
Fair	-	A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects).				
Poor	-	General occurrence of particularly structural defects with degrees warning to severe				
Very poor	-	Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive.				

The total capital maintenance and rehabilitation backlog was estimated at R2,142 billion as at April 2003. The average 5-year capital funding required to meet current standards is calculated at R976 million per annum. The present capital budget for maintenance and rehabilitation is an average of R577 million per annum over the MTEF period.

The magnitude of the backlog is of such an extent that only a marginal reduction in the backlog can be achieved over the MTEF period. The present strategy is to protect the existing surfaced and gravel roads by resealing and regravelling. The funding for rehabilitation of surfaced roads and current activities on surfaced and gravel roads to meet the minimum standards is not possible.

The ever-increasing backlog in construction and maintenance capital activities on surfaced and gravel roads results in an accelerated increase in funding required for current maintenance activities. The result is that the funding of current maintenance activities has to be increased during the MTEF period to be able to maintain the surfaced and gravel roads in a safe condition, though not meeting minimum standards.

Management of key moveable assets:

The road building and maintenance plant fleet consists of approximately 2 350 items. Of these;

- 60 % are in good condition
- 20 % are in fair condition
- 20 % are in poor condition.

Heavy vehicles and road maintenance machines are purchased in accordance with the preferential procurement policy.

The existing plant management computer system (i-Plant) has now been upgraded to provide an even better service.

Processes for tendering

The approved Accounting Officers Supply Chain Management System and the Preferential Procurement Implementation Plan are in place.

Specific challenges and responses

Challenge 1: Purchase of new vehicles and equipment

To have new vehicles and equipment delivered within the current financial year.

Response to Challenge 1

Speed up the tender process and put more pressure on suppliers.

Public Works

The table below indicates capital projects completed, started and expected completion dates.

Sub-programme	Projects completed	Projects started	Expected completion dates
Health	12	6	2 in Jun 2006 2 in Jul 2006 2 in Aug 2006
Education	48	34	34 by Mar 2007
Agriculture	3	6	3 in 2005/2006 1 in Aug 2006 2 in Mar 2007
Social development	2	2	2 in 2005/2006
General Buildings	13	15	13 in 2005/2006 2 in Jun/Jul 2006

Each department reports on this issue in terms of their own infrastructure plan. The Department, however, does not intend closing or downgrading any facilities.

The Departments of Health and of Education are responsible for the funding of their own maintenance. Public Works is responsible for the balance of maintenance at other departments. The backlog in excess of R2bn previously reported is primarily for Health and Education facilities. Although the maintenance backlog for which Public Works is responsible is still significant, no impact is made on this backlog due to limited funding.

The increases to the provincial built infrastructure reported above will result in an increased demand for maintenance for which no additional funding has been allocated.

Asset Management

Although R17m was spent on the purchase of 30 new properties, no new properties were registered in the name of the Province. In the period under review 23 properties were sold and netted R30m.

The immovable property register has been updated and is subjected for verification. The movable asset register maintained on LOGIS is updated and an annual stock take has been completed.

Due to the departmental rationalisation program the movable capital stock is in a relatively good condition.

No major projects regarding maintenance of moveable assets were undertaken during the financial year.

No facilities were closed down or downgraded in the period under review and no projects are carried forward to the next year.

Acquisition and disposal of immovable assets are done in accordance with the Western Cape Land Administration Act, 1998 and procurement and disposal of movable assets in accordance with the Accounting Officers Supply Chain Management System and Preferential Procurement Implementation Plan.

Specific challenges and responses

<u>Challenge 1: Maintenance backlog</u>
The backlog in excess of R2bn previously reported is primarily for Health and Education facilities. Although the maintenance backlog for which Public Works is responsible is still significant, no impact is made due to limited funding.
<u>Response to Challenge 1</u>
Compliance with the minimum specifications set out in the Occupational Health and Safety Act while remaining within the limited funding.

**PROVINCIAL GOVERNMENT WESTERN CAPE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS (VOTE 10)
SHARED AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2006**

We are pleased to present our report for the above-mentioned financial year.

Appointment of the Shared Audit Committee

The Department of Transport and Public Works (Vote 10) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005, which was extended by Resolution 95/2005 for 2 more years to 31 March 2007.

Audit Committee Members and Attendance:

The Committee consists of the independent members listed hereunder, is required to meet at least 4 times per annum as per its approved Terms of Reference. During the current year 11 meetings were held:

Member	Number of Meetings Attended
Mr J.A. Jarvis (Chairperson)	11
Mr J. January	9
Mr P. Jones	11
Mr R. Warley	7
Mr V.W. Sikobi	(resigned May 2005)

Audit Committee Responsibility

The Committee has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter.

Effectiveness of Internal Control

During the year under review the Risk Assessment and Control Mapping exercises and the 1-year Operational Internal Audit Plan, were completed.

The 1-year Operational Internal Audit Plan that was approved by the Committee in April 2005 identified 10 high-risk areas. However, due to budgetary constraints, the Plan was amended in September 2005, to cover only 3 audit areas.

Internal Audit and the Auditor General highlighted a number of critical and significant control weaknesses in respect of: Property and Project Management, Transfer Payments, MDA and E-Works. The control weaknesses in the Property debtors accounts and MDA (debtors) system continue to be areas of concern which require management attention.

Internal audits were conducted on the transversal IT systems of the Province.

The Committee acknowledges that e-Innovation provides the IT service to this department. The Committee wishes to emphasize the importance of the Department ensuring that a service level agreement is concluded with e-Innovation to address future technology and training requirements.

The Committee further acknowledges that the responsibility for addressing control weaknesses identified by the Internal audit vests with e-Innovation. The Committee will follow-up on the implementation of corrective action in the 2006/07 financial year.

The quality of in-year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Committee has not reviewed the quality of in-year management and monthly/ quarterly reports submitted in terms of the PFMA and the Division of Revenue Act, but has relied on the feedback of the Auditor General who has not reported adversely in this regard.

Evaluation of Financial Statements

The Committee has,

- Reviewed and discussed the audited annual financial statements 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 the Auditor General's report.

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

Appreciation

The Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Sihluma Sonke Consortium for their assistance and co-operation in compiling this report.



J.A. JARVIS
Chairperson of the Shared Audit Committee
Date: 10 August 2006

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

Report by the Accounting Officer to the Executive Authority and the Provincial Parliament.

1. General review of the state of financial affairs

1.1 Policy

In relation to the funding of infrastructure programmes and in terms of S13 of the Division of Revenue Act, 2005 the Provincial Departments of Health and Education are responsible for all capital and maintenance budgets and spending. As the Department, in particular the Branch Public Works manages and undertakes construction and maintenance on their behalf it entered into service delivery agreements as contemplated in the Act.

Compliance with the Construction Industry Development Board Act, 2000 took effect from 31 August 2005 with regard to the Province of the Western Cape. As an infrastructure delivery organisation the Department registered with the Construction Industry Development Board to gain access to the Register of Projects and the Register of Contractors.

The Strategic Infrastructure Plan was further developed, with substantial work undertaken in determining infrastructure priority projects for the next ten years. An evaluation model was also developed underpinned by the Provincial Spatial Development Framework and the Micro Economic Development Strategy in order to allow varying infrastructure projects to be compared with one another and priorities for funding and implementation determined.

Expanded Public Works Programme (EPWP) renewed mandate entails implementing a strategy for the up scaling of the EPWP to give further impetus to bridging the gap between the first and second economics through the creation of work opportunities coupled with skills development.

The Government Immoveable Asset Management Bill was published on 14 October 2005. This Bill provides for both national and provincial governments to improve the management of their immoveable assets. This will give the department which acts as custodian of the provincial property portfolio more power to ensure that users of provincial properties use such properties optimally.

1.2 Events

October 2005 was set as Public Transport Month throughout South Africa. The Department organised various events including two Car Free Days in Oudtshoorn and Klipfontein Road in the Metro. In addition a metered taxi office was opened in Cape Town central business district, a taxi rank was opened in Piketberg which was designed in a new manner to improve operational efficiencies and a Driver Fatigue day was hosted in the Hex River Pass about 160 kilometers from Cape Town .

The Committee of Inquiry into the underlying causes of instability and conflict in the minibus taxi industry in the Cape Town Metropolitan area produced its report to the Premier on 31 August 2005.

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

The Department co-hosted the Velo Mondial Conference held in Cape Town, an international conference focussing on non-motorised transport, in particular cycling. The Velo Modial 2006 Cape Town Declaration Towards Prosperity was endorsed by all of the 350 delegates from 41 countries.

The Masakh' iSizwe – “Let Us build the Nation” project was launched. The project focuses on providing bursaries to new and existing students at tertiary institutions in scarce skills such as engineering , architectural, quantity surveying, transport economics, town planning and finance disciplines.

The Expanded Public Works Programme has as objective the creation of job opportunities. As part of the renewed mandate to give momentum to EPWP, Learnership 1000 was initiated through which 1 000 learnerships are provided for artisans, technicians and professionals within the built environment sector as a contribution to eradicate the scarce skills in this industry, which could have an adverse effect on infrastructure delivery.

Elections for new members of the Western Cape Provincial Taxi Council as well as the Metered Taxi Council took place as part of the democratisation of these industries. The business plan for the minibus taxi industry was developed and a memorandum of agreement signed to provide a basis for further engagement. The Department also appointed a new Provincial Transport Registrar in August 2005.

Various events were held to hand over constructed school and health facilities to the client departments, namely Health, Education and the community.

1.3 Major Projects

In relation to social infrastructure, the Department on behalf of the Department of Health, continued with the upgrading of Worcester and George Regional Hospital, and Vredenburg District Hospital. The business plan for the upgrading of the Paarl Regional Hospital was approved and construction will commence during 2006/07. Planning commenced for the Khayelitsha District Hospital. The Department on behalf of the Department of Education made significant progress with the acceleration of infrastructure delivery in respect of schools - 16 new schools were completed and opened which provided approximately 22 000 learners with new accommodation at year end.

With regard to general building infrastructure new student hostels, accommodation for lecturers and a new administration building have been constructed for the Department of Agriculture at Elsenburg. The Emergency Medical Management Centre was completed at the Tygerberg Hospital.

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Focussing on economic infrastructure, Roads Infrastructure completed the Rehabilitation of MR201 between Paarl and N1 (completed), Rehabilitation of N7 between Piketberg and Citrusdal, Viljoenshoop Road, Hemel en Aarde Intersection, Rehabilitation of the N1 and the N2 and the Rehabilitation of TR 1 / Section 1: George-Outeniqua Pass. The upgrading to a surfaced standard of the Gansbaai/Bredasdorp Link and the Potsdam Interchange on the N7 started. In addition, the N2 Gateway Project, which is a co-operative government initiative between National Housing, Provincial Government and the City of Cape Town to improve housing along the N2 corridor and in the Metro South East, was supported by transferring R21million to the City of Cape Town for construction of Symphony Way and the extension of Bhunga Drive to link the communities of Langa and Athlone.

Work was undertaken on the preliminary design of the restructured scheduled public transport services in the City of Cape Town. Two contract packages for the Klipfontein and Landsdowne corridors were designed in detail for open or negotiated tendering. The services have been designed to include the current minibus taxi operations operating on the same or similar routes as the subsidised bus services. In order to promote integrated delivery of public transport service, prospective tenderers were pre-qualified for the provision of integrated ticketing and fare management systems.

The conceptual design for the George Mobility Strategy was completed, as well as the construction of cycle and pedestrian paths on either side of Mandlenkosi Road in Beaufort West, which is linked to the Central Karoo Mobility Strategy. As part of the Klipfontein Corridor Mobility Strategy, 25 Closed Circuit Television (CCTV) cameras were installed along the corridor to promote safety on public transport. The following Dignified Urban Spaces linked to Klipfontein Corridor commenced: NY1, Athlone/Gatesville/Heideveld/Gugulethu and Sithandu/ New Eisleben.

Municipalities were assisted in the construction of critical public transport infrastructure and facilities such as pedestrian and cycle pathways, ranks, shelters and embayments. The Piketberg taxi rank was opened, utilising a new design to improve operational efficiencies. In addition, several public transport interchanges were constructed in the City of Cape Town, notably in Mitchell's Plain, Hanover Park and Gugulethu.

The Expanded Public Works Programme (EPWP), introduced in 2003 and as agreed to at the Growth and Development Summit, set the goal for the Province of attaining a target of 120 000 job opportunities by 2008. The target, for 2005/06 was set at 25 000 work opportunities. Unaudited figures for the financial year stand at 27 917. The Department contributed over a quarter of these work opportunities.

In relation to community based programmes, the Saamstaan programme includes the full spectrum of building and transport infrastructure upgrade and maintenance of community development projects, throughout the Western Cape. Projects, totalling 72 were undertaken over the suite of programmes. These included the Saamstaan School Maintenance; Zenzele

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Road Maintenance and the Community Access Roads Programmes - Saamstaan Schools Programme: 24 projects were completed in which 576 unemployed parents of learners from poor communities were trained and employed to maintain school buildings in their communities - Zenzele road maintenance projects: 32 were implemented and these were located mainly in the rural areas on provincial roads located close to the designated underdeveloped communities requiring poverty alleviation, 768 persons were trained and employed in this programme.

The Department embarked on a process to enoble and/or dispose of properties of strategic value to act as a catalyst for significant private sector investment in infrastructure development, with its resultant contribution to job creation and poverty alleviation. *The Somerset/City Hospital site:* A development framework was approved. This site has enormous potential for mixed use development, and links in very closely with the development plans for the region, given its proximity to the planned 2010 World Cup stadium in Green Point. The plans include a significantly upgraded Somerset Hospital on the site. *The old Conradie Hospital sSite in Pinelands:* A contract was concluded with a BBBEE company which will develop the site as a mixed-use development, incorporating the principles of Sustainable Human Settlements. *Redundant school property "The Bult, " George:* Various individual erven were disposed of at market value after it was redeveloped. In addition 50 other smaller properties were disposed of. Of these, 23 were completely transferred, including cash flow.

A property consolidation transaction between the City of Cape Town, the Provincial Government, and Media 24 was entered into. It is estimated that the redevelopment of the sites involved will result in an infrastructure investment of more that R1 billion.

1.4 Spending trends

The annual appropriation for 2005/06 was adjusted upwards from R1, 712 billion to R1, 797 billion or in nominal terms by 4.9%, in respect of 2004/05 it was adjusted upwards from R1, 712 billion to R1, 882 billion or in nominal terms by 9%. It should be noted that the provision for school and health infrastructure was provided for on Votes 3 and 6 respectively, with effect from 1 April 2006. The net aggregate expenditure for 2005/06 is 1.3% below the appropriation compared to 5.1% for the previous year. The spending position has thus strengthened. Under spending is due to *inter alia* less than expected number of bursaries allocated, delays in the delivery of computer equipment, slow filling of posts, delays in completing certain infrastructure projects, late registration of acquired properties and late approval at community project proposals.

