



DEPARTMENT of TRANSPORT & PUBLIC WORKS

Provincial Government of the Western Cape



Annual Report 2009/2010



PR: 172/2010

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APOLOGY

We fully acknowledge the Province's language policy and endeavour to implement it. It has been our experience that the English version is in the greatest demand. Consequently, the document will be available in the other two official languages of the Western Cape as soon as possible. In the event of any discrepancy between the different translations of this document, the English text shall prevail.

NOTE

To support the Department's drive for a paper-less environment and improved electronic content management, minimal hard copies of this Annual Report 2009/10 will be available.

VERSKONING

Ons gee volle erkening aan die Provinsie se taalbeleid en streef daarna om dit toe te pas. Die praktyk het egter geleer dat die Engelse weergawe van die dokument in aanvraag is. Die dokument sal gevolglik so gou as moontlik in die ander twee amptelike tale van die Wes-Kaap beskikbaar wees. In geval van enige afwyking tussen die verskillende vertalings van hierdie dokument sal die Engelse teks heers.

NOTA

Ten einde die Departement se strewe na 'n papierlose omgewing en verbeterde elektroniese inhoudsbestuur te ondersteun, sal minimum harde kopieë van hierdie Jaarverslag 2009/10 beskikbaar wees.

ISINGXENGXEZO

Siyawuqonda umgaqo-nkqubo welwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke esikuqapheleyo kukuba lulwimi lwesiNgesi olufunwa ngamandla kungoko oluxwebhu luye lwashicilelwa ngesi-Ngesi kuqala. Kodwa oluxwebhu luyakufumaneka kwakamsinyane nangezinye iilwimi ezimbini ezisemthethweni zaseNtshona Koloni. Ukuba kukho impikswano ekufundweni koluxhembhu ngokolwimi, kuyakubusa okubhalwe ngesiNgesi.

QAPHELA

Ukuxhasa iinzame zelisebe zokusebenza kwimeko nesimo sokucutha ukusetyenziswa kwamaphepha nokuphuhlisa kolawulo ziqulatho zezixhobo zongxulumelwano ngombane, (i-Electronic Content Management) Kuyakuzanywa ushicilelo oluncitshisiweyo loluxwebhu.

The period covered by this Annual report was also the first full year of my ministry. The report is, however, for the most part, informed by the vision, mission, strategy, budgets and objectives of the previous administration which left office in late April 2009. Regrettably, in too many areas, they present a directionless; depressing and timid approach. The mission, vision and strategy are bland and unlikely to motivate a culture of dedicated and sustained service delivery. Whilst a vast number of targets have been achieved, many are irrelevant to the real needs of our people in respect of the Department's mandate.

More importantly, this period has been characterised by a totally new approach, and a determination to turn the department around into a highly effective team capable of identifying and meeting the real infrastructural needs of the Province and its people. A five year strategy was agreed by top management in July and approved by cabinet in September. Specific, timeline and measurable targets were set in respect of improving public transport; converting private car users to public transport commuters; extending the life of our roads; halving the road fatalities; accelerating delivery of education and health facilities and re-invigorating rail freight traffic. Action was taken to manage and leverage our significant asset base to meet a host of social and economic objectives, and to ensure substantial new cash flows which will, over time, eliminate our maintenance backlogs. Partnership with all spheres of government was elevated to the essential imperative for success, and activities of the Province are being aligned with those of the Provincial municipalities, and particularly with the City of Cape Town. These actions are reflected in the administration's Strategic objectives, specifically numbers 1 and 3, and are fleshed out in the Strategic Plan: 2010 - 2014 and the Annual Performance Plan 2010/11.

To give effect to the strategy, the management structures were significantly adjusted to align with both the budget and the objectives. Supply Chain Management and Finance were centralised, and a wide body of relevant policy is being established to create responsive and responsible delegation as well as to eliminate waste.

Key committees have been restructured and revitalised, and a number of management positions have been filled by personnel fit for purpose and capable of meeting the significant challenges the Department has set itself. A permanent Head of Department will be appointed shortly.

The huge backlog in leases is being tackled, and key projects shelved by the previous administration have been resuscitated, including the George Mobility Strategy; the Oude Molen Project and the plans for the Porter Estate. The renegotiated contract for the Chapman's Peak Public Private Partnership will be concluded soon, eliminating many of the costly and undesirable elements of the original contract. The first settlement of a provincial land claim in 10 years has been finalised, with more close to resolution.

Significant progress was made in preparing for the implementation of the changes required by the National Land Transport Act.

Relations with the Mini Taxi Bus industry have been a high priority in the year under consideration, leading to an amalgamation of the rival representative bodies. The regulatory arm was greatly strengthened, and the law and regulation firmly applied throughout the Province. A policy dealing with taxi violence and route invasions was established and applied.

During this period the department also had to deal with the consequences of unwise and irregular procurement in the past. Both the then Head of Department and Head of Property are no longer in the Department's employ.

Problem projects from the past have been revitalised or closed down. Unnecessary and expensive consultancies have been terminated.

There is still very much to be done, but a sound platform has been laid to enable the Department to meet its formidable challenges and objectives.

With its high discretionary spend; wide spread of procurement and transversal goals, Transport and Public Works is not a department for the faint hearted.

I salute my Acting HOD; his management team and all those staff who have given new meaning to hard work, dedication and determination. I am aware of the long hours that are worked into the night and over weekends. These fine servants of the people have caught the dream, and, with me, they share Emerson's eternal edict – "Work - and you chain the wheel of fate".

A handwritten signature in black ink, appearing to read 'R. Carlisle', with a stylized flourish at the end.