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for the year ended 31 March 2006**

The tables below show the under spending per programme and per economic classification:

Programme	2005/06		2004/05	
	R'000	%	R'000	%
1: Administration	3 231	6.2	2 206	6.0
2: Public Works	8 905	2.5	26 014	3.1
3: Roads infrastructure	4 941	0.5	2 960	0.5
4: Public Transport	1 866	1.00	53 158	46.8
5: Traffic management	106	0.1	10	0
6: Community Based Programme	5 065	7.9	11 539	20.2
Total	24 114	1.3	95 887	5.1

Economic classification	2005/06		2004/05	
	R'000	%	R'000	%
Current payments	2 022	0.2	28 313	3.1
Transfers and subsidies	12 881	6.4	20 286	27.3
Payments for capital assets Land and buildings	9 211	1.2	47 288	5.4
Total	24 114	1.3	95 887	5.1

1.5 Revenue collection trends

The net aggregate revenue collections are R95, 537million or 12.2% above the estimates for 2005/06. The over collection of revenue is mainly due to over recovery on motor vehicle licenses, road and transport permits and sales estimate in the previous financial year that realised this financial year. Furthermore, the over collection as apposed to the previous year includes the surplus of the Government Motor Transport replacement fund surrendered to the Provincial Revenue Fund.

2. Services rendered by the department

2.1 Services

Services rendered are discussed in section 2.10 of the Annual Report.

2.2 Tariff policy

Tariffs are reviewed annually during the budget process. Tariffs are recorded in a tariff register in electronic format.

The tariffs for the Chapman's Peak Toll road were increased by CPI plus 0.4% with effect from 1 June 2005.

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**REPORT OF THE ACCOUNTING OFFICER
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2.3 Inventory

Head Office

Inventory on hand decreased by 29.35% due to changes to National Traffic Information System (Natis) forms:

	2005/06	2004/05
	R'000	R'000
Inventory on hand valued at the weighted average cost		
Stationary		
Motor Vehicle Administration forms	518	1 126
General stationary	166	97
Total	684	1 223

Roads Capital Account

	2005/06	2004/05
	R'000	R'000
Inventory on hand are valued at the weighted average cost		
Roads maintenance material	2 083	2 161
Total	2 083	2 161

3. Capacity constraints

The Department experienced a change in political leadership with effect from July 2005, which resulted in an assessment of the purpose, mandate and service delivery responsiveness of the Department. A comprehensive change management process was embarked upon to align business processes and structure to strategy. It is the intention to complete this process during 2006/07.

The Department is faced with a shortage of scarce skills, such as professionals in the built sector. Interventions in this regard include the development of a scarce skills strategy, increasing the number of bursaries awarded, employing Cuban professional to augment the technical and professional cadre and promoting the payment of a scarce skills allowance.

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**REPORT OF THE ACCOUNTING OFFICER
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4. *Trading entities*

4.1 *Government Motor Transport*

Information in relation to this trading entity will be captured in a separate annual report (including the management report and annual financial statements). The latter will be presented in accordance with the standards of GAAP (Generally Accepted Accounting Practices) in terms of Treasury Regulation 18.2. The financial results reflect a net loss of R14, 731 million for 2005/06 (R7, 860 million 2004/05).

5. *Organisations to which transfer payments have been made*

Of the R171, 321 million (2004/05 R68, 021 million) provided for transfers to municipalities in the Province of the Western Cape, R166, 377 million (2004/05 R52, 768 million) was transferred for the maintenance of proclaimed roads, public transport infrastructure and for community development projects. Transfers are elucidated in Annexure 1B to 1E and part 2, Programme Performance, paragraph 2.11, of the Annual Report. These transfers are supported by formal agreements between the beneficiary institution and the Department.

6. *Public Private Partnership*

Chapman's Peak Drive

A concession agreement was concluded with Entilini Concession (Pty) Ltd (the Concessionaire) for the design, construction, financing, operating and maintaining of Chapman's Peak Drive as a toll road for 30 years. At the end of the concession period the road is returned to the Provincial Government of the Western Cape in a clearly defined condition. The agreement, which provides for both renewal and termination options, was signed on 21 May 2003. The partnership has been operational since 21 December 2003. The agreement includes and defines a complex range of obligations and liabilities that are shared between the Provincial Government of the Western Cape and the Concessionaire. Of these is the delay in obtaining an environmental Record of Decision due to appeals relating to the construction of toll plazas. This has triggered, what is termed a "designated event" which has its own set of obligations and liabilities. The pending environmental Record of Decision affects the construction of toll plazas.

7. *Corporate governance arrangements*

7.1 *Risk Management*

A Consolidated Risk Report was provided by a contracted service provider during October 2004. To gain an understanding of the most significant inherent risks facing the Department, an approach of identifying and rating the most significant risks that could prevent the Department from achieving its objectives was adopted. The methodology is based on the principle that: -

- (a) Executive and operational management, together with their nominees should be active participants in the risk identification and assessment process.
- (b) A facilitated series of discussions and workshops would be the most effective manner in which to identify critical risks and risk areas that will need to be addressed through the activities of the *internal audit* and *risk management* functions.

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In order to strengthen risk management the Provincial Cabinet per Minute 70/2006 of 22 March 2006 concurred, in principle, subject to consultation with organised labour with the creation of enterprise risk management units in provincial departments, subject to budget limitations, internal shifts and reprioritisation. It is the intention to establish such a unit in the Department during the 2006/07 financial year.

7.2 *Fraud Prevention*

The Minister of Transport and Public Works and the Head of Department signed a Fraud Prevention Plan inclusive of a fraud policy on 26 April 2004. The Department participates in the shared Provincial whistle blowing mechanisms, which are provided by the Directorate: Forensic Audit of the Department of the Premier. An aid to all staff in reporting of any unethical or fraudulent behaviour is the availability of an toll free hotline where such behaviour can be reported anonymously. Reported incidents are investigated by the said Directorate: Forensic Audit. In addition an ethics officer has been appointed to promote ethics in the Department.

7.3 *Internal Audit*

The Department makes use of an Shared Internal Audit Service institutionally vested in and resourced by the Provincial Treasury. The internal audit plan approved by the Audit Committee is based on the risk assessment contained in the Consolidated Risk Report referred to under Risk Management.

7.4 *Audit committee*

The Department makes use of a Shared Services Audit Committee. A three year strategic annual audit plan was developed.

7.5 *Internal Control*

To ensure reliable financial information, financial and operational systems of internal control are maintained. These controls are designed to provide reasonable assurance that transactions are appropriately authorised and recorded, and assets are adequately safeguarded against material loss through unauthorised acquisition, use, or disposal.

Compliance officers vested within an internal control inspectorate, supported by a self-assessment questionnaire, evaluate and monitor the functionality and effectiveness of internal controls and report findings and recommendations to management. Remedial actions are taken to address control deficiencies and improve the systems as identified. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Consequently, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

The internal control inspectorate capacity was mainly employed to assist with process and control mapping within risk management processes.

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**REPORT OF THE ACCOUNTING OFFICER
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7.6 *Conflict of interest*

Members of the Senior Management Service as well as other employees annually disclose their financial interest, the data of which is captured on the personnel and salary system - PERSAL.

7.7 *Code of conduct*

All employees are expected to comply with the Code of Conduct for the Public Service. The purpose of the Code is to guide employees as to what is expected of them from an ethical point of view, both in their individual conduct and their relationship with others.

All employees involved in construction procurement are expected to comply with the Code of Conduct issued by the Construction Industry development Board in terms of s5(4) of the Construction Industry Development Board Act, 2000.

7.8 *Safety, health and environmental issues*

The Department has and maintains a Health and Safety Management Programme inclusive of Health and Safety Policy in accordance with the Occupational health and Safety Act, 1993. The Department participates in the Western Cape Environmental Implementation Plan published by the Department of Environmental Affairs and Development Planning.

8. ***Asset management***

A departmental asset management team has been established in accordance with government's asset management reform programme which drives the departmental asset management plan in association with the Provincial Treasury's asset management unit.

In the context of Asset Management, LOGIS is fully implemented in the Department to deal with the basic minimum requirements of an asset register for moveable assets. The Department maintains the LOGIS asset register to meet the basic minimum requirements as set by the Accountant-General. As LOGIS does not cater for all asset types, other asset registers are also maintained, namely:

- E-Works System, (E-Land and E-Structures), to record immovable assets
- I-Plant System, to record roads moveable assets (PA fleet for roads construction – Yellow fleet)
- E-Prop System, to record immovable roads assets
- Fleetman System, to record government motor vehicles

Organisational structures for asset management have been established.

9 ***Events after the reporting date***

It is the intention to transfer R10 million to the City of Cape Town as a once-off payment to defray operational and planning costs associated with the hosting of the 2010 FIFA World Cup on condition that a written agreement between the Department and the City of Cape Town is concluded prior to the transfer being effected and that the said amount is refundable to the Province if the costs are met by the Development Bank of South Africa.

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**REPORT OF THE ACCOUNTING OFFICER
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The cost related to the implementation of contingency plans and initiatives to deal with expected power outages that impact on safety and productivity in provincial buildings is estimated at R15 million.

10. Performance information

A strategic plan (2005/06 to 2009/2010) and an annual performance plan (2005/06 to 2007/08) was tabled in addition to the annual provincial budget in the Provincial Parliament. These plans attempt to align departmental activities, outputs and goals with provincial and national policy priorities and the budget. The performance of the Department, per programme, is detailed in Part 2 of the Annual Report. In addition, a process of Quarterly Performance Reporting was agreed to within the Transport and Public Works cluster for implementation 2005/06.

11. Standing Committee on Public Accounts (SCOPA): Resolutions

The table below shows the progress on recommendations presented in the Second Report of the Standing Committee on Public Accounts (SCOPA) dated 6 December 2005 in respect of the audit report of the Department for the financial year ended 31 March 2005

SCOPA recommendations	Subject	Findings on progress
5. Senior management performance agreement not signed	The committee wishes to recommend that the department adhere to the relevant guidelines in this regard to ensure that performance contracts should be signed annually by 31 March or within three months of appointment by both the staff member and the Department and that performance evaluations must be appraised by the applicable committee before bonuses are paid.	<p>For the 2004/05 financial year the Department had 19 members at SMS level. Of these, 17 performance agreements were duly signed although 15 were signed after the due date. Six performance agreements were signed towards the end of the financial year. The performance agreement of the Head of Department (HoD) was not concluded by the executing authority. Evaluation of the performance agreements was done and assessment certificates to this effect were submitted. Cash bonuses at 3% were paid to 4 members and at 2% to 10 members, based on signed performance agreements and after moderation by the evaluation committee and approval of the executing authority.</p> <p>Remedial action has been taken for the 2006/2007 financial years: The Department appointed a service provider accredited by the Department of Public Service and Administration</p>

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**REPORT OF THE ACCOUNTING OFFICER
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		to guide the development of performance agreements in line with government's and the departmental strategy. Flowing out of this process a Performance Management Roll Out Plan was approved. Once the performance agreements are completed, a Moderating Committee under the chairpersonship of the Head of Department will assess these agreements, and ensure that the review processes are executed in terms of a performance management culture. This Committee will make recommendations to the Executing Authority on the granting of performance rewards and pay progression.
6. Western Cape Nursing College, Valkenburg Hospital and Project management	<p>The committee therefore recommends that:</p> <p>The committee receive a detail brief in respect of the two specific cases at hand namely Western Cape Nursing College and the Valkenburg Hospital in conjunction with the project management of the department in total;</p>	<p>Reports on Western Cape Nursing College and the Valkenburg Hospital were provided.</p>
	<p>the departments' project management system should be revisited with a view to establishing a proper system of monitoring, control and assistance in order to minimize any delays in the finalizing of contracts and to minimize any potential losses to the department;</p>	<p>The Department is implementing a new electronic project management system, Rational Portfolio Management (RPM).</p>

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**REPORT OF THE ACCOUNTING OFFICER
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	professional evaluations and proper weighting should be given to the recommendations made by the consultants regarding the selection of an appropriate contractor;	Noted
	mentorship should be made a condition of contracts for emerging contractors. These mentors should be actively involved from the commencement of the tender until the contract is completed; and	Implemented – mentorship's are part of contract conditions
	where the department through it's monitoring and mentorship suspects that the contractor is operating in excess of its capacity, appropriate steps should be taken to ensure that contracts are completed within the given deadline.	Contracts must be completed within the contract period or the contractually extended period. If it cannot be completed within the contract period or any extension thereof, then the contractor is penalised or the contract terminated. Losses are recovered from contract guarantees, retention fees and through legal proceedings.
14. Asset management	The committee wish to recommend that: where the prescribed LOGIS system is not yet fully implemented, that the implementation be finalized as a matter of urgency;	In the context of Asset Management, LOGIS is fully implemented in the Department of Transport and Public Works to deal with the basic minimum requirements of an asset register for moveable assets.

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	the LOGIS asset registers be updated with all the required information in order for the system to be utilized as intended;	The Department of Transport and Public Works has updated and maintains the LOGIS asset register to meet the basic minimum requirements as set by the Accountant-General.
	the LOGIS system and other asset registers that may be utilized by the departments be reconciled as a matter of urgency; and	The LOGIS asset register for moveable assets is an important part of the LOGIS. All moveable assets purchased through the provisioning facility of LOGIS are captured in that register. As LOGIS does not cater for all asset types, other asset registers are also maintained, namely: <ul style="list-style-type: none"> ○ E-Works System, (E-Land and E-Structures), to record immovable assets ○ I-Plant System, to record roads moveable assets (PA fleet for roads construction – Yellow fleet) ○ E-Prop System, to record immoveable roads assets ○ Fleetman System, to record government motor vehicles
	all assets registers are updated with all relevant and required information	Asset registers are updated in accordance with the minimum requirements referred to above.

12. Other

The Department provides an Agency Services to the national Department of Transport (NDoT). The Department's Branch Public Transport processes bus subsidy claims each month on behalf of the NDoT. Claims are submitted by the sole service provider in accordance with the requirements of NDoT. An independent audit certificate that accompanies the claims, verify the number of passenger tickets sold. The claims are then processed by Branch Public Transport, using the computer based Subsidy Management System (SUMS) programme, which in its turn verifies the claims in terms of accuracy. The information is stored in a database, which is forwarded to NDoT.