MR ROBIN CARLISLE

MINISTER OF TRANSPORT AND PUBLIC WORKS

Date: 31 August 2010

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ABBREVIATIONS

AGM	Annual General Meeting	ITP	Integrated Transport Plan
Admin	Administration	IRT	Integrated Rapid Transport
ARV	Anti Retroviral	iKapa GDS	Provincial Growth and Development Strategy
BBBEE	Broad Based Black Economic Empowerment	ITS	Intelligent Transport System
BCV	Bursary Collaboration Venture	IFMS	Integrated Fleet Management System
BRT	Bus Rapid Transit	IPTN	Integrated Public Transport Network
CBD	Central Business District	IRPTN	Integrated Rapid Public Transport Network
CBPWP	Community Based Public Works Programme (Branch)	LM	Local Municipality
CETA	Construction Sectoral Education and Training Authority	LSEN	Learners with Special Needs
CAMP	Custodian Asset Management Plan	LIC	Labour Intensive Construction
CHC	Community Health Centre	L1000	Learnership 1000
CCTV	Closed Circuit Television	LBM	Labour Based Methods
CDC	Community Development Centre	MTEF	Medium Term Expenditure Framework
DLTC	Driver Licence Testing Centre	MEC	Member of the Executive Council
DORA	Division of Revenue Act	MVLF	Motor Vehicle Licence Fees
DLTS	Driving Licence Testing Station	MBM	Machine Based Methods
DM	District Municipality	NLTA	National Land Transport Act
DMC	Disaster Management Centre	ND	National Diploma
DOL	Department of Labour	N/A	Not Applicable
EPWP	Expanded Public Works Programme	No	Number
ELBS	Electronic Licence Booking System	NJWG	National Joint Working Group
eNaTIS	National Traffic Information System	NVC	New Venture Creation
ECSA	Engineering Council of South Africa	NYS	National Youth Service
EmplA	Empowerment Impact Assment	OL	Operating Licence
FIFA	Federation Internationale de Football Association	PGWC	Provincial Government Western Cape
FTE	Full Time Equivalent	PM	Property Management
GIAMA	Government Immovable Assessment Management Act, 2007 (Act 19 of 2007)	PLTF	Provincial Land Transport Framework
GMT	Government Motor Transport	POLB	Provincial Operating Licence Board

GMS	George Mobility Strategy	PTIP	Public Transport Improvement Programme
HDI	Historically Disadvantaged Individual	PRE	Provincial Regulatory Entity
PRASA	Passenger Rail Agency of South Africa	SCP	Siyenyuka Contractor Development Programme
PTOP	Provincial Transport Operations Plan	SCM	Supply Chain Management
RPM	Rational Portfolio Management system	TOACT	Tour Operators Association of Cape Town
RA	Registering Authority	TB	Tuberculosis
SLA	Service Level Agreement	UAMP	User Asset Management Plan
SMME	Small Medium and Micro Enterprise	VTS	Vehicle Testing Station
SMS	Senior Management Service	VCI	Visual Condition Index
SETA	Skills Education Training Authority	WIL	Work Integrated Learning
SOMDEC	Solomon Mahlangu Development Centre	WCED	Western Cape Education Department
SUMS	Subsidy Management System		

PART ONE:

**GENERAL
INFORMATION**

PART ONE: GENERAL INFORMATION

SUBMISSION OF THE ANNUAL REPORT

I hereby formally submit the Annual Report for the period 1 April 2009 to 31 March 2010 of the Department of Transport and Public Works in terms of the Public Finance Management Act, 1999 to Mr R V Carlisle, Provincial Minister of Transport and Public Works.



C J FOURIE

ACCOUNTING OFFICER

Date: 31 August 2010

INTRODUCTION

The Department of Transport and Public Works is organised into six main branches, namely:

- Strategy, Planning and Co-ordination;
- Provincial Roads and Transport Management;
- Provincial Public Works;
- Client and Regional Services;
- Corporate Services; and
- Financial Management.

The macrostructure of the Department, i.e. the Senior Management Service positions is depicted in Figure 1 below.

During 2009/10 the Provincial Government introduced a Modernisation Programme that aims to find the best and most efficient way possible for the Provincial Government to serve the people of the Western Cape. This programme cuts across all departments. Four important areas were identified, namely: legislative frameworks, organisational capacity building, physical and resource management and e-governance. Flowing from the aforementioned, it was resolved that the:

- Public transport inspectorate function would be transferred to the Department of Community Safety with effect from 1 April 2010;
- Minister of Transport and Public Works was designated as the custodian for provincial immovable assets, except housing land, in terms of the Government Immovable Asset Management Act (GIAMA);
- Department is the preferred implementing agent for capital infrastructure development and maintenance in the Provincial Government Western Cape (PGWC);
- Support functions of Human Resource Management and Enterprise Risk Management will be responsible to the Department of the Premier, as from 1 April 2010, while the budget for these functions will remain with the Department of Transport and Public Works, until resolved in the 2010 Adjustments Estimates process;

- Department undertakes registration, design, construction and management of Green Buildings; and
- Department implements the Better Public Building programme that focuses on the Batho Pele principles, quality, image, modernisation, efficiency, effectiveness, value for money and life-cycle costing.

In the Annual Performance Plan for the 2009/10 financial year and in support of section 27(4) of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended), targets were set for different areas in the Department, in order to ensure that performance can be measured. The following key deliverables of a concrete nature were identified, the progress of which is captured under Part 2 of this Report.