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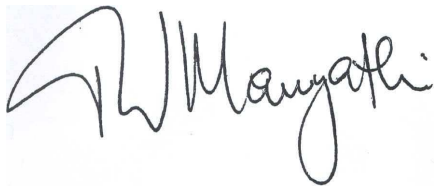
**REPORT OF THE ACCOUNTING OFFICER
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The Roads Capital Account (RCA), established in terms of the Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962) is accounted for separately in the financial records of the Department. This account owns certain items of equipment utilised in the rehabilitation and maintenance of roads. The RCA does not provide services to other departments. Its assets are used by the Department to also enable district municipalities to maintain roads. Consequently its performance is not reported in the formats required for trading entities.

A forensic audit was performed at the Operating Licence Board Administration in Goodwood. The report highlighted specific areas for intervention to bring the centre under control. A task team was deployed and the backlog in operating licence applications has been reduced and services to the public have improved. Plans for further service delivery improvement through the establishment of a Shared Services Centres have been developed and are being implemented.

Approval

The annual financial statements set out on pages 97 to 141 are hereby approved.

A handwritten signature in black ink, appearing to read 'T W Manyathi', is written over a light blue rectangular background.

**T W MANYATHI
ACCOUNTING OFFICER
31 MAY 2006**

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

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE
WESTERN CAPE ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF TRANSPORT
AND PUBLIC WORKS (VOTE 10)
FOR THE YEAR ENDED 31 MARCH 2006**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 97 to 141 for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards 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 I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- 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 Transport and Public Works at 31 March 2006 and the results of its operations and cash flows for the year then ended, in accordance with the 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).

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

5. EMPHASIS OF MATTER

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

5.1 Property debtors accounts and MDA (debtors) system

The modified cash basis applied by the department does not recognize accounting transactions unless cash is received or paid. This accounting basis therefore does not make provision for the accrual of trade debtors. The MDA system is utilized to enable the department to keep full and accurate records of rentals due on properties.

Attention is drawn to note 22, page 125 to the financial statements, where an amount of R39,338 million is disclosed as Receivables for "Sales of goods and services other than capital assets". This represents the balance owing by various debtors to the department listed in the MDA system as at 31 March 2006.

In common with the prior year findings, audit identified significant weakness in the overall administration of the MDA system, including:

- (a) Lease agreements were not revised on expiration of contracts and tenants continued to occupy properties paying rentals at the expired rate.
- (b) Amounts owing per the MDA system were not timeously followed up resulting in debts ageing and collectability becoming remote.
- (c) Changes to addresses of tenants and to rental amounts were made to data on the MDA system without the required authorisations.
- (d) Reconciliations on the individual tenant debtor accounts listed on the MDA system were not performed.
- (e) Findings pertaining to lease agreements included contracts that were not properly signed, agreements were misfiled and agreements lacked rental amounts and/or commencement dates.
- (f) Parking rentals were charged on MDA at rates that differed from that contained in the lease agreement on file, receipts were recorded against debtors for whom no rentals were accrued, no rentals were received from certain debtors, and hard copy files existed for debtors, but were not listed on the MDA.

Additional testing performed in this regard identified further weaknesses; however these weaknesses were not material to the audit opinion above.

The lack of appropriate debtor management has resulted in debt older than 120 days steadily increasing, where outstanding debt in this category amounted to R15,1 million as at 31 March 2004, R30,3 million as at 31 March 2005 and R34,4 million in the current year.

The above inadequacies could be attributed to a lack of proper policies, procedures and a lack of adequate controls and monitoring mechanisms being implemented.

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2006**

In addressing the problem pertaining to the MDA system, the department is currently in the process of drafting a State Housing Policy, which would address matters including:

- (a) Official state housing that are occupied by ex-government officials where rental income from these properties are not recovered on a regular basis as new lease agreements were not concluded after their employment contracts ended.
- (b) Tenants (ex-government officials) refusing to sign new lease agreements and pay the official rental. During our audit, negotiations in this regard were under way. We have identified that a number of these debts have been handed over to the State Attorney for collection, since the department does not have authority to recover the rentals from the salaries of the occupants.
- (c) The department no longer requiring that deposits are paid before new tenants takes occupation of a property. It therefore does not have a deterrent against errant tenants who vacate properties leaving it in an unsatisfactory state.
- (d) Regular valuations not being performed on properties to determine market related rentals.

5.2 Non-compliance with the SMS Handbook

Performance agreements for three SMS members have not been signed for the 2005/06 financial year and no SMS members had signed performance agreements for the 2006/07 financial year as was identified during our audit. The department procured the services of a consultant to help develop agreements in this regard which resulted in the signing of agreements being delayed. This finding was also raised in the prior year.

6. Follow up of matters reported in the prior year

6.1. Alleged irregularities

During a prior year audit, a forensic report indicating possible misappropriation of revenue and related fruitless or irregular payments in the property management division of the department was brought to the attention of audit.

During the course of following up the matter, it emerged that the department reported the possible misappropriation of revenue to the South African Police Services, who closed the investigation on 5 April 2005 as unresolved.

After perusing the report, the department referred it to the forensic audit division to determine both the extent of alleged irregularities and the classification (whether irregular or fruitless) thereof. This was done to obtain clarity regarding certain aspects as the department identified various discrepancies in the report. At the date of compiling this report, no feedback had been received relating to progress made in this regard.

As a result of the pending investigation, the department has not made any accounting entries to account for the possible irregular, fruitless and wasteful or loss in the financial statements for the year under review.

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

6.2 Project Management

A follow up review on the two construction contracts listed below was performed and the following was identified:

6.2.1 Western Cape Nursing College

During the 2003/04 financial year the department cancelled a contract for the renovation of the Western Cape Nursing College (original contract value R7.2 million) after both the deadline for final delivery was exceeded and due to the apparent non-performance of the contractor.

A second contractor was appointed on 13 January 2004 to complete the project at a new contract value of R13.6 million. The increased amount included additional works (variation orders) requested by the client department totaling R1.9 million, as well as remedial work to be performed on the work done by the first contractor, and the completion of the outstanding work. In a follow-up audit performed in 2004/05, we identified that the second contractor also exceeded the contract period and obtained an extension of 17 weeks to deliver a final product. The project was finally completed on 19 October 2005.

The department has retained the guarantee and retention money pertaining to the first contract, but the total money retained is less than the increased cost of the project, as estimated by the department. The final account had not been calculated at the date of this report; consequently no accounting entries in this regard have been made for the financial year under review.

6.2.2 Valkenburg Hospital

In our previous audit report, we reported on a lack of delivery and defective work identified on the construction project at Valkenburg hospital. In this regard, the department intervened on the project and all identified remedial and defective work was rectified. The contractor was, however, not able to complete the contract in the original timeframe and the contract was extended by 10 months to accommodate the completion. This deadline also passed without delivery of a final product, and the department granted a further extension of 3 months to complete the project. After receiving an extension of 13 months beyond the original contract date, the contractor failed to deliver and the contract was cancelled. At that stage, the project was only 46% completed.

The department retained a guarantee in respect of the first contract, but the recovery of the guarantee appears to be doubtful.

In the current financial year, the department appointed a new contractor for a six month period to complete the outstanding work. However, due to unforeseen remedial work required based on the work done by the first contractor, the contract had to be extended by 3 months.

At the date of issuing this report, the final account on the Valkenburg Hospital project had not been finalized, and could only be calculated after final delivery has occurred. During the audit, we identified that the department has registered the loss pertaining to the doubtful guarantee of the first contractor with the State Attorney. No accounting entries in this regard have been made for the financial year under review.

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VOTE 10**

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

7. APPRECIATION

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



I Jeewa for Auditor-General

**Cape Town
31 July 2006**



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

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

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

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.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

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 are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

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 financial statements.

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

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when 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.

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

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.

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).

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.

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

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

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

3.5 Unauthorised expenditure

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

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

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.

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

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.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

4.7 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 3 and 4 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5 000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 3 and 4 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

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.

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

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.

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 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.

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**ACCOUNTING POLICIES
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8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

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**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	48,175	(46)	(3,445)	44,684	43,241	1,443	96.8%	34,044	31,858
Transfers and subsidies	5,617	46	-	5,663	4,236	1,427	74.8%	529	511
Payment for capital assets	3,038	-	(1,000)	2,038	1,677	361	82.3%	2,108	2,106
2. Public Works									
Current payment	243,687	(220)	4,871	248,338	247,958	380	99.8%	403,239	390,559
Transfers and subsidies	624	220	-	844	832	12	98.6%	735	730
Payment for capital assets	107,725	-	(300)	107,425	98,912	8,513	92.1%	424,177	410,848
3. Roads Infrastructure									
Current payment	274,725	(6,003)	462	269,184	269,179	5	100.0%	236,627	236,622
Transfers and subsidies	45,060	328	262	45,650	40,720	4,930	89.2%	22,765	19,821
Payment for capital assets	613,669	5,675	5,272	624,616	624,610	6	100.0%	396,267	396,256
4. Public Transport									
Current payment	67,843	(279)	(4,016)	63,548	63,467	81	99.9%	52,067	39,658
Transfers and subsidies	121,668	279	-	121,947	120,443	1,504	98.8%	30,227	17,917
Payment for capital assets	5,790	-	(400)	5,390	5,109	281	94.8%	31,241	2,802
5. Traffic Management									
Current payment	185,580	-	(2,172)	183,408	183,333	75	100.0%	181,529	181,524
Transfers and subsidies	9,290	-	-	9,290	9,284	6	99.9%	31	28
Payment for capital assets	1,233	-	(400)	833	808	25	97.0%	9,548	9,546
6. Community Based Programmes									
Current payment	24,710	(5)	1,566	26,271	26,233	38	99.9%	22,079	21,051
Transfers and subsidies	16,826	5	-	16,831	11,829	5,002	70.3%	20,134	15,128
Payment for capital assets	22,105	-	(700)	21,405	21,380	25	99.9%	14,969	9,464
Total	1,797,365	-	-	1,797,365	1,773,251	24,114	98.7%	1,882,316	1,786,429
Reconciliation with Statement of Financial Performance									
Departmental receipts				95,537	-			-	-
Actual amounts per Statements of Financial Performance (Total revenue)				1,892,902	-			1,882,316	-
Actual amounts per Statements of Financial Performance (Total expenditure)					1,773,251				1,786,429

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**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 employees	180,559	(15,329)	(4,915)	160,315	159,118	1,197	99.3%	147,218	139,451
Goods and services	664,136	8,776	1,611	674,523	673,700	823	99.9%	781,483	760,938
Financial transactions in assets and liabilities	25	-	570	595	593	2	99.7%	884	883
Transfers and subsidies to:									
Provinces and municipalities	171,279	42	-	171,321	166,377	4,944	97.1%	68,021	52,768
Departmental agencies and accounts	9,260	-	-	9,260	9,260	-	100.0%	-	-
Public corporations and private enterprises	12,000	-	-	12,000	5,500	6,500	45.8%	5,000	-
Non-profit institutions	50	-	-	50	50	-	100.0%	-	-
Households	6,496	836	262	7,594	6,157	1,437	81.1%	1,400	1,367
Payment for capital assets									
Buildings and other fixed structures	683,105	9,859	4,572	697,536	693,203	4,333	99.4%	847,192	804,096
Machinery and equipment	9,057	3,084	(599)	11,542	10,912	630	94.5%	20,062	16,059
Software and other intangible assets	7,998	2,239	(1,201)	9,036	8,981	55	99.4%	7,487	7,446
Land and subsoil assets	53,400	(9,507)	(300)	43,593	39,400	4,193	90.4%	3,569	3,421
Total	1,797,365	-	-	1,797,365	1,773,251	24,114	98.7%	1,882,316	1,786,429

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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 1: Administration	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 Prov. Minister									
Current payment	3,683	470	-	4,153	3,861	292	93.0%	3,809	3,800
Transfers and subsidies	4	14	-	18	17	1	94.4%	27	26
Payment for capital assets	573	-	-	573	541	32	94.4%	169	169
1.2 Head of Department									
Current payment	13,334	(27)	(500)	12,807	12,362	445	96.5%	3,291	2,810
Transfers and subsidies	58	24	-	82	81	1	98.8%	69	68
Payment for capital assets	1,147	104	(1,000)	251	236	15	94.0%	11	10
1.3 Corporate support									
Current payment	31,158	(489)	(2,945)	27,724	27,018	706	97.5%	26,944	25,248
Transfers and subsidies	5,555	8	-	5,563	4,138	1,425	74.4%	433	417
Payment for capital assets	1,318	(104)	-	1,214	900	314	74.1%	1,928	1,927
Total	56,830	-	(4,445)	52,385	49,154	3,231	93.8%	36,681	34,475

	2005/06							2004/05	
Economic Classification	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 employees	24,308	(46)	(1,500)	22,762	21,655	1,107	95.1%	20,749	19,195
Goods and services	23,855	-	(2,000)	21,855	21,519	336	98.5%	13,275	12,643
Financial transactions in assets and liabilities	12	-	55	67	67	-	100.0%	20	20
Transfers and subsidies to:									
Provinces and municipalities	47	6	-	53	52	1	98.1%	49	46
Non-profit institutions	50	-	-	50	50	-	100.0%	-	-
Households	5,520	40	-	5,560	4,134	1,426	74.4%	480	465
Payment for capital assets									
Machinery and equipment	2,001	-	-	2,001	1,655	346	82.7%	1,942	1,940
Software and other intangible assets	1,037	-	(1,000)	37	22	15	59.5%	166	166
Total	56,830	-	(4,445)	52,385	49,154	3,231	93.8%	36,681	34,475

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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 2: Public Works	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	30,355	(4,220)	53	26,168	26,141	27	99.9%	25,393	21,808
Transfers and subsidies	83	14	-	97	91	6	93.8%	103	102
Payment for capital assets	3,031	3,711	-	6,742	6,740	2	100.0%	2,883	1,020
2.2 Health									
Current payment	12,769	(2,068)	-	10,701	10,697	4	100.0%	78,755	78,752
Transfers and subsidies	166	-	-	166	164	2	98.8%	321	320
Payment for capital assets	-	-	-	-	-	-	0.0%	225,541	220,451
2.3 Education									
Current payment	16,894	(3,060)	-	13,834	13,828	6	100.0%	128,370	124,276
Transfers and subsidies	20	44	-	64	62	2	96.9%	21	20
Payment for capital assets	-	-	-	-	-	-	0.0%	129,206	125,855
2.4 Agriculture									
Current payment	2,000	246	-	2,246	2,245	1	100.0%	2,878	2,877
Payment for capital assets	14,943	-	-	14,943	11,054	3,889	74.0%	18,994	16,590
2.5 Social development									
Current payment	2,200	(115)	-	2,085	1,755	330	84.2%	2,122	972
Payment for capital assets	2,265	(1,139)	-	1,126	697	429	61.9%	3,978	3,506
2.6 Other infrastructure									
Current payment	46,280	4,682	-	50,962	50,959	3	100.0%	54,376	54,305
Transfers and subsidies	336	162	-	498	498	0	100.0%	276	275
Payment for capital assets	54,286	6,086	-	60,372	60,371	1	100.0%	40,375	40,374
2.7 Property management									
Current payment	133,209	4,315	4,818	142,342	142,333	9	100.0%	111,345	107,569
Transfers and subsidies	19	-	-	19	17	2	89.5%	14	13
Payment for capital assets	33,200	(8,658)	(300)	24,242	20,050	4,192	82.7%	3,200	3,052
Total	352,036	-	4,571	356,607	347,702	8,905	97.5%	828,151	802,137