- **Provincial Public Works:** *Construction and maintenance of key social infrastructure and general buildings, inclusive of broadening economic participation; the feasibility study and funding proposals in relation 2020 Provincial Government CBD Office Accommodation Redevelopment Plan; and implementation of GIAMA.*
- **Roads:** *Maintenance of the Provincial Road network and projects linked to the 2010 FIFA World Cup which include the N2 outbound between Borchard's Quarry and Vanguard Drive, Koeberg Interchange, Somerset West N2 upgrade, Table Bay Boulevard upgrade, N1 street lighting and Knysna Lagoon road upgrade.*
- **Public Transport:** *Implementation of an integrated public transport system, involving all spheres of government, focussing on the roll-out of public transport service contracts.*
- **Traffic Management:** *Improving service delivery at Driving Licence Testing Centres (DLTC's), Vehicle Testing Stations (VTS's) and Registering Authorities (RA's), thereby contributing to road safety.*
- **Expanded Public Works Programme:** *Implementation of the second five year strategy and targets.*
- **Skills Development:** *Continued implementation of the Masakh'iSizwe bursary programme.*

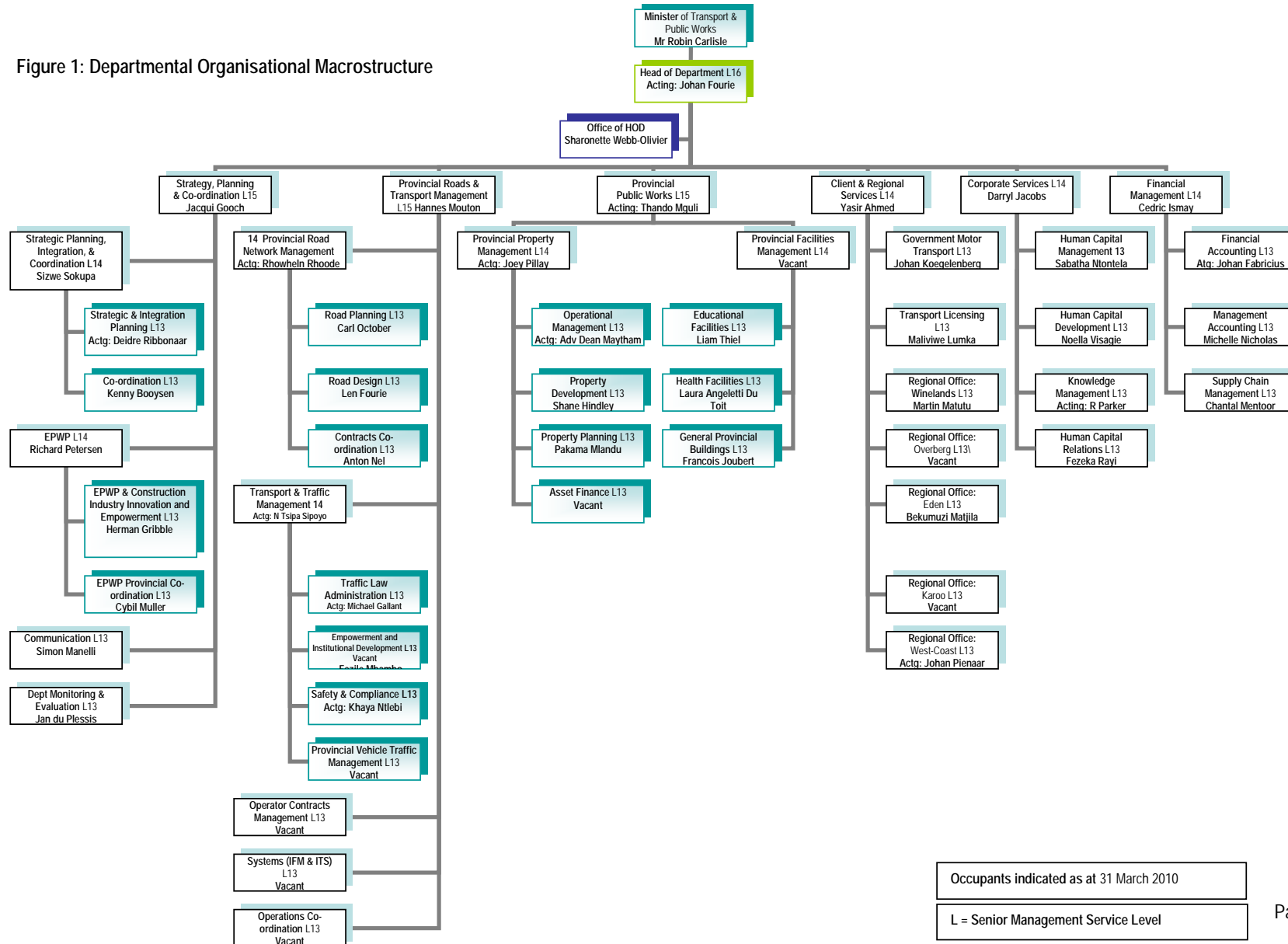
INFORMATION ON THE MINISTRY

In May 2009 Mr Robin Carlisle became the successor to Ms Koleka Mqukwana, when he was assigned the portfolio of Transport and Public Works after the National and Provincial elections.

During the year under review, the Ministry focused on a number of key areas, which included the following:

- Establishing a five-year strategic plan, highlighting key areas of focus for the Department for the five year period until 2014.
- Championing the Inner City Regeneration.
- The development of an integrated transport plan.
- Implementing the Safely Home Programme to cut road deaths by 50% by 2014.
- Expanding the Open Opportunity Society by promoting continued skills development programmes within the built sector environment with programmes such as the Masakh'iSizwe Bursary programme, and the development of an apprenticeship programme at the Bellville Mechanical Workshop.
- Preparation for the 2010 FIFA World Cup through transport operations planning and infrastructure delivery.
- Supporting improvements in the rail service for both long distance and commuter services to enhance mobility.
- Calming the minibus taxi industry tensions in respect of the implementation of Bus Rapid Transport in the metropolitan area.
- Working to create a unified, prosperous and safe Minibus taxi industry, whilst defusing tension within the Western Cape Provincial Taxi Council.
- Engaging in the toll road debate in the Western Cape.