	2005/06							2004/05	
Economic Classification	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 employees	56,466	(5,220)	-	51,246	51,211	35	99.9%	47,322	43,532
Goods and services	187,221	5,000	4,818	197,039	196,695	344	99.8%	355,534	346,645
Financial transactions in assets and liabilities	-	-	53	53	52	1	98.1%	383	382
Transfers and subsidies to:									
Provinces and municipalities	119	16	-	135	126	9	93.3%	108	105
Households	505	204	-	709	706	3	99.6%	627	625
Payment for capital assets									
Buildings and other fixed structures	71,494	4,947	-	76,441	72,122	4,319	94.3%	418,144	406,825
Machinery and equipment	2,990	1,976	-	4,966	4,965	1	100.0%	2,567	704
Software and other intangible assets	41	1,735	-	1,776	1,776	-	100.0%	316	316
Land and subsoil assets	33,200	(8,658)	(300)	24,242	20,049	4,193	82.7%	3,150	3,003
Total	352,036	-	4,571	356,607	347,702	8,905	97.5%	828,151	802,137

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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 3: Roads Infrastructure	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	12,271	(2,657)	462	10,076	10,073	3	100.0%	9,495	9,494
Transfers and subsidies	124	156	262	542	536	6	98.9%	123	120
Payment for capital assets	3,318	33	-	3,351	3,351	-	100.0%	2,192	2,191
3.2 Planning									
Current payment	2,822	(665)	-	2,157	2,157	-	100.0%	1,695	1,693
Transfers and subsidies	2,605	-	-	2,605	2,604	1	100.0%	2,604	2,603
Payment for capital assets	23,525	653	-	24,178	24,176	2	100.0%	21,515	21,514
3.3 Design									
Current payment	14,747	(1,635)	-	13,112	13,111	1	100.0%	12,783	12,782
Transfers and subsidies	232	(3)	-	229	228	1	99.6%	38	37
Payment for capital assets	54,795	1,171	-	55,966	55,964	2	100.0%	39,698	39,696
3.4 Construction									
Transfers and subsidies	31,500	-	-	31,500	28,500	3,000	90.5%	10,000	9,659
Payment for capital assets	278,529	(58,973)	-	219,556	219,555	1	100.0%	146,978	146,972
3.5 Maintenance									
Current payment	244,885	(1,046)	-	243,839	243,838	1	100.0%	212,654	212,653
Transfers and subsidies	10,599	175	-	10,774	8,852	1,922	82.2%	10,000	7,402
Payment for capital assets	253,502	62,791	5,272	321,565	321,564	1	100.0%	185,884	185,883
Total	933,454	-	5,996	939,450	934,509	4,941	99.5%	655,659	652,699

	2005/06							2004/05	
Economic Classification	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 employees	67,297	(9,097)	-	58,200	58,198	2	100.0%	54,131	54,130
Goods and services	207,415	3,094	-	210,509	210,507	2	100.0%	182,015	182,011
Financial transactions in assets and liabilities	13	-	462	475	474	1	99.8%	481	481
Transfers and subsidies to:									
Provinces and municipalities	44,594	-	-	44,594	39,666	4,928	88.9%	22,480	19,551
Households	466	328	262	1,056	1,054	2	99.8%	285	270
Payment for capital assets									
Buildings and other fixed structures	585,698	4,888	5,272	595,858	595,855	3	100.0%	388,445	388,438
Machinery and equipment	1666	1,132	-	2,798	2,797	1	100.0%	1,288	1,287
Software and other intangible assets	6,105	504	-	6,609	6,607	2	100.0%	6,115	6,113
Land and subsoil assets	20,200	(849)	-	19,351	19,351	-	100.0%	419	418
Total	933,454	-	5,996	939,450	934,509	4,941	99.5%	655,659	652,699

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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 4: Public Transport	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	4,000	590	(57)	4,533	4,531	2	100.0%	8,981	8,905
Transfers and subsidies	1	3	-	4	4	-	100.0%	4	4
Payment for capital assets	4	-	-	4	-	4	0.0%	311	309
4.2 Planning									
Current payment	21,684	3,168	(595)	24,257	24,256	1	100.0%	21,075	14,273
Transfers and subsidies	-	266	-	266	264	2	99.2%	4	4
Payment for capital assets	190	-	-	190	52	138	27.4%	4,052	537
4.3 Infrastructure									
Current payment	10,694	(9,481)	(121)	1,092	1,091	1	99.9%	1,369	1,045
Transfers and subsidies	109,663	(10)	-	109,653	109,653	-	100.0%	30,201	17,896
Payment for capital assets	4,641	(248)	-	4,393	4,330	63	98.6%	21,950	752
4.4 Empowerment and institutional man									
Current payment	15,531	(716)	(2,879)	11,936	11,861	75	99.4%	4,939	4,701
Transfers and subsidies	2,001	4	-	2,005	504	1,501	25.1%	2	1
Payment for capital assets	45	188	-	233	232	1	99.6%	2,265	637
4.5 Operator safety and compliance									
Current payment	2,655	1,453	(224)	3,884	3,883	1	100.0%	4,691	118
Transfers and subsidies	10,000	2	-	10,002	10,001	1	100.0%	3	-
Payment for capital assets	-	60	-	60	60	-	100.0%	2,125	29
4.6 Regulation and control									
Current payment	13,279	4,707	(140)	17,846	17,845	1	100.0%	11,012	10,616
Transfers and subsidies	3	14	-	17	17	-	100.0%	13	12
Payment for capital assets	910	-	(400)	510	435	75	85.3%	538	538
Total	195,301	-	(4,416)	190,885	189,019	1,866	99.0%	113,535	60,377

	2005/06							2004/05	
Economic Classification	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 employees	14,005	(161)	(1,315)	12,529	12,526	3	100.0%	10,795	8,848
Goods and services	53,838	(118)	(2,701)	51,019	50,941	78	99.8%	41,272	30,810
Transfers and subsidies to:									
Provinces and municipalities	119,668	18	-	119,686	119,683	3	100.0%	30,227	17,917
Public corporations and private enterprises	2,000	-	-	2,000	500	1,500	25.0%	-	-
Households	-	261	-	261	260	1	99.6%	-	-
Payment for capital assets									
Buildings and other fixed structures	4,223	108	-	4,331	4,330	1	100.0%	27,426	1,123
Machinery and equipment	1,567	(108)	(400)	1,059	779	280	73.6%	3,679	1,544
Software and other intangible assets	-	-	-	-	-	-	0.0%	136	135
Total	195,301	-	(4,416)	190,885	189,019	1,866	99.0%	113,535	60,377

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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 5: Traffic Management	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
5.1 Programme support									
Current payment	1,915	80	(30)	1,965	1,959	6	99.7%	1,577	1,575
Transfers and subsidies	3	-	-	3	3	-	100.0%	3	3
Payment for capital assets	806	(268)	(400)	138	124	14	89.9%	970	969
5.2 Safety engineering									
Current payment	863	31	(80)	814	812	2	99.8%	657	656
Transfers and subsidies	1	1	-	2	2	-	100.0%	2	1
Payment for capital assets	-	137	-	137	136	1	99.3%	21	21
5.3 Transport admin and licensing									
Current payment	159,911	2,890	(1,990)	160,811	160,803	8	100.0%	157,736	157,735
Transfers and subsidies	9,286	(1)	-	9,285	9,279	6	99.9%	26	24
Payment for capital assets	427	131	-	558	548	10	98.2%	8,557	8,556
5.4 Overload control									
Current payment	22,891	(3,001)	(72)	19,818	19,759	59	99.7%	21,559	21,558
Total	196,103	-	(2,572)	193,531	193,425	106	99.9%	191,108	191,098

	2005/06							2004/05	
Economic Classification	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 employees	11,901	-	(2,100)	9,801	9,787	14	99.9%	8,873	8,871
Goods and services	173,679	-	(72)	173,607	173,546	61	100.0%	172,656	172,653
Transfers and subsidies to:									
Provinces and municipalities	25	-	-	25	24	1	96.0%	23	21
Departmental agencies and accounts	9,260	-	-	9,260	9,260	-	100.0%	-	-
Households	5	-	-	5	-	5	0.0%	8	7
Payment for capital assets									
Machinery and equipment	433	-	(199)	234	232	2	99.1%	8,994	8,993
Software and other intangible assets	800	-	(201)	599	576	23	96.2%	554	553
Total	196,103	-	(2,572)	193,531	193,425	106	99.9%	191,108	191,098

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme 6: Community Based Programmes	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
6.1 Programme support									
Current payment	8,144	(573)	-	7,571	7,535	36	99.5%	7,015	6,659
Transfers and subsidies	13	2	-	15	14	1	93.3%	10	9
Payment for capital assets	375	124	-	499	484	15	97.0%	1,792	1,754
6.2 Training programmes									
Current payment	2,801	985	1,566	5,352	5,352	-	100.0%	187	170
Transfers and subsidies	10,001	1	-	10,002	5,001	5,001	50.0%	1	-
Payment for capital assets	40	(40)	-	-	-	-	0.0%	-	-
6.3 Empowerment impact assessment									
Current payment	12,680	(238)	-	12,442	12,441	1	100.0%	1,516	1,515
Transfers and subsidies	6,812	-	-	6,812	6,812	-	100.0%	6	2
Payment for capital assets	21,690	(84)	(700)	20,906	20,896	10	100.0%	-	-
6.4 Community development									
Current payment	1,085	(179)	-	906	905	1	99.9%	12,745	12,290
Transfers and subsidies	-	2	-	2	2	-	100.0%	20,116	15,116
Payment for capital assets	-	-	-	-	-	-	0.0%	13,177	7,710
6.5 Emerging contractor development									
Current payment	-	-	-	-	-	-	0.0%	616	417
Transfers and subsidies	-	-	-	-	-	-	0.0%	1	1
Total	63,641	-	866	64,507	59,442	5,065	92.1%	57,182	45,643

	2005/06							2004/05	
Economic Classification	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 employees	6,582	(805)	-	5,777	5,741	36	99.4%	5,348	4,875
Goods and services	18,128	800	1,566	20,494	20,492	2	100.0%	16,731	16,176
Transfers and subsidies to:									
Provinces and municipalities	6,826	2	-	6,828	6,826	2	100.0%	15,134	15,128
Public corporations and private enterprises	10,000	-	-	10,000	5,000	5,000	50.0%	5,000	-
Households	-	3	-	3	3	-	100.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	21,690	(84)	(700)	20,906	20,896	10	100.0%	13,177	7,710
Machinery and equipment	400	84	-	484	484	-	100.0%	1,592	1,591
Software and other intangible assets	15	-	-	15	-	15	0.0%	200	163
Total	63,641	-	866	64,507	59,442	5,065	92.1%	57,182	45,643

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**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 Annexures 1 (B to F), to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions can be viewed in note 5 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from amounts voted (after Virement):

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	52,385	49,154	3,231	6.20%

Under spending is due to a less than expected number of bursaries allocated, delays in the delivery of computer equipment and the slow filling of posts.

Programme 2: Public Works	356,607	347,702	8,905	2.50%
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Under spending is due to delays in completing certain infrastructure projects and late registration of acquired properties.

Programme 6: Community Based Programmes	64,507	59,442	5,065	7.90%
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Under spending is due to late approval of community project proposals.

4.2 Per economic classification	2005/06 R'000	2004/05 R'000
Current expenditure		
Compensation of employees	1,197	7,767
Goods and services	823	20,545
Financial transactions in assets and liabilities	2	1
Transfers and subsidies		
Provinces and municipalities	4,944	15,253
Public corporations and private enterprises	6,500	5,000
Households	1,437	31
Gifts and donations		2
Payments for capital assets		
Buildings and other fixed assets	4,333	43,096
Machinery and equipment	630	4,003
Software and other intangible assets	55	41
Land and subsoil assets	4,193	148

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2006

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**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		168,851	165,432
Unauthorised expenditure	8	961	961
Cash and cash equivalents	9	162,377	158,252
Prepayments and advances	10	323	210
Receivables	11	5,190	6,009
TOTAL ASSETS		<u>168,851</u>	<u>165,432</u>
LIABILITIES			
Current liabilities		168,851	165,432
Voted funds to be surrendered to the Revenue Fund	12	24,114	80,747
Departmental revenue to be surrendered to the Revenue Fund	13	80,612	14,687
Payables	14	64,125	69,998
TOTAL LIABILITIES		<u>168,851</u>	<u>165,432</u>
NET ASSETS		<u>-</u>	<u>-</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**CASH FLOW STATEMENT
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,645,543	2,597,532
Annual appropriated funds received	1	1,797,365	1,867,176
Departmental revenue received		848,178	730,356
Net (increase)/decrease in working capital		(5,167)	942
Surrendered to Revenue Fund		(893,441)	(763,839)
Current payments		(833,411)	(873,667)
Transfers and subsidies paid		(187,344)	(54,135)
Net cash flow available from operating activities	15	726,180	906,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital assets		(752,496)	(831,022)
Proceeds from sale of capital assets	2	30,441	14,067
Net cash flows from investing activities		(722,055)	(816,955)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		4,125	89,878
Cash and cash equivalents at the beginning of the period		158,252	68,374
Cash and cash equivalents at end of period	16	162,377	158,252

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share):**

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Administration	52,385	52,385	-	36,681
Public Works	356,607	356,607	-	822,220
Roads Infrastructure	939,450	939,450	-	653,512
Public Transport	190,885	190,885	-	112,030
Traffic Management	193,531	193,531	-	186,718
Community Based Programmes	64,507	64,507	-	56,015
Total	1,797,365	1,797,365	-	1,867,176