Figure 1: Departmental Organisational Macrostructure



Occupants indicated as at 31 March 2010

L = Senior Management Service Level

INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Provincial Operating Licence Board (POLB) / Provincial Regulating Entity

The Provincial Operating Licence Board was originally established in terms of Section 30 of the National Land Transport Transition Act, 2000 (Act 22 of 2000).

During 2009/10 the transport legislative framework changed, with the enactment and coming into effect of the National Land Transport Act, 2009 (Act 5 of 2009). This implies that during the first three quarters of the year, the Provincial Operating Licence Board was functional, while from December 2009 the NLTA required the establishment of a Provincial Regulating Entity (PRE). Notwithstanding this, the NLTA makes provision for the POLB to continue functioning until the Provincial Minister responsible for Transport establishes the PRE. The establishment of the PRE is under discussion with key stakeholders, particularly with the City of Cape Town, to ensure aligned implementation.

The functions of the POLB include the following:

- To receive, consider and decide on or otherwise dispose of applications for the:
 - granting of operating licences for intraprovincial transport
 - granting of operating licences for interprovincial transport
 - renewal, amendment or transfer of operating licences for intraprovincial transport; and
 - renewal, amendment or transfer of operating license for interprovincial transport

Provincial Transport Registrar

The Provincial Transport Registrar was established in terms of Section 53 of the National Land Transport Transition Act, 2000 (Act 22 of 2000). The NLTA, however, does not make provision for a Provincial Transport Registrar. However, the Western Cape Road Transportation Amendment Law, 1996 (Law 8 of 1996), which provides for the establishment and functioning of the Provincial Transport Registrar, has ensured that this position will remain. The functions of the Provincial Transport Registrar include the following:

- To receive and consider and decide on applications for the registration or provisional registration of associations based in the province and their member, and of any non-members;
- Decide on and effect the suspension or cancellation of such registration; and
- Keep records of all information required to maintain the National Transport Register.

The Provincial Minister of Transport and Public Works appointed a new Provincial Transport Registrar as from 1 February 2010.

BILLS SUBMITTED TO THE WESTERN CAPE PARLIAMENT DURING THE FINANCIAL YEAR

No Bills were submitted during the financial year under review to the Western Cape Provincial Parliament.

MINISTERIAL VISITS ABROAD

No ministerial overseas visits were undertaken in the year under review.

VISION AND MISSION STATEMENT

VISION

A people centered 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.

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)
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- 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) - The whole of which was repealed by the National Land Transport Act, 2009 (Act 5 of 2009)
- 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 as amended) 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) - [under review]
- Western Cape Road Transportation Amendment Law, 1996 (Law 8 of 1996)

Government Motor Transport

The Government Motor Transport Trading Entity (previously a Trading Account) operates within the administration of the Department of Transport and Public Works. GMT derives its functions from section D.IV of the Public Service Staff Code, which is still applicable in terms of section 42 of the Public Service Act, 1994. National Cabinet approved the transfer of functions from the national Department of Transport to the then Provincial Administration and thereafter inherited by the Provincial Government as from 1 April 1988. GMT has as its main purpose the provision of state vehicles to national and provincial departments used for transportation, in order that each department may carry out its services efficiently and effectively.

PART TWO:

**PROGRAMME
PERFORMANCE**

PART TWO: PROGRAMME PERFORMANCE

VOTED FUNDS

	MAIN APPROPRIATION R'000s	ADJUSTED APPROPRIATION R'000s	ACTUAL AMOUNT SPENT R'000s	UNDER EXPENDITURE R'000s
	3 522 950	4 170 181	3 872 191	297 990
Responsible Minister	Provincial Minister of Transport and Public Works			
Administering Department	Department of Transport and Public Works			
Accounting Officer	Head of Department			

AIM OF THE VOTE

To provide: overall management and administrative support to the department; accommodation to client departments; property management services; built environment professional and technical services; roads and building infrastructure; traffic management services; public transport services; and the coordination of the Expanded Public Works Programme as outlined in the descriptions of the main division of the Vote.

CORE SERVICE FUNCTIONS, GOALS AND KEY DELIVERABLES

The core functions and or service delivery areas of the Department are:

To play an anchor role in the *iKapa* Growth and Development Strategy (*iKapa* GDS) as the lead department for three strategic issues, namely integrated transport, property development and the Expanded Public Works Programme (EPWP).

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 socially just, developmental and empowering processes.

To plan, regulate and facilitate the provision of public transport services and infrastructure, through own provincial resources, through co-operation with national and local authorities, as well as with the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access.

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 developmental programmes.

To provide accommodation for all provincial departments, to manage the provincial property portfolio to deliver on strategic outcomes of the *iKapa* GDS and facilitate service delivery by all provincial departments, and to render professional and technical services to departments in respect of buildings and related infrastructure.

To create an appropriately regulated and safe transport environment, provide professional and efficient services to all clients and citizens and to act as a key receiver of Provincial tax revenue.

To conduct the overall management and administrative support of the department, as well as the respective branches within the department in accordance with the Public Service Act, 1994, the Public Finance Management Act, 1999, and other applicable legislation.

To utilise the Expanded Public Works Programme as one of the methods to deliver the services described above, and to contribute to skills development and the fight against poverty.

The seven strategic goals of the Department are as follows:

- Plan and monitor infrastructure and transport, in support of the *iKapa* GDS.
- Deliver and maintain public infrastructure, in line with the *iKapa* GDS and its strategic interventions.
- Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.
- Facilitate and develop the skills required for infrastructure-led growth.
- Lead and facilitate the internalisation of the EPWP across all departments in the Province.
- Transformation of the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate.
- Ensure that BBBEE is realised.

The following is a reflection on the progress made on the key areas of delivery encapsulated in the Annual Performance Plan for 2009/10 and referred to in Part 1:

- **Provincial Public Works:** *Construction and maintenance of key social infrastructure and general buildings, inclusive of broadening economic participation; the feasibility study and funding proposals in relation to the 2020 Provincial Government CBD Office Accommodation Redevelopment Plan; and implementation of GIAMA.*

The following construction activities were completed with regard to **Health Infrastructure**:

Brooklyn Chest TB Hospital – Repairs and Renovations; Crossroads and Gugulethu CHC: Anti-Retroviral Treatment Facilities; Khayelitsha District Hospital Infrastructure Installation (Sewage, roads and fencing); Malmesbury TB Hospital (Repairs and Renovations to building); Groote Schuur Hospital: Anaesthetic Department; Groote Schuur Hospital Phase 1: Fire Detection; Groote Schuur Hospital: Pharmacy Bulk Store Airconditioning; Tygerberg Hospital Helipad; Tygerberg Hospital Lift Upgrade; Tygerberg Hospital Phase 2: Fire Doors; Tygerberg Hospital: Security Fence; Riversdale Hospital: Resurfacing of Parking Areas; Red Cross Hospital: Ward Upgrades and CSSD Relocation; Worcester DMC and Ambulance Station; and Retreat CHC: ARV Treatment Facility.

With regard to **General Building Infrastructure** the following buildings were completed:

Shared Service Centre in Athlone; Department of Agriculture Executive Wing at Elsenberg; Philippi Stadium upgrade; Video Conference Centre – 7th Floor, Dorp Street; Kensington Substance Abuse Centre; Kuils River Sport School; Upgrading of Artscape Theatre; 157 Maintenance Projects; 15 Engineering sites and sewage projects; 84 Security projects; and 6 000 Help desk calls were attended to.

With regard to **Education Infrastructure** the following schools were completed:

Table View Primary; Gansbaai Secondary; Nomzamo Primary (Strand); Avian Park Primary (Worcester); Zwelihle Primary (Hermanus); Bongolethu Primary (Philippi).

The 2020 Accommodation Plan was reviewed with emphasis on the prioritisation of the inner-City Regeneration Initiative which includes office accommodation for client departments in the CBD.

With regards to the implementation of GIAMA, training of representatives of provincial user departments on the completion of User Asset Management Plans (Uamps) was undertaken, as a prerequisite for the initial

phase of implementation. Draft Uamps were completed by all user departments including this Department. A Custodian Asset Management Plan (Camp) was successfully completed.

- **Roads:** *Maintenance of the Provincial Road network and projects linked to the 2010 FIFA World Cup which include the N2 outbound between Borchard's Quarry and Vanguard Drive, Koeberg Interchange, Somerset West N2 upgrade, Table Bay Boulevard upgrade, and Knysna Lagoon road upgrade.*
 - N2 outbound 90 percent complete
 - Koeberg Ramp A 95 percent complete, remainder of project on target for completion in 2010/11
 - Table Bay Boulevard 95 percent complete
 - Knysna Lagoon 95 percent
 - Somerset West N2 upgrade (Broadlands 95 percent, and the remainder on target)

- **Public Transport:** *Implementation of an integrated public transport system, involving all spheres of government, focussing on the roll-out of restructured public transport service contracts.*

The roll out of restructured public transport service contracts was rescheduled due to the requirement to align such plans with the City of Cape Town's Integrated Rapid Transport system. Nevertheless, the Department by 30 September 2009, successfully negotiated the conversion of the subsidised scheduled bus service interim contract from a passenger based to kilometre based subsidy system.

- **Traffic Management:** *Improving service delivery at Driving Licence Testing Centres (DLTC's), Vehicle Testing Stations (VTS's) and Registering Authority (RA's), thereby contributing to road safety.*

Since the roll-out of the electronic Licence Booking System (eLBS), the Department identified various software shortcomings that warrant improvement and liaised with the national Department of Transport (nDoT) on these matters, thus contributing to the effectiveness of the system to improve service delivery and to prevent fraud and corruption at DLTC's. Furthermore, the Department is in the process of determining norms and standards for service delivery that will be incorporated into a Service Level Agreement (SLA) with DLTC's, VTS's and RA's with an anticipated completion date in March 2011, whilst at the same time it has commenced with a process to revisit the agency remuneration structure to ensure the proper resourcing of the relevant functions.

- **Expanded Public Works Programme:** *Implementation of the second five year strategy and targets.*

Within the first year of the second phase of EPWP, 49 370 audited work opportunities were created against a target of 40 000. This resulted in the Department receiving an increased allocation from the EPWP Infrastructure Incentive Grant from the national Department of Public Works.

- **Skills Development:** *Continued implementation of the Masakh'iSizwe Bursary Programme*

The Masakh'iSizwe programme for scarce skills in the engineering and built environment fields remained a flagship project with 300 bursaries in the 2009 calendar year and 275 bursaries in the 2010 calendar year being awarded for full-time study. The project involves improved monitoring and support to these students, and the consolidation of workplace integrated learning, whilst the Bursary Collaboration Venture with industry partners was strengthened.

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 six programmes as indicated in the table below.