1.2 Conditional grants	<i>Note</i>	2005/06	2004/05
Total grants received	ANNEXURE 1A	<u>95,857</u>	<u>314,952</u>

** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

**2. Departmental revenue to be surrendered to revenue fund
Description**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Tax revenue		758,594	695,160
Sales of goods and services other than capital assets	2.1	45,034	30,743
Interest, dividends and rent on land	2.2	24	56
Sales of capital assets	2.3	30,441	14,067
Financial transactions in assets and liabilities	2.4	44,526	2,588
Transfer received	2.5	-	1,809
Total revenue collected		<u>878,619</u>	<u>744,423</u>
Less: Departmental Revenue Budgeted	13	<u>783,082</u>	<u>744,423</u>
Departmental revenue collected		<u>95,537</u>	<u>-</u>

2.1 Sales of goods and services other than capital assets

	2005/06	2004/05
Sales of goods and services produced by the department	44,994	30,715
Administrative fees	14,956	-
Other sales	30,038	30,715
Sales of scrap, waste and other used current goods	40	28
Total	<u>45,034</u>	<u>30,743</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

2.2 Interest, dividends and rent on land

	<i>Note</i>	2005/06	2004/05
Interest		24	56
Total		24	56

2.3 Sale of capital assets

	2005/06	2004/05
Land and subsoil assets	30,441	13,953
Other capital assets	-	114
Total	30,441	14,067

**2.4 Financial transactions in assets and liabilities
Nature of loss recovered**

	2005/06	2004/05
	R'000	R'000
Other receipts including Government Motor Transport Replacement Fund and Recoverable Revenue	44,526	2,588
Total	44,526	2,588

2.5 Transfers received

	2005/06	2004/05
Public corporations and private enterprises	-	1,809
Total	-	1,809

3 Compensation of employees

	2005/06	2004/05
3.1 Salaries and Wages	R'000	R'000
Basic salary	111,933	98,681
Performance award	2,513	2,345
Service Based	468	236
Compensative/circumstantial	3,661	3,233
Periodic payments	1,102	962
Other non-pensionable allowances	18,901	13,837
	138,578	119,294

3.2 Social contributions

3.2.1 Employee contributions

	2005/06	2004/05
	R'000	R'000
Pension	13,679	13,938
Medical	6,818	6,178
Bargaining council	41	39
Insurance	2	2
	20,540	20,157

Total compensation of employees

159,118	139,451
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Average number of employees

1,419	1,358
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**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

4. Goods and services

	<i>Note</i>	2005/06	2004/05
		R'000	R'000
Advertising		5,515	4,440
Attendance fees (including registration fees)		1	3
Bank charges and card fees		155	131
Bursaries (employees)		222	74
Communication		15,068	8,841
Computer services		16,526	19,505
Consultants, contractors and special services		62,366	46,104
Courier and delivery services		92	101
Tracing agents & Debt collections		10	1
Drivers' licences and permits		26	4
Entertainment		1,064	758
External audit fees	4.1	2,901	4,460
Equipment less than R5000		4,730	3,411
Freight service		1	7
Inventory	4.2	20,567	19,040
Legal fees		2,506	659
License agency fees		128,476	129,020
Maintenance, repairs and running cost		237,497	388,520
Medical services		122	106
Operating leases		109,159	94,213
Personnel agency fees		245	43
Photographic services		1	1
Plant flowers and other decorations		77	41
Printing and publications		479	205
Professional bodies and membership fees		18	-
Resettlement cost		370	376
Road laboratories		6	26
Subscriptions		350	102
Owned leasehold property expenditure		42,135	26,194
Translations and transcriptions		90	44
Transport provided as part of the departmental activities		8	31
Travel and subsistence	4.3	14,172	9,994
Venues and facilities		5,510	2,423
Protective, special clothing & uniforms		258	598
Training & staff development		2,977	1,462
		673,700	760,938

4.1 External audit fees

	2005/06	2004/05
	R'000	R'000
Regularity audits	2,901	4,318
Performance audits	-	142
Total external audit fees	2,901	4,460

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
4.2 Inventory (purchased during the year)			
Agricultural		2,220	1,673
Domestic consumables		365	187
Fuel, oil and gas		129	75
Laboratory consumables		25	47
Other consumables		617	362
Parts and other maintenance material		9,961	11,347
Stationery and printing		6,495	3,302
Road construction and supplies		755	2,045
Medical supplies		-	2
		20,567	19,040
		2005/06 R'000	2004/05 R'000
4.3 Travel and subsistence			
Local		13,734	9,314
Foreign		438	680
Total travel and subsistence		14,172	9,994
		2005/06 R'000	2004/05 R'000
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct	5.1	314	-
Other material losses written off	5.2	189	488
Debts written off	5.3	62	23
Theft	5.4	28	372
		593	883
5.1 Material losses through criminal conduct		2005/06 R'000	2004/05 R'000
Nature of losses	Disciplinary steps taken/criminal proceedings		
Fraud	Official dismissed, criminal charges pressed	314	-
		314	-
		2005/06 R'000	2004/05 R'000
5.2 Other material losses			
Nature of losses			
Other losses (18 cases)		53	55
Accidents: Government Motor Transport vehicles (17 cases)		74	30
Damage to departmental vehicle (PA 180182)		-	89
Damage to departmental vehicle (PA 110034)		-	35
Damage to departmental vehicle (PA 166077)		-	23
Damage to departmental vehicle (PA 170015)		-	256
and departmental trailer (PRD 972)			
Damage to departmental vehicle (PA 154002)		62	-
		189	488

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

5.3	Debts written off	<i>Note</i>	2005/06	2004/05
	Nature of debts written off		R'000	R'000
	Other debts (6 cases)		23	23
	Staff debts (62 cases)		39	-
			<u>62</u>	<u>23</u>
5.4	Details of theft		2005/06	2004/05
			R'000	R'000
	Theft (2 cases)		3	20
	Voicemail		-	352
	Electronic Scale		25	-
			<u>28</u>	<u>372</u>
6.	Transfers and subsidies		2005/06	2004/05
			R'000	R'000
	Provinces and municipalities	<i>ANNEXURE 1B</i>	166,377	52,768
	Departmental agencies and accounts	<i>ANNEXURE 1C</i>	9,260	-
	Public corporations and private enterprises	<i>ANNEXURE 1D</i>	5,500	-
	Non-profit institutions	<i>ANNEXURE 1E</i>	50	-
	Households	<i>ANNEXURE 1F</i>	6,157	1,367
			<u>187,344</u>	<u>54,135</u>
7.	Expenditure for capital assets		2005/06	2004/05
			R'000	R'000
	Buildings and other fixed structures	<i>ANNEXURE 3</i>	693,203	804,096
	Machinery and equipment	<i>ANNEXURE 3</i>	10,912	16,059
	Land and subsoil assets	<i>ANNEXURE 3</i>	39,400	3,421
	Software and other intangible assets	<i>ANNEXURE 4</i>	8,981	7,446
	Total		<u>752,496</u>	<u>831,022</u>
8	Unauthorised expenditure		2005/06	2004/05
			R'000	R'000
8.1.	Reconciliation of unauthorised expenditure			
	Opening balance *		961	961
	Unauthorised expenditure awaiting authorisation		<u>961</u>	<u>961</u>

*Year disallowed: 1994/95 - Temporary personnel appointed to capture backlogs of motor vehicle registration and licensing transactions due to the implementation of the National Traffic Information System. Workman's Compensation Act payments. Flood disaster damage to Roads. Payments in respect of 56 claims against the Administration, thefts and losses, which resulted in over expenditure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

11. Receivables					2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	11.1	353	123	403	879	619
Other debtors	11.2	716	1,416	396	2,528	3,228
Claims Recoverable	ANNEXURE 5	1,478	305	-	1,783	2,162
		2,547	1,844	799	5,190	6,009

	2005/06	2004/05
	R'000	R'000
11.2 Other debtors		
Disallowances: Miscellaneous	290	126
Disallowances: Damages & Losses	936	1,098
Dishonoured Cheques	331	350
Agency Service Control Account	365	314
Claims Recoverable: Households & Non-Profit Institutions	464	689
Claims Recoverable: Local Governments	142	651
	2,528	3,228

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

			<i>Note</i>	2005/06	2004/05
				R'000	R'000
12. Voted funds to be surrendered to the Revenue Fund					
Opening balance				80,747	22,402
Transfer from Statement of Financial Performance				24,114	95,887
Voted funds not requested/not received			12.1	-	(15,140)
Paid during the year				(80,747)	(22,402)
Closing balance				24,114	80,747
				2005/06	2004/05
				R'000	R'000
12.1 Voted funds not requested / not received					
Funds not to be requested				-	15,140
				-	15,140
				2005/06	2004/05
				R'000	R'000
13. Departmental revenue to be surrendered to the Revenue Fund					
Opening balance				14,687	11,701
Transfer from Statement of Financial Performance			2	95,537	-
Departmental revenue budgeted				783,082	744,423
Paid during the year				(812,694)	(741,437)
Closing balance				80,612	14,687
14. Payables – current					
Description				2005/06	2004/05
				R'000	R'000
	<i>Notes</i>	30 Days	30+ Days	Total	Total
Advances received	14.1	37,274	3,322	40,596	47,396
Clearing accounts	14.2	167	-	167	156
Other payables	14.3	149	23,213	23,362	22,446
		37,590	26,535	64,125	69,998
				2005/06	2004/05
				R'000	R'000
14.1 Advances received					
Provincial Transport Fund				40,596	47,396
				40,596	47,396
14.2 Clearing accounts				2005/06	2004/05
				R'000	R'000
Salary Income Tax (Persal)				162	111
Salary Pension Fund (Persal)				-	37
Salary Official Unions (Persal)				-	1
Salary ACB recalls (Persal)				5	6
Salary Insurance (Persal)				-	1
				167	156

**WESTERN CAPE PROVINCE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

14.3 Other payables	<i>Note</i>	2005/06	2004/05
		R'000	R'000
Debt: Receivable Income		-	4
Debt: Receivable Interest		150	142
Guarantees for rehabilitation		5,217	3,153
Trading Account: GMT		17,995	19,147
		<u>23,362</u>	<u>22,446</u>
		2005/06	2004/05
		R'000	R'000
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		119,651	95,887
Non-cash movements			
(Increase)/decrease in receivables – current		819	1,081
(Increase)/decrease in prepayments and advances		(113)	(139)
Increase/(decrease) in payables – current		(5,873)	27,605
Proceeds from sale of capital assets		(30,441)	(14,067)
Surrenders to Revenue Fund		(893,441)	(763,839)
Expenditure on capital assets		752,496	831,022
Voted funds not requested/not received		-	(15,140)
Other non cash items		783,082	744,423
Net cash flow generated by operating activities		<u>726,180</u>	<u>906,833</u>
		2005/06	2004/05
		R'000	R'000
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(1,801)	(2,939)
Cash on hand		7	7
Cash with commercial banks		164,171	161,184
		<u>162,377</u>	<u>158,252</u>

**WESTERN CAPE PROVINCE
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VOTE 10**

**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 financial statements.

		<i>Note</i>	2005/06 R'000	2004/05 R'000
17. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	ANNEXURE 2A	996	1,128
Claims against the department		ANNEXURE 2B	3,396	855
Inter-Governmental Payables (unconfirmed balances)		ANNEXURE 6	8,342	2,663
Other		ANNEXURE 2B	-	10,000
			12,734	14,646
			2005/06 R'000	2004/05 R'000
18. Commitments				
Current expenditure				
Approved and contracted			64,061	160,808
Approved but not yet contracted			20,400	4,170
			84,461	164,978
Capital expenditure				
Approved and contracted			377,112	237,078
Approved but not yet contracted			9,902	30,011
			387,014	267,089
Total Commitments			471,475	432,067
19. Accruals			2005/06 R'000	2004/05 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of employees	-	-	-	1
Goods and services	27,820	5,091	32,911	8,173
Buildings and other fixed structures	15,595	5,269	20,864	6,322
Machinery and equipment	33	18,988	19,021	52
Software and other intangible assets	322	-	322	-
Land and subsoil assets	133	-	133	7
	43,903	29,348	73,251	14,555
Listed by programme level				
Programme 1 – Administration			3,325	495
Programme 2 – Public Works			9,459	4,728
Programme 3 – Roads Infrastructure			41,521	7,882
Programme 4 – Public Transport			1,275	557
Programme 5 – Traffic Management			17,476	581
Programme 6 – Community Based Programmes			195	312
			73,251	14,555
Inter-Governmental Payables (confirmed balances)		ANNEXURE 6	1,645	15
Total			1,645	15

**WESTERN CAPE PROVINCE
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<i>Note</i>	2005/06 R'000	2004/05 R'000
20. Employee benefits			
Leave entitlement		2,560	2,939
Thirteenth cheque		5,171	4,796
Capped leave commitments		20,907	21,522
Total		28,638	29,257
21. Lease Commitments		2005/06 R'000	2004/05 R'000
21.1 Operating leases		Total	Total
	Buildings and other fixed structures	Machinery and equipment	
Not later than 1 year	55,043	1,176	56,219
Later than 1 year and not later than 5 years	137,295	883	138,178
Later than five years	65,588	-	65,588
Total value of lease liabilities	257,926	2,059	259,985
22. Receivables for departmental revenue		2005/06 R'000	2004/05 R'000
Tax revenue		238,018	173,791
Licence fees		52,913	43,799
Licence arrears		80,947	55,528
Licence penalties		98,774	70,108
Registration fees		2,841	2,320
Registration penalties		2,543	2,036
Sales of goods and services other than capital assets		39,338	31,206
Outstanding property rentals		39,338	31,206
Total		277,356	204,997
*The total amount of R 200,517m included in the above may not be recoverable and has not been written-off.			
Outstanding licence fees on NATIS amounts to R 178,513m			
Outstanding property rentals amounts to R 22,004m			
23. Key management personnel	No of individuals	2005/06 R'000	2004/05 R'000
Political Office Bearers	1	737	679
Officials			
Level 15 to 16	3	2,260	2,182
Level 14	6	3,361	3,265
Total		6,358	6,126

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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24. Public Private Partnership

Chapman's Peak Drive / Entilini Concession (Pty) Ltd

Refer to Paragraph 6 of the Report of the Accounting Officer

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Other			
Payments relating to designated events that were processed during the financial year		13,260	7,310
TOTAL		<u>13,260</u>	<u>7,310</u>

25. Provisions

Potential irrecoverable debts

Staff debtors	220	130
Other debtors	126	1,178
Total	<u>346</u>	<u>1,308</u>

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF GRANT	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	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Infrastructure Grant	92,557	3,300	-	-	95,857	95,857	91,538	179,515	148,859
Hospital revitalisation grant	-	-	-	-	-	-	-	135,437	124,115
Total	92,557	3,300	-	-	95,857	95,857	91,538	314,952	272,974