Table 1: Programme and Sub-Programme Structure

PROGRAMME	SUB-PROGRAMME
<p>1. Administration <i>This programme provides for administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner. It includes the planning effort in respect of the 2010 FIFA World Cup event as it relates to the activities of the DTPW.</i></p>	<p>1.1 Office of the Provincial Minister – Transport and Public Works 1.2 Management of the Department 1.3 Corporate Support</p>
<p>2. Public Works <i>This programme is aimed at the management of the provincial property portfolio and the provision, construction, upgrading and maintenance of accommodation. As custodian of all provincial properties the department fulfils the roles of property manager, regulator and implementing agent. It therefore renders professional, technical and support services, in respect of property development and the planning, construction and maintenance of buildings and related infrastructure, to provincial departments.</i></p>	<p>2.1 Programme Support 2.2 Design 2.3 Construction 2.4 Maintenance 2.5 Property Management</p>
<p>3. Roads Infrastructure <i>This programme promotes accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of roads infrastructure that is sustainable, integrated and environmentally sensitive. The infrastructure should also support and facilitate social and economic growth through socially just, developmental and empowering processes.</i></p>	<p>3.1 Programme Support 3.2 Road Planning 3.3 Design 3.4 Construction 3.5 Maintenance</p>
<p>4. Public and Freight Transport <i>This programme plans, regulates and facilitates the provision of public and freight transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, and the private sector with the aim to enhance mobility of all communities.</i></p>	<p>4.1 Programme Support 4.2 Public and Freight Planning 4.3 Public and Freight Infrastructure 4.4 Institutional Management 4.5 Operator Safety and Compliance 4.6 Regulation and Control</p>
<p>5. Traffic Management <i>This program aims to ensure the provision of a safe road environment through the registration and licensing of vehicles and drivers, as well as to monitor and control overloading along the road network.</i></p>	<p>5.1 Programme Support 5.2 Safety Engineering 5.3 Transport Administration and Licensing 5.4 Overload Control</p>
<p>6. Community Based Programmes <i>The aim of this programme is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme (EPWP).</i></p>	<p>6.1 Programme Support 6.2 Innovation and Empowerment 6.3 EPWP Co-ordination and Monitoring</p>

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2009/10

Key services rendered by the Department directly to the public include, but are not limited to: registering of motor vehicles and the fitness testing of vehicles and drivers; providing permits for abnormal load vehicles; issuing licences to allow public transport operations; assisting students studying towards scarce skilled qualifications in the built sector environment through awarding of bursaries, learnership support and mentoring. Statistics on these services are captured elsewhere in this Annual Report.

In addition to the above, the Department acts as an implementing agent for the provision of accommodation and the maintenance and provision of existing and new infrastructure, such as schools, hospitals and office accommodation. With regards to roads the Department is the roads authority.

Of the original roll-over and revenue retention request submitted from the previous financial year (inclusive of conditional grants) of R 381 million, R 367,798 million was allocated to the Department.

Explanations for virements between main appropriation allocations are provided in the report of the Accounting Officer in Part 4 of this report.

During 2009/10, the following significant developments external to the Department impacted on the demand for the Department's services and/or its ability to deliver those services:

Intergovernmental arrangements

The Department began implementation of the National Land Transport Act which, *inter alia*, aims to further the process of public transport transformation and restructuring, and to consolidate land transport functions and locate them in the appropriate sphere of government. Improvements in the working relationship occurred between the Department and municipalities, particularly the City of Cape Town. Focus was placed on the infrastructure and operations for the 2010 FIFA World Cup and the implementation of the Integrated Rapid Transport system.

Skills

The limited supply of persons with scarce skills and work experience in areas of engineering, architecture, transport economics and town planning continues to place pressure on delivery within the departmental environment. In response to this challenge the Department succeeded in:

- Offering employment to 24 recently qualified graduates from Masakh'iSizwe.
- Appointing retired built sector professionals for both mentoring and carrying out professional work during the course of the year.

Service delivery agreements

Service level agreements for Public Works were concluded with all provincial departments with the exception of Cultural Affairs and Sport. The finalisation of this agreement with the client department is pending.

In October 2008 the Department commenced with a comprehensive process to conclude a single Service Level Agreement (SLA) with each municipality pertaining to the three separate functions of motor vehicle licensing; driver fitness testing and vehicle fitness testing. It was envisaged to have a first phase of this project completed by 31 March 2010, which would have resulted in the signing of SLA's with all municipalities at that time. Upon the distribution of the (first phase) SLA's to municipalities during December 2009 for final inputs, various concerns were raised by some municipalities (both legal and in terms of the cost of the service) and hence the Department could not succeed in concluding the first phase of the signing of SLA's as contemplated in its original project plan. The Department will now endeavour to conclude the SLA with municipalities during its 2010/11 financial year, inclusive of a revised agency remuneration structure.

Improved financial and service delivery agreements were concluded with the five district municipalities for the maintenance of proclaimed provincial roads in the districts.

Flood Damage November 2007 – July 2008

Extensive flooding in the Overberg, Central Karoo, Cape Winelands and Eden District Municipality areas during November 2007, in the Cape Winelands and West Coast District Municipality areas during July 2008 and again in the Cape Winelands, Overberg and Eden District Municipality areas during November 2008, caused damage to the road network. Although most of the roads could generally be made trafficable within a short period of time, some structural damage was dealt with during 2009 and will continue to be repaired into the MTEF period.

Public transport environment

Legislative changes occurred with the promulgation of the National Land Transport Act which impacts on the public transport environment. In addition, instability within the Minibus Taxi industry poses challenges to the development of a stable public transport system and operations, particularly in the Cape Metropolitan Area.

Compliance Monitoring Unit

The delegation of powers by the Minister of Transport to enforce legal compliance at vehicle testing stations and driving licence testing centres by Provincial Compliance Monitoring Units is still pending, subject to the imminent promulgation of the amended National Road Traffic Act.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2009/10

The following significant internal developments impacted on the Department's ability to deliver on its Annual Performance Plan and Strategic Plan:

Political leadership

2009/10 represented the final year of the Department's five-year Strategic Plan. It also marked the beginning of the next five year electoral and strategic planning cycle which commenced in April 2009. This resulted in a new provincial cabinet and executive authority being assigned to the Department.

Organisational structures

After obtaining approval to bring the revision of the finance microstructure forward, the review process of the financial management organisational design and microstructure began. Since then it was directed that the financial management function would be centralised under the control of the Chief Financial Officer instead of having a situation where the geographical distribution of the finance function was fragmented and certain activities vested in the department's Branches under the control of the relevant executive manager. The conceptual design of the finance microstructure has been approved, the detailed design has been completed as well as the concomitant job descriptions and the latter two prerequisites are being subjected to quality control. Note that the process initially excluded the supply chain management (SCM) function. The principle of centralisation also applies to SCM and the re-engineering of supply chain activities will commence in 2010/11.

Furthermore, the first phase of the modernisation process impacted on the department's corporate services component, in the sense that the human resource function is being centralised within the Department of the Premier. Same applies to the Communication and Enterprise Risk Management functions. The Department is in the process of adjusting to this organisational change.

Cases of fraud, irregular, fruitless and wasteful expenditure

Cases of alleged fraudulent and corrupt activity are investigated by and recorded in a central case register at the Forensic Investigative Unit that resorts under the control of the Department of the Premier, whilst alleged irregular, fruitless and wasteful expenditure is investigated by the Division Financial Control of the Department. The status of the cases in question is addressed in Part 4 of the Annual Report within the Accounting Officer's report.

Senior Management Service (SMS)

The contract of the Head of Department was not renewed at the end its term, whilst one SMS member was dismissed and a further member placed on precautionary suspension. Two members were seconded to the Department to ensure continuation of leadership. The vacancy rate in the senior management service is 27 percent.

Trends in staff complement

The table below depicts the post trends over past three years.

Table 2: Summary of Posts

STAFF CATEGORIES	NUMBER			% AVERAGE ANNUAL CHANGE
	2007	2008	* 2009	
Total number of posts	1 952	1 980	1 933	2.3%
Number of professional and managerial posts	349	318	388	22%
Number of professional and managerial posts filled	233	226	259	14.6%
Number of excess staff	0	0	1	0

Note:

* The 2009 figures exclude GMT. Professionals & Managers include SMS members. Also the above table of posts filled does not include graduates from the Masakh'iSizwe programme, Retired Professionals and Foreign Professionals, as these professionals are all appointed additional to the approved establishment.

Expenditure trends

The table below depicts the key expenditure indicators over the last three years.

Table 3: Key expenditure indicators

CATEGORY OF EXPENDITURE	PERCENTAGE OR RANDS ('000s)			AVERAGE %
	2007	2008	2009	
Compensation of employees expenditure as % of total expenditure	8.99	9.43	7.86	8.76
Expenditure on maintenance of buildings as a % of total expenditure	2.31	2.02	1.97	2.10
Expenditure on maintenance of road infrastructure as a % of total expenditure	27.97	22.45	18.10	22.84
Expenditure on construction of buildings as a % of total expenditure	5.02	5.68	2.17	4.29
Expenditure on construction of road infrastructure as a % of total expenditure	22.67	21.87	28.98	24.51
Expenditure on public transport infrastructure as a % of total expenditure	1.38	1.91	0.14	1.14
Other expenditure as a % of total expenditure	31.66	36.64	40.78	36.36
TOTAL	100.00	100.00	100.00	100.00

Note:

1. The expenditure on maintenance was relatively stable, whilst the total expenditure of the Department increased. For this reason, the percentage spent on maintenance shows a decline.
2. Other expenditure as a percentage of total expenditure has increased due to the inclusion of the Public Transport Operations Grant.

HDI expenditure trends

The table below depicts the HDI expenditure in the key functional areas over the last three years.

Table 4: Progress with promoting Historically Disadvantaged Individuals (HDI)

CATEGORY OF EXPENDITURE	PERCENTAGE OR RANDS ('000s)			ANNUAL AVERAGE
	2007	2008	2009	
ROADS INFRASTRUCTURE				
Number of contracts	75	118	47	80
Total Rand value of contracts	999 561	1 261 717	255 558	838 945
% of total contracts to HDI by value	28.94%	51.64%	61.28%	47.29%
PUBLIC WORKS GENERAL				
Number of tenders/ quotations	142	183	157	161
Total Rand value of tenders/ quotations	149 093	61 687	67 668	92 816
% of total tenders/ quotations to HDI by value	33.61%	56.46%	66.47%	52.18%
PUBLIC WORKS HEALTH				
Number of tenders/ quotations	100	137	136	124
Total Rand value of tenders/ quotations	108 641	693 899	858 342	553 627
% of total tenders/ quotations to HDI by value	89.54%	48.87%	34.75%	57.72%
PUBLIC WORKS EDUCATION				
Number of tenders/ quotations	161	284	177	207
Total Rand value of tenders/ quotations	25 792	260 654	255 736	180 727
% of total tenders/ quotations to HDI by value	97.43%	67.98%	92.48%	85.96%
PUBLIC WORKS ADMINISTRATION				
Number of tenders/ quotations	30	32	18	27
Total Rand value of tenders/ quotations	8 806	8 035	11 269	9 370
% of total tenders/ quotations to HDI by value	92.64%	93.94%	99.65%	95.41%
PUBLIC WORKS TOTAL				
Number of tenders/ quotations	433	635	488	519
Total Rand value of tenders/ quotations	292 333	1 024 276	1 193 015	836 541
% of total tenders/quotations to women by value	43.52% (R 127 237)	17.29% (R 177 118)	18.04% (R 215 152)	26.28% (R 173 169)
% of total tenders/ quotations to HDI by value	61.66% (R 180 244)	54.36% (R 556 834)	49.53% (R 590 680)	55.18% (R 442 586)

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2009/10 FINANCIAL YEAR

The following major policy developments and legislative changes took place:

National Conditional Grants

The EPWP Infrastructure Incentive Grant framework was introduced to enhance labour intensive construction.