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**ANNEXURES 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 received by municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Municipalities - Western Cape	93,978	14,678	62,623	171,279	166,377	97,1%	166,377	76,997	46,3%
									52,768
Total	93,978	14,678	62,623	171,279	166,377		166,377	76,997	52,768

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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

AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2004/05
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
						Final Appropriation Act R'000
Government Motor Transport	-	-	9,260	9,260	9,260	-
Total	-	-	9,260	9,260	9,260	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER			2004/05	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Total Available
Public Corporations									
Independent Development Trust	-	5,000	5,000	10,000	5,000	50.0%	-	5,000	5,000
Casidra (Pty) Ltd	-	-	2,000	2,000	500	25.0%	-	500	-
Total	-	5,000	7,000	12,000	5,500		-	5,500	5,000

Under spending due to late signing of contracts – Projects will in future be managed by the Department and not the Independent Development Trust.
Casidra – Under spending due to late signing of contract.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
						%	
NON-PROFIT ORGANISATIONS							Appropriation Act R'000
Transfers							
Mali Project – Timbaktu	-	-	50	50	50	100.0%	-
Total	-	-	50	50	50		-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
HOUSEHOLDS							Final Appropriation Act R'000
Transfers							
Social Benefits	168	-	1,231	1,399	1,424	101.8 %	815
Bursaries (non-employees)	500	-	5,000	5,500	4,055	73.7 %	309
Claims against the State	-	-	358	358	358	100.0 %	101
Ex-gratia Payments	20	-	3	23	7	30.4 %	54
Donations & Gifts	19	-	295	314	313	99.7%	88
Total	707	-	6,887	7,594	6,157		1,367

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DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Received in cash			
As per previous year's statement	Various: Below-mentioned	-	1,809
TOTAL		-	1,809

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Received in cash			
Development Bank	Sponsorship: Printing of t-shirts – Presidential launch: Expanded Public Works Programme (Community Based Programmes)	15	-
Standard Bank	Gifts: African drums (Community Based Programmes)	20	-
ABSA	Sponsorship: For the launch of the "Saamslaan" Expanded Public Works Programme (02/09/2004)	23	-
Rotary Club - Wynberg	Cash: Upgrade Retreat Community Health Centre	462	-
Crusaid	Cash: Construction of Hannagh Crusaid AIDS treatment Centre - Gugulethu	1,289	-
Total		1,809	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1H

**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	2005/06	2004/05
	R'000	R'000
Gifts – Argus Cycle Tour – Home for All Development Team	260	-
Gifts – Personnel awards	21	-
Gifts – Departmental Sports Tournament	11	-
Gifts – Budget speech presents	7	-
Gift – Taxi victim funeral	6	-
Gifts –Foreign dignitaries	6	-
Gifts - Various	2	-
Gifts: Day of Budget speech of Minister	-	5
Sponsorship: Educational excursion to Durban – Isikhokelo Public Primary School	-	10
Gifts: National Department of Transport - collage. The family of the late Minister of Transport: Minister D Omar - statue	-	46
Sponsorship: Accommodation, subsistence & travel costs for official (nominee) of the Department to attend Poet Of the Year Award - Pennsylvania	-	6
Sponsorship: Soccer Tournament: Hosted by Department's Soccer Team	-	3
Gifts: Reward and recognition system	-	7
Gifts: Fairest Cape Books for overseas dignitaries	-	2
Gift: Innovative display award Departmental Imbuzio	-	2
Gift: My place foyer competition	-	1
Gifts: Various	-	6
Subtotal	313	88

Remissions, refunds and payments made as an act of grace

Re-imburement of personal loss due to theft of cell phones while on duty	4	-
Injury on duty	3	54
Subtotal	7	54
Total	320	142

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/ reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	32	32	112	12	-	132	-
First Rand: FNB	Housing	227	227	-	36	-	191	-
ABSA	Housing	389	389	68	123	-	334	-
Nedbank	Housing	263	263	-	73	-	190	-
Old Mutual Bank	Housing	217	217	-	68	-	149	-
Total		1,128	1,128	180	312	-	996	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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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 Various - Roads Infrastructure	855	2,723	182		3,396
	855	2,723	182	-	3,396
Other Chapman's Peak Drive	10,000	-	10,000		-
	10,000	-	10,000	-	-
Total	10,855	2,723	10,182	-	3,396

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	47,198,849	693,203	-	47,892,052
Dwellings	312	-	-	312
Non-residential buildings	26,269,091	72,121	-	26,341,212
Other fixed structures	20,929,446	621,082	-	21,550,528
MACHINERY AND EQUIPMENT	22,214	10,912	-	33,126
Transport assets	-	1,907	-	1,907
Computer equipment	13,303	6,181	-	19,484
Furniture and office equipment	5,613	323	-	5,936
Other machinery and equipment	3,298	2,501	-	5,799
LAND AND SUBSOIL ASSETS	2,975,611	39,400	2,784	3,012,227
Land	2,975,611	39,400	2,784	3,012,227
TOTAL CAPITAL ASSETS	50,196,674	743,515	2,784	50,937,405

Annexure 3 excludes enhancement to building and other fixed structures of which actual expenditure were incurred on Vote 5 Education and Vote 6 Health.

Opening balance of non-residential buildings were valued in 2004 at rental values – Additions since 2004 were valued at cost.

Opening balance of other fixed structures (Infra-structure) were valued at replacement value – Additions were valued at acquisition cost
Vacant erven were valued at R1 in 2004

ANNEXURE 3.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In-Kind	Total
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	693,203	-	693,203
Non-residential Buildings	72,121	-	72,121
Other fixed structures	621,082	-	621,082
MACHINERY AND EQUIPMENT	10,912	-	10,912
Transport assets	1,907	-	1,907
Computer equipment	6,181	-	6,181
Furniture and Office equipment	323	-	323
Other machinery and equipment	2,501	-	2,501
LAND AND SUBSOIL ASSETS	39,400	-	39,400
Land	39,400	-	39,400
TOTAL CAPITAL ASSETS	743,515	-	743,515

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**ANNEXURES 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	Cash	Profit/(loss) on Disposal
	R'000	R'000	R'000
LAND AND SUBSOIL ASSETS	2,784	7,762	4,978
Land	2,784	7,762	4,978
TOTAL CAPITAL ASSETS	2,784	7,762	4,978

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
BUILDINGS AND OTHER FIXED STRUCTURES	804,096	114	803,982
Non-residential buildings	407,793	-	407,793
Other structures (Infrastructure assets)	396,303	114	396,189
MACHINERY AND EQUIPMENT	16,059	-	16,059
Transport assets	5,795	-	5,795
Computer equipment	8,883	-	8,883
Furniture and office equipment	821	-	821
Other machinery and equipment	560	-	560
LAND AND SUBSOIL ASSETS	3,421	14,067	(10,646)
Land	3,421	14,067	(10,646)
TOTAL	823,576	14,181	809,395

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

ANNEXURE 4

CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	106	8,981	-	9,087
TOTAL	106	8,981	-	9,087

ANNEXURE 4.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In- Kind	Total
	R'000	R'000	R'000
Computer Software	8,981	-	8,981
TOTAL	8,981	-	8,981

ANNEXURE 4.2

**CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED
31 MARCH 2005**

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
Computer Software	7,446	-	7,446
TOTAL	7,446	-	7,446

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 5
INTER-GOVERNMENTAL RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Provincial Government Western Cape						
Department of Health	473		-	285	473	285
Department of Local Government & Housing	250	152	-	-	250	152
Provincial Treasury	104	-	-	301	104	301
Department of Social Services & Poverty Alleviation	-	145	-	-	-	145
Department of Environmental Affairs & Development Planning	-	-	-	108	-	108
Department of Community Safety	123	102	-	-	123	102
Department of the Premier	-	264	-	-	-	264
Department of Agriculture	16	10	-	-	16	10
Department of Culture Affairs & Sport	329	-	-	161	329	161
Department of Local Government	-	88	-	-	-	88
Department of Economic Development & Tourism	-	-	237	237	237	237
Other Departments						
National Police Services	-	-	-	2	-	-
National Department of Defence	-	11	-	-	-	11
Gauteng Province: Public Works	2	-	-	-	2	-
Kwazulu Natal Province: Works Department	4	-	-	-	4	-
Limpopo Province: Roads & Transport	1	-	-	-	1	-
Other government entities						
Development Bank of SA	-	-	-	108	-	108
Nature Conservation Board	-	-	244	188	244	188
TOTAL	1,302	772	481	1,390	1,783	2,162

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 6
INTER-GOVERNMENTAL PAYABLES**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
DEPARTMENTS						
Current						
Provincial Government Western Cape						
Department of Health	483	-	118	2,486	601	2,486
Department of the Premier	17	4	45	-	62	4
Department of Culture Affairs & Sport	8	1	57	57	65	58
Provincial Treasury	-	3	-	-	-	3
Department of Agriculture	-	-	19	-	19	-
Department of Local Government & Housing	796	-	7,972	-	8,768	-
Department of Community Safety	23	-	-	-	23	-
Other Departments						
Government Motor Transport (Gauteng Province)	-	-	-	17	-	17
National Department of Justice & Constitutional Development	-	7	77	103	77	110
National Department of Safety & Security	-	-	54	-	54	-
National Treasury	318	-	-	-	318	-
Total	1,645	15	8,342	2,663	9,987	2,678

Oversight Report: Human Resource Management

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:-

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:-

The Director-General
Department of Public Service and Administration
ATTENTION: Public Service Information Unit
P.O. Box 916, Pretoria, 0001
psiu@dpsa.gov.za
fax: (012) 314-7020

To ensure that enough time is available to evaluate and incorporate your suggestions, please ensure that all submissions are submitted on or before 31 August.

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled '*A guide to understanding the oversight report of departmental annual reports*'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

1. - Service delivery: All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 - Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p><u>Corporate Affairs</u> Human resource management and strategic corporate leadership;</p>	<p>Minister; Western Cape Parliament; Committees of Legislature; Government Departments; Line functionaries; General public; Staff and Social partners.</p>	<p>Casual workers in Expanded Public Works Programmes; SETA's</p>	<p>Pro-active personal intervention and leadership in human resource matters</p>	<p>To address the shortage of scarce skills the Department developed a comprehensive scarce skills strategy. This included the contracting in of recruitment agencies to facilitate recruitment in targeted vacancies, utilisation of retired professionals to serve as mentors for students, and engagement with the DPSA around payment of scarce skills allowances. In addition, the Department has acquired the Thomas International instrument to assess competency profiles and potential of job applicants, to facilitate effective recruitment processes.</p> <p>The Department is currently developing a Retention Plan, mandating a number of actions to retain staff in the Department. In addition to the above a Departmental Sports Policy was developed to promote health and wellness, and to allow for social interaction among staff under certain conditions.</p>
<p>Training and development of all staff to perform competently;</p>			<p>Facilitate training for all staff according to agreed Workplace Skills Plan (WSP) and ensure timeous nomination for appropriate training</p>	<p>To enhance competencies of staff, 2069 training interventions were arranged in terms of the WSP. This included 21 staff members who participated in an accredited Junior Management Programme, and 300 staff members who received ABET training.</p> <p>As part of its Masakh'sizwe program, the Department has awarded 130 bursaries to full time students in fields of engineering, architecture, etc. In addition to the above, some 70 staff members were awarded bursaries to undergo part time formal studies.</p> <p>In their continued effort to promote training and development, the Human Resource Development Component of the Department has received recognition on the highest level by being short listed for the Premier's Award for Service Excellence for the Workplace Integrated Learning Program.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>Addressing and mainstreaming Human Rights issues;</p> <p>Facilitating of labour relations issues, and representing the Department at formal consultation forums;</p> <p>Provide information requested in terms of the Promotion of Access to Information Act</p>			<p>As taken up in the Constitution</p> <p>Time frames and procedures with regard to labour relations issues are prescribed in collective agreements.</p> <p>Information provided in terms of prescribed processes and time frames</p>	<p>Voluntary Counselling and Testing sessions were arranged to enhance awareness amongst staff of their status around HIV and Aids. More than 400 staff members were tested.</p> <p>Suitable vacancies were identified and reserved to speed up the recruitment of persons with disabilities</p> <p>Various focal units are functioning to promote and co-ordinate human right issues in the Department. Following this, a Gender Action Plan for the Department was approved and implemented</p> <p>Institutional forums are functioning. Timeframes and procedures are adhered to.</p> <p>Time frames and procedures for the provision of information are adhered to. In order to enhance this further, Phase 1 of the Livelink programme was introduced to facilitate file tracking and archiving of information in electronic format.</p>
<p><u>Financial Management</u></p> <p>Preparation of annual Medium Term Expenditure Framework Budget, adjustments estimates, monthly in year monitoring reports, departmental strategic plan, annual performance plan, quarterly performance and infrastructure reports and certain parts of the annual report;</p> <p>Preparation and submission of annual financial statements;</p> <p>Financial control, Financial inspections, internal control, loss control, post audit and process, and control mapping in respect of risk management</p>	<p>Provincial Parliament, Provincial Minister, Accounting Officer, Programme Managers; Provincial and National Treasury; Line functionaries; Auditor-general; Private and public sector.</p>	<p>General public; Academic institutions; Non governmental organisations</p>	<p>Timely submission of quality informative reports and plans, on prescribed legislated formats and within prescribed timeframes;</p> <p>National Treasury normative measures</p>	<p>All reports were submitted within the prescribed timeframes</p> <p>Annual Financial Statements submitted on 31 May 2006 as prescribed</p> <p>5 Finance Instructions issued; 2 financial inspections conducted; 18 compliance inspections and 12 process and control maps completed.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Facilitating the process of demand, acquisition, logistics, disposal, risk and performance management pertaining to goods and services	Minister, Provincial Legislature Accounting Officer, Programme Managers; Provincial and National Treasury; Departmental line functionaries; Auditor-general; Private and public sector.		The Accounting Officer's System as standard for all aspects pertaining to Supply Chain Management and associated delegations. Standardised bid documentation issued for the procurement of generic goods and services	Establishment and setting of norms for the central Departmental Bid Committee was promoted amongst role players in the construction industry. The Accounting Officer's Delegations for Supply Chain Management was drafted and work shopped with all role players. The review of the Accounting Officer's System and Preferential Procurement Implementation Plan was initiated.
<u>Public Works</u> The acquisition of land and accommodation through purchases or leases, and disposal of superfluous properties To provide new and maintain existing accommodation and services which is of a high standard.	National Department of Land Affairs; National Department of Public Works; Local Authorities; Building industry; Contractors; Consultants; Tenants; Service providers; Legislature; Public and Public Entities	Potential tenants Potential service providers Emerging contractors	Provide a high standard of service in respect of provincial properties Execution of functions in terms of broad policy framework and in line with departmental strategic goals	Obtaining of ± 200 Section 28(1) certificates to endorse properties in the name of the Western Cape Provincial Government <u>Acquisitions</u> Purchased R19m properties Rental of properties to the value of R129.5m <u>Disposal</u> Sold R30.4m Rented out R28.3m Major capital and maintenance projects were completed at the following institutions: - Health care institutions (R248m) - Educational institutions (R344m) - Other provincial buildings (R93m) - Agriculture (R13m) - Social development (R42m)
<u>Roads Infrastructure</u> Provide, maintain and manage a provincial road network	Road users; Agents (district municipalities); Contractors; Local authorities; Private sector; Communities	Potential HDI ⁶ contractors, Previously disadvantaged communities;	Routine maintenance, periodic maintenance, rehabilitation and construction of gravel and surfaced roads according to engineering and developmental prescripts and through socially just, developmental and empowering processes	The major projects has been completed: - N7 Piketberg-Citrusdal - Outeniqua-George Pass, TR 1 - Paarl-N1 - N1 and N2 Rehabilitation - Viljoenshoop Road - Hemel-en-Aarde Intersection. 41% (by value) of all maintenance and construction contracts were awarded to emerging and established HDI contractors. The majority of the maintenance and construction projects have been registered with the Expanded Public Works Programme in that they will comply with the requirements relating to skills transfer and the maximisation of work opportunities.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Improve road safety and road infrastructure protection measures	Road users; Local authorities; South African Police Service ⁷ Department of Community Safety Provincial Traffic Centres; Vehicle Testing Stations; Private sector		Eliminate accident black spots; Record and evaluate accident statistics; Managing overload control stations	In conjunction with the City of Cape town and National Department of Transport steps were taken to improve the accident data gathering process to ensure quality data by providing feed back and training at police service stations throughout the Province. Infrastructure and signage improvements at the 9 weighbridges were completed, and electronic mass surveillance equipment was installed at two weighbridge sites.
Motor vehicle administration	Motoring public; Local Authorities; Motor dealers; Importers and builders of motor vehicles; Vehicle fleet owners; Private companies	Personnel of national departments; Insurance companies; Financial institutions	Licence fee collection; Special vehicle registration numbers.	Altogether 4 792 cases of arrear licence fees were investigated. R6m was collected in the process. The turn-around time for the completion of centralised transactions was reduced from one week to 24 hours. The Department was the first in the country that has managed to replace all old computer equipment for motor vehicle registration and licensing transactions throughout the Province.
Road Traffic Law Administration	Driving licence holders; Public transport service providers; Goods conveyors; Sports and events organizers; Filming entrepreneurs	Personnel of national departments; Transport companies; Traffic law enforcement officers.	Issuance of permits and licences.	Activities at 55 driving licence testing centres in the Province have been streamlined through the deployment of new computer software. The new equipment is now being used for eye testing and fingerprint taking as part of the process to apply for learners and driving licences. The Compliance Monitoring Team continued its efforts to monitor the activities at motor vehicle testing centres

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<u>Public Transport</u> Delivery of an integrated, accessible, safe, reliable, affordable and sustainable public transport system and quality public transport infrastructure provision	Provincial Operating License Board; Provincial Public Transport Registrar; General public; Road based public transport operators; Metro Rail and South African Rail Commuter Corporation; Passengers; Local Authorities; Planning Authorities; National Department of Transport; Other Provincial Departments; Airports Company of South-Africa (ACSA) Contractors and consultants Western Cape Provincial Taxi Council; Western Cape Provincial Metered Taxi Council; Rail commuters, Public Transport vehicle Manufacturers	Transport Authorities; Private business/commerce; Labour parties	Delivery of legislated required plans Creating a public transport model for each area Public transport infrastructure development Development, implementation and monitoring of public transport contracts Establishment of and support to institutional structures Registration of public transport operators	Completed Public Transport Plans for the City of Cape Town and the District Municipalities Beginning development of Integrated Transport Plans for the district and the City of Cape Town. Agreements were concluded between the Province and municipalities to allow the two spheres to co-operate in the planning, financing and implementation of infrastructure projects. Planning and development of the joint Provincial Government Western Cape/George Municipality Mobility Strategy – for the town of George. Conceptual plan for a Central Karoo Mobility Strategy by Provincial Government Western Cape and the Central Karoo District Municipality Conceptual framework of the Public Transport Improvement Plan completed Funding in excess of R30m was provided in terms of the above agreements for infrastructure projects Finalized preliminary designs into the restructuring of subsidized bus services Administration of bus subsidy payments in excess of R360 million Opening of the regional Regulation and Control office in George; Contracted within Cassidra in terms of R2 million for entrepreneurial support for public transport road based initiatives Conversion of permits to operating licences in operation

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<u>Community Based Public Works Programmes (CBPWP)</u> Implementation of Community Access Road Programmes; Implementation of the Contractor Development Programme; Implementation of a Road Maintenance Programme (Zenzele); Implementation of a School Maintenance Programme	Communities; Targeted suppliers; National Roads Agency Local Authorities; Students following courses in construction/ built environment; Other Branches within the Department	Scholars Entrepreneurs; Future/potential contractors; Communities.	Creation of economic empowerment opportunities through community development projects	49 Community projects were completed, whereby opportunities were given to 1670 persons to be engaged in temporary work opportunities, as well as skills development. In service training was given to 13 students from technikons, in fulfilment of the prescribed experiential training component of their tertiary courses.

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Newspaper advertisements to attract public participation and comments on proposed policies and trends	Suppliers; Job seekers; Developers; Students	Targeted and prospective suppliers	Various job and other opportunities were advertised, such as tenders, disposal of land, disposal of redundant goods, vacant posts, allocation of full time bursaries, etc.
Organised Labour forums	Employees within the Department	Affected staff from other departments	Regular meetings between Management and employee representatives at the Departmental IMLC
Workplace Skills Development Committees	Employees within the Department; and Service Providers	Service Providers	The Workplace Skills Development Committees meet on regular basis.
Newsletters, circulars and road shows	Employees within the Department	General public	New policies, procedures and processes with an internal focus were communicated with staff members through road shows, monthly newsletters and circulars (electronic as well as paper based).
Committees, forums and meetings	Employees within the Department; Contractors; Developers; Communities	Committees	Various forums were established to facilitate buy-in and decision making on appropriate levels.

Table 1.3- Service delivery access strategy

Access Strategy	Actual achievements
To provide a strategic framework for infrastructure development	The Department is the lead department in the Strategic Infrastructure Plan, which provides for the identification and development of infrastructure projects in conjunction with essential role players.
To increase direct interaction with more communities	1670 direct construction jobs were created through community based public works programmes
All Branches went through a process to devolve responsibility and authority to the lowest possible levels without compromising delivery standards	The Department is promoting a culture of empowerment, which encourages increased interaction with communities, and expeditious service delivery.

Table 1.4 - Service information tool

Types of information tool	Actual achievements
Various Branches within the Department published several reports, newsletters and brochures.	This is an ongoing process that improves continuously. It includes the distribution of an internal news letter in electronic format
Participating in exhibitions at various institutions	Career expo's, exhibitions at schools and other educational institutions, as well as community festivals were held to promote functional activities and career opportunities
Publications in general media (print, TV, etc)	Radio talks and media interviews regularly take place. As a highlight one could refer to several appearances on radio, TV and printed media by the Minister and Senior Management, dealing with issues pertaining to vehicle licensing, public transport and road safety.
Establishment of various help desk facilities	The following were operational: - Helpdesk for reporting of faults in provincial buildings - Telecommunication helpdesk - Helpdesk to assist prospective tenderers with completion of tender documents - Helpdesk to assist with motor vehicle licensing - Helpdesk for the Saamstaan-project Helpdesks handle telephonic, electronic and personal enquiries.
Electronic publications	Publications on Intranet and Internet; User applications on certain services via Web and the new Provincial Web Portal. Phase 1 of the Livelink programme was introduced to facilitate file tracking and archiving of information in electronic format

Table 1.5 - Complaints mechanism

Complaints Mechanism	Actual achievements
<p>Consultation forms the basis of all projects within the Department. Consultation ranges from sending out questionnaires to holding public meetings with communities. Specific mechanisms were put in place, not only to enhance service delivery, but to ensure that complaints are registered and attended to effectively</p>	<p>Maintenance of the following mechanisms:</p> <ul style="list-style-type: none"> - Electronic Helpdesk - Telephone Helpdesk - Nodal point to facilitate requests to access information - Road shows to outlying district offices
<p>A system of performance management was introduced, whereby the actual performance and service delivery of staff on all levels are measured.</p>	<ul style="list-style-type: none"> - The establishment of Performance Moderating Committees - IPDPs were reviewed and changes effected for the new reporting year - Excellent performance was rewarded, and poor performers identified for redress
<p>A dedicated 7/24/365 telephone report line is available to the public to report any alleged misuse of Government vehicles</p>	<p>The complaints are recorded in the fleet management system and followed up with user departments. Feedback is given when requested. Misuse of state property is a serious matter and leads to misappropriation of funds</p>

2 - Expenditure

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

TABLE 2.1 – Personnel costs by programme, 2005/06

Programme	Total Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Employee compensation as a percent of total expenditure	Average compensation cost per employee (R'000)
1 – Administration	49 154	21 655	2 346	44,1%	160
2 – Public Works	347 702	51 211	34	14,7%	148
3 – Roads Infrastructure	934 509	58 198	38	6,2%	89
4 – Public Transport	189 019	12 526	94	6,6%	164
5 – Traffic Management	193 424	9 787	0	5,1%	138
6 – CBPWP	59 442	5 741	465	9,6%	127
7 – Roads Capital Account	53 997	6 708	0	12,4%	93
Total	1 826 296	165 626	2 977	9,1%	118

Note: The budget for the Department's Workplace Skills Plan is allocated within Programme 1, from where the majority of the training interventions are funded.

The Roads Capital Account forms part of the Department's breakdown. It is included in these tables for calculation of cost per employee.

TABLE 2.2 – Personnel costs by salary bands, 2005/06

Salary bands	Compensation of Employees (R'000)	% of total employee compensation cost	Average compensation cost per employee (R'000)
Lower skilled (Levels 1-2)	28628	17,3	56
Skilled (Levels 3-5)	23179	14,0	61
Highly skilled production (Levels 6-8)	49024	29,6	170
Highly skilled supervision (Levels 9-12)	50388	30,4	252
Senior management (Levels 13-16)	14407	8,7	533
Total	165 626	100	118

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), 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.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	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	14 644	67,6%	104	0,5%	275	1,2%	993	4,6%
2 – Public Works	35 672	69,6%	565	1,1%	751	1,4%	2463	4,8%
3 – Roads Infrastructure	41 823	71,8%	1021	1,7%	1210	2,0%	2223	3,8%
4 – Public Transport	8 912	71,1%	218	1,7%	82	0,6%	412	3,3%
5 – Traffic Management	6 816	69,6%	250	2,5%	118	1,2%	548	5,6%
6 – CBPWP	4 065	70,8%	59	1,0%	44	0,7%	179	3,1%
7 – Roads Capital Account	4 914	73,2%	59	0,8%	171	2,5%	330	4,9%
Total	116 846	70,5%	2 276	1,3%	2 651	1,6%	7 148	4,3%

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	21 941	76,6%	532	1,8%	753	2,6%	659	2,3%
Skilled (Levels 3-5)	17 371	74,9%	648	2,8%	430	1,8%	1 136	4,9%
Highly skilled production (Levels 6-8)	35 458	72,3%	634	1,3%	848	1,7%	2 761	5,6%
Highly skilled supervision (Levels 9-12)	33 609	66,7%	462	0,9%	428	0,8%	2 101	4,1%
Senior management (Levels 13-16)	8 485	59,0%	0	-	192	1,3%	491	3,4%
Total	116 846	70,5%	2 276	1,3%	2 651	1,6%	7 148	4,3%

3 – Employment and Vacancies

The following tables summarise 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 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 – Administration	166	126	24,10	9
2 – Public Works	399	327	18,04	18
3 – Roads Infrastructure	856	659	23,01	3
4 – Public Transport	133	73	45,11	3
5 – Traffic Management	89	71	20,22	0
6 – CBPWP	27	22	18,51	23
7 – Roads Capital Account	81	72	11,11	0
Total	1751	1350	22,90	56

Note: Posts additional to the establishment represent temporary staff appointed on fixed term contracts to assist with specific projects, eg Expanded Public Works Programmes and Learnership Programmes (CBPWP)

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	598	510	14,71%	0
Skilled, (Levels 3-5)	475	358	24,63%	23
Highly skilled production (Levels 6-8)	371	262	29,38%	26
Highly skilled supervision (Levels 9-12)	279	195	30,10%	5
Senior management (Levels 13-16)	28	25	10,71%	2
Total	1751	1350	22,90%	56

Note: Posts additional to the establishment represent temporary staff appointed on fixed term contracts to assist with specific projects.

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
QS Technicians	5	4	20%	1
Quantity Surveyors	9	5	44,44%	0
Engineers	48	26	45,83%	2
Architects	12	10	16,66%	0
Senior Management Service	28	25	10,71%	2
Total	102	70	31,37%	5

Note: Critical occupations refer to occupations where identified scarce skills are required

4 – Job Evaluation

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

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	598	1	0,2%	0	-	0	-
Skilled (Levels 3-5)	475	30	6,3%	5	16,7%	1	3,3%
Highly skilled production (Levels 6-8)	371	25	6,7%	8	32%	0	-
Highly skilled supervision (Levels 9-12)	279	28	10%	5	17,8%	0	-
Senior Management Service Band A	19	1	5,3%	0	-	0	-
Senior Management Service Band B	6						
Senior Management Service Band C	2						
Senior Management Service Band D	1						
Total	1751	85	4,8%	18	21,2%	1	1,2%

Note: The majority of posts have been job evaluated in previous years. During this report year posts were evaluated in terms of a Job Evaluation Review Plan.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Indian	Coloured	White	Total
Female			4	4	8
Male			5	5	10
Total			9	9	18

Employees with a disability	0
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The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2005/06				0
Percentage of total employment				0

5 - Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	572	8	50	8,7%
Skilled (Levels 3-5)	347	119	84	24,2%
Highly skilled production (Levels 6-8)	290	61	56	19,3%
Highly skilled supervision (Levels 9-12)	175	25	28	16,0%
Senior Management Service Band A	17	3	2	11,7%
Senior Management Service Band B	6	1	1	16,6%
Senior Management Service Band C	2	0	0	-
Senior Management Service Band D	1	0	0	-
Total	1410	217	221	15,7%

Note: Number of employees on 1 April 2005 includes employees appointed on fixed term contracts, additional to the establishment

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
QS Technicians	4	1	0	-
Quantity Surveyors	6	0	1	16,6%
Engineers	29	2	3	10,3%
Architects	11	1	2	18,2%
Senior Management Service	26	4	3	11,5%
Total	76	8	9	11,8%

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	10	4,6%
Resignation	41	18,6%
Expiry of contract	109	49,3%
Dismissal – operational changes	0	-
Dismissal – misconduct	9	4,1%
Dismissal – inefficiency	0	-
Discharged due to ill-health	13	5,9%
Retirement	23	10,4%
Transfers to other Public Service Departments	16	7,2%
Other	0	-
Total	221	100%
Total number of employees who left as a % of the total employment		15,7%

Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2005	Promotions to another salary level *	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
QS Technicians	4	0	-	1	25%
Quantity Surveyors	6	0	-	5	83,3%
Engineers	29	1	3,4%	27	93,1%
Architects	11	0	-	8	72,7%
Senior Management Service	26	1	3,8%	16	61,5%
Total	76	2	2,6%	57	75%

Table 5.5 – Promotions by salary band

Salary Band	Employees as at 1 April 2005	Promotions to another salary level *	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	572	0	-	408	71,3
Skilled (Levels 3-5)	347	25	7,2%	128	36,9
Highly skilled production (Levels 6-8)	290	9	3,1%	128	44,1
Highly skilled supervision (Levels 9-12)	175	19	10,8%	80	45,7
Senior management (Levels 13-16)	26	1	3,8%	16	61,5
Total	1410	54	3,8%	760	53,9

* Note: Excludes salary upgrade as a result of Job Evaluation

6 – Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators and senior officials	4	7	0	9	2	1	0	4	27
Professionals and managers	3	5	1	49	1	0	0	7	66
Technicians and associate professionals	26	76	0	56	16	41	0	36	251
Clerks & Administrative office workers	21	62	0	13	27	126	3	57	309
Craft & related trade workers	23	102	1	55	1	2	0	2	186
Plant & machine operators and assemblers	14	26	0	1	0	0	0	0	41
Elementary occupations	224	223	0	2	7	70	0	0	526
Total	315	501	2	185	54	240	3	106	1406

Employees with disabilities	2	9	0	7	1	0	0	0	19
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6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15 & 16)	1	1	0	1	0	0	0	0	3
Senior Management (Levels 13 & 14)	3	6	0	8	2	1	0	4	24
Professionally qualified and experienced specialists and mid-management	14	68	1	89	3	9	0	16	200
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	75	1	66	17	53	1	48	288
Semi-skilled and discretionary decision making	51	140	0	18	25	107	2	38	381
Unskilled and defined decision making	219	211	0	3	7	70	0	0	510
Total	315	501	2	185	54	240	3	106	1406

6.3 Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	1	0	0	0	2	4
Professionally qualified and experienced specialists and mid-management	8	7	0	1	5	2	0	2	25
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13	17	0	3	15	10	0	3	61
Semi-skilled and discretionary decision making	14	22	0	1	27	53	0	2	119
Unskilled and defined decision making	1	1	0	2	0	4	0	0	8
Total	37	47	0	8	47	69	0	9	217

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.4 Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	9	0	4	1	2	0	1	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	4	0	0	1	3	0	1	9
Semi-skilled and discretionary decision making	2	9	0	0	2	11	1	0	25
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	4	23	0	4	4	16	1	2	54

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.5 Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	7	6	0	8	1	1	0	5	28
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	15	0	5	9	9	0	9	56
Semi-skilled and discretionary decision making	9	16	0	0	19	40	0	0	84
Unskilled and defined decision making	26	19	0	0	0	5	0	0	50
Total	52	57	0	14	29	55	0	14	221

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.6 Disciplinary action for the period 1 April 2005 to 31 March 2006

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	9	41	0	5	2	3	0	1	61

6.7 Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	6	0	6	0	0	0	7	21
Professionals	28	144	3	134	4	9	0	51	373
Technicians and associate professionals	101	122	0	156	11	133	2	135	660
Clerks	69	220	0	11	27	207	1	22	557
Elementary occupations	246	161	0	1	4	46	0	0	458
Total	446	653	3	308	46	395	3	215	2069

Employees with disabilities	0	1	0	3	0	0	0	0	4
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7 – Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006 (Senior Management included)

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2006	% of total within group	Cost (R'000)	Average cost per employee
African	80	369	21,7%	192	R2 400
Male	80	315	25,4%	192	R2 400
Female	0	54	-	0	-
Indian	1	5	20%	4	R4 000
Male	1	2	50%	4	R4 000
Female	0	3	-	0	-
Coloured	276	741	37,2%	987	R3 576
Male	181	501	36,1%	626	R3 458
Female	95	240	39,6%	361	R3 800
White	205	291	70,4%	1456	R7 102
Male	121	185	65,4%	926	R7 653
Female	84	106	79,2%	530	R6 309
Total	562	1406	39,9%	2639	R4 695
Employees with a disability	3	19	21%	12	R4 000

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	152	510	10,2%	274	R1 802	0,9%
Skilled (Levels 3-5)	108	381	28,3%	303	R2 805	1,3%
Highly skilled production (Levels 6-8)	194	288	67,3%	978	R5 041	1,9%
Highly skilled supervision (Levels 9-12)	94	200	47%	922	R9 808	1,8%
Total	548	1379	39,7%	2477	R4 520	1,6%

Note: The Department of Public Service and Administration has set a maximum of 1,5% of total personnel budget to be allocated as performance rewards. Percentage above does not reflect percentage of budget, but percentage of cost. This excludes budget of vacant posts.

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Industrial Technicians	2	5	40%	15	R7 500
Quantity Surveyors	4	5	80%	52	R13 000
Engineers	21	28	75%	227	R10 800
Architects	5	10	50%	78	R15 600
Senior Management Service	14	27	51,8%	162	R11 620
Total	46	75	61,3%	534	R11 608

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total SMS budget
	Number of beneficiaries	Number of employees	% of total within band			
Band A	8	18	44,4%	88	R10 984	1,0%
Band B	4	6	66,6%	48	R12 129	1,4%
Band C	2	2	100%	26	R13 149	1,6%
Band D	0	1	-	-	-	-
Total	14	27	51,8%	162	R11 620	1,4%

Note: The Department of Public Service and Administration has set a maximum of 1,5% of departments' total annual SMS-budgets to be allocated as performance rewards, unless otherwise approved by the relevant Executing Authority.

8 – Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

Salary Band	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	-
Skilled (Levels 3-5)	0	0	0	0	0	-
Highly skilled production (Levels 6-8)	0	0	0	0	0	-
Highly skilled supervision (Levels 9-12)	1	100%	1	100%	0	-
Senior management (Levels 13-16)	0	0	0	0	0	-
Total	1	100%	1	100%	0	-

TABLE 8.2 – Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Engineer	1	100%	1	100%	0	0
Total	1	100%	1	100%	0	0

Note: A further 17 Cuban professionals have been seconded to the Department by the Department of Housing. These professionals cover the disciplines of engineering, architecture and quantity surveying services

9 - Leave utilisation for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	4709	82,0%	430	84,3%	10,9	830
Skilled (Levels 3-5)	2386	73,4%	287	75,3%	8,3	656
Highly skilled production (Levels 6-8)	2872	75,0%	294	100%	9,8	1 579
Highly skilled supervision (Levels 9-12)	1020	77,5%	131	65,5%	7,8	973
Senior management (Levels 13-16)	46	73,9%	15	55,5%	3,1	99
Total	11033	77,9%	1157	82,3%	9,5	4 137

Note: Estimated cost calculated against number of staff who took sick leave, not against total number of staff.

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	957	100%	44	8,6%	21,7	167
Skilled (Levels 3-5)	249	100%	14	3,6%	17,8	65
Highly skilled production (Levels 6-8)	472	100%	30	10,4%	15,7	265
Highly skilled supervision (Levels 9-12)	120	100%	10	5%	12	113
Senior management (Levels 13-16)	1	100%	1	3,7%	1	2
Total	1799	100%	99	7,0%	18,2	612

Note: The average days disability leave per employee excludes the 36 days normal sick leave allocated per leave cycle.

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	12834	25
Skilled Levels 3-5)	6308	16,5
Highly skilled production (Levels 6-8)	8283	28
Highly skilled supervision (Levels 9-12)	4651	23
Senior management (Levels 13-16)	536	20
Total	32612	23

TABLE 9.4 – Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee, using capped leave	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	450	5,2	27
Skilled Levels 3-5)	68	3,4	22
Highly skilled production (Levels 6-8)	291	4,7	48
Highly skilled supervision (Levels 9-12)	145	8,1	63
Senior management (Levels 13-16)	101	50,5	95
Total	1055	5,6	37

TABLE 9.5 – Leave payouts for the period 1 April 2005 to 31 March 2006

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2005/06	1232	48	R25 666
Current leave payout on termination of service for 2005/06	82	23	R3 565
Total	1314	71	R18 507

Note: Capped leave is only paid out in the case of medical or normal retirement.

10. HIV & AIDS, and Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Specific categories of staff were not identified. All staff are regarded to be at risk of contracting HIV and related diseases.	<p>The measures taken in this regard for general staff are limited to:</p> <ul style="list-style-type: none"> First Aiders use gloves when treating injuries Awareness raising at VCT campaigns Serialised communication to all staff through the e-mail system

TABLE 10.2 – 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 VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr J du Plessis: Senior Manager Human Resource Management
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.	X		<p>The Department has employed a full time HIV & AIDS Co-ordinator who chairs a committee that meets on a monthly basis.</p> <p>The committee comprises 17 members who represent all sectors of the Department</p> <p>HIV & AIDS are incorporated within the component Special Programmes which has a total budget of R 1 338 000.00 for 3 sub components. The budget for HIV & AIDS may be regarded as one-third = R 446 000.00 for the year under review.</p>

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		X	Departmental policy has been developed and awaits final approval. It will be rolled out in the new financial year.
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.	X		JS van Stade: Chairperson W Canterbury : Financial Management J van Eeden : Roads Infrastructure C Osman : Public Transport L Thomas : Public Works P Malgas : CBPWP D Muller : Ceres District Office D Lippert : Oudtshoorn District Office L Rhode : Paarl District Office G Hendricks : George Regional Office L Nicholson : Goulburn Centre S Morse : Bellville Workshop G Anderson : GMT Union representatives: R Fortuin : Nehawu C Petersen : PSA W Taylor : PSA
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.	X		No specific changes have been made to employment policies but there is no discrimination during the recruitment process.
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.	X		Nine staff members have tested positive, but have not disclosed as yet. The Departmental HIV & AIDS Policy and Workplace Programmes address this matter specifically. Issues pertaining to discrimination and stigmatisation are discussed at monthly meetings.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Altogether 409 staff members have been tested by departmental initiatives. Nine have tested positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		VCT is a priority for our Department. It was planned to test at least 50% of staff by the end of the financial year. Health promotion programmes and awareness sessions precedes all VCT campaigns. Currently the Departmental infection rate is projected at 0,6%

11 – Labour Relations

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

TABLE 11.1 – Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Written warning	30	49,2%
Final written warning	13	21,3%
Suspended without pay	7	11,5%
Fine	0	-
Demotion	0	-
Dismissal	10	16,4%
Not guilty	0	-
Case withdrawn	0	-
Pending cases	1	1,6%
Total	61	100%

TABLE 11.2 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Excessive absenteeism	47	77%
Fraud	4	6,6%
Substance abuse	10	16,4%
Negligence	0	-
Total	61	100%

TABLE 11.3 – Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of grievances resolved	5	45,5%
Number of grievances not resolved	6	54,5%
Total number of grievances lodged	11	100%

TABLE 11.4 – Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of disputes upheld	0	-
Number of disputes dismissed	6	100%
Total number of disputes lodged	6	100%

TABLE 11.5 – Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.6 – Precautionary suspensions for the period 1 April 2005 to 31 March 2006

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

12 - Skills development

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

12.1 Training needs identified 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	6		21		21
	Male	20		8		8
Professionals	Female	23		61		61
	Male	152		132		132
Technicians and associate professionals	Female	110	1	109		110
	Male	180	1	234		235
Clerks	Female	158	4	284		288
	Male	189	7	252		259
Elementary occupations	Female	80	7	201		208
	Male	492	10	286		296
Sub Total	Female	337	12	676		688
	Male	1033	18	912		930
Total		1410	30	1588		1618

12.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6		7		7
	Male	20		14		14
Professionals	Female	23		64		64
	Male	152		309		309
Technicians and associate professionals	Female	110	2	279		281
	Male	180	1	378		379
Clerks	Female	158	6	251		257
	Male	189	14	286		300
Elementary occupations	Female	80	6	33	11	50
	Male	492	2	117	289	408
Sub Total	Female	337	14	634	11	659
	Male	1033	17	1104	289	1410
Total		1410	31	1738	300	2069

Note: Other forms of training mainly refer to ABET

13 – Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	59	100%
Temporary/Total Disablement		
Permanent Disablement		
Fatal		
Total	59	100%

14. Utilisation of Consultants

Table 14.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
ACG Architects	2	1 October 2005 – 28 February 2006	±R34 000
Lewes & De Kroon, E&M Services	2	1 April 2005 – 28 February 2006	±R55 000
Axis Consulting, Structural Engineering Services (General Buildings)	2	1 April 2005 – 31 January 2006	±R256 000
Revel Fox Architectural Services	2	1 April 2005 – 31 March 2006	±R338 000
Axis Consulting, Engineering Services (Education Buildings)	1	1 April 2005 – 31 March 2006	±R176 000
Backeberg Consulting, Quantity surveying	3	1 April 2005 – 31 March 2006	±R352 000
Senekal and Allen Quantity surveying	1	1 April 2005 – 31 March 2006	±R212 000
Lance du Plessis Architectural Services	1	9 January 2006 – 31 March 2006	±R75 000
CM3 Consulting Engineers	1	March 2006	±R33 000
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
9	15	-	R1 531 000

Table 14.2: Analysis of consultant appointments 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
ACG Architects	100%	100%	50%
Lewes & De Kroon, E&M Services	30%	30%	0%
Axis Structural Services (General Buildings)	67%	67%	50%
Revel Fox Architectural Services	25%	25%	50%
Axis Consulting, Engineering Services (Education Buildings)	67%	67%	50%
Backeberg Consulting, Quantity surveying	0%	0%	66%
Senekal and Allen Quantity surveying	0%	0%	100%
Lance du Plessis Architectural Services	100%	100%	100%

Table 14.3: Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None			

Table 14.4: Analysis of consultant appointments using Donor 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
None			