Public Transport Operations Grant framework was introduced to enhance the transformation of public transport subsidised services.

EPWP Strategic Directive

The Provincial Cabinet approved the EPWP strategic directive to lead, manage and co-ordinate the provincial implementation of the EPWP programme.

Legislation

National Land Transport Act, 2009 (Act 5 of 2009) was promulgated in 2009.

Cell phone policy

Two policy options to replace the current cell phone policy were constructed. The latter are subject to quality control and it is envisaged that the revised policy will be concluded in 2010/11.

DEPARTMENTAL REVENUE

The net aggregate departmental receipts collected for 2009/10 is R 981.059 million or 13.08 percent above the estimates. Compared with 2008/09 actual collection, it is 1.3 percent above the actual revenue collected. The outcome of the collection for 2009/10 is shown in Table 5 below.

The over collection is mainly attributed to:

- improved collection (current and arrear) of motor vehicle license fees, voluntary payment of the prescribed fees by legitimate owners and an increase in the motor vehicle population;
- improved collection of arrear rental collections;
- an increased demand for personalised motor vehicle license numbers, abnormal load licenses, operating licenses and sales of tender documentation;
- the sale of capital assets and;
- Once off receipts derived from claims.

With regard to the sale of capital assets it should be noted that unless determined otherwise by the Provincial Treasury estimates for the sale of immovable assets are normally not included in the estimates of revenue of the annual budget until such time as the cash has been received.

The amount received for the Koeberg/Table Bay Boulevard project will be re-allocated to the infrastructure budget of Roads Infrastructure in the 2010/11 Adjustments Estimate Process.

Motor vehicle licence fees are the largest own revenue source for the Province. In accordance with the Western Cape Medium Term Budget Policy Statement 2009 to 2012, motor vehicle licence fees were not increased in 2009/10.

Table 5: Departmental receipts

DEPARTMENTAL RECEIPTS	ACTUAL COLLECTION 2006/07 R'000	ACTUAL COLLECTION 2007/08 R'000	ACTUAL COLLECTION 2008/09 R'000	BUDGETED COLLECTION 2009/10 R'000	ACTUAL COLLECTION 2009/10 R'000	% DEVIATION FROM TARGET
Tax revenue						
Motor vehicle licenses	797 291	794 175	865 162	823 371	894 986	8.70
Non-Tax revenue						
Sales by market establishment	30 845	30 080	66 534	30 000	40 491	34.97
Administrative fees	16 707	17 759	17 819	13 254	15 651	18.09
Other Sales	1 644	4 599	651	888	1 100	23.87
Sales: scrap, waste, other goods	30	101	5	0	17	100
Transfers received	4 179	0	0	0	0	0
Interest, dividends and rent on land	19	7	822	0	118	100
Sales of capital assets	19 723	56 356	17 018	0	800	100
Financial transactions in assets and liabilities	26 917	51 937	275	0	27 896	100
Departmental revenue	897 355	955 014	968 286	867 513	981 059	13.08

SPECIFIC CHALLENGES AND RESPONSES

Listed below are the most significant challenges affecting the Department, with an indication of how such challenges will be addressed.

Challenge 1: Diminishing licence fee income

Due to cross-border licensing of Western Cape motor vehicles, the potential licence fee income to the Provincial Revenue Fund is steadily diminishing.

Response to Challenge 1

Representations are made to strengthen national legislation to prevent cross-border licensing. The Department is also in the process of investigating possibilities to protect income streams.

Challenge 2: Optimal utilisation of immovable asset portfolio

The immovable asset portfolio is not utilised to its full potential to the advantage of the Provincial Government.

Response to Challenge 2

The CBD regeneration programme aims to leverage the provincial property portfolio in partnership with key stakeholders, to ensure optimal utilisation whilst supporting economic development.

ISSUES REQUIRING ONGOING ATTENTION

Motor vehicle licences revenue continues to dominate provincial own receipts. Between 1998/99 and 2001/02 the Western Cape increased motor vehicle licence fees (MVLFF) in excess of 25 percent, the purpose of which was to address backlogs in road infrastructure and maintenance. At the time, it was believed that other provinces would follow suit. Reality proved otherwise, resulting in a significant structural differential in MVLFF – and an average of 50 percent above other provinces. The differentials are ostensibly the reason for cross-border registration behaviour especially of heavy vehicles. Against this background and drawn from the WC Medium Term Budget Policy Statement 2010 – 2013, there is in principle agreement with other provinces not to increase Western Cape fees until their fee structures are more or less aligned with the tariff levels in the Western Cape. Over the 2010 MTEF, the Provincial Government of the Western Cape will engage with provinces to speed up alignment.

DEPARTMENTAL EXPENDITURE

The Department spent 93 percent of the budget allocation, the monetary values of which are set out in Table 6. The variances between actual expenditure and budget after taking final virement into account are also shown. The under spending includes an amount in the order of R 186 million in respect of the national Transport Disaster Management Grant that was under spent due to a combination of the late approval of the rollovers and receipt of the allocation, the magnitude thereof and design and procurement lead times. If this under spending is left out of the equation then, the spending performance for the Vote reflects a spend result of 97.05 percent or 2.95 percent below the appropriation with a marginal deviation from the 2 percent under spending norm.

Table 6: Variance between actual expenditure and budget

PROGRAMMES	MAIN APPROPRIATION 2009/10 R'000	ADJUSTMENTS APPROPRIATED R'000	VIREMENT R'000	TOTAL VOTED R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000
Administration	212 137	(1 522)	(16 000)	194 615	181 142	13 473
Public Works	642 642	161 122	(8 500)	795 264	750 990	44 274
Road Infrastructure	1 703 105	452 039	24 500	2 179 644	1 984 568	195 076
Public Transport	690 019	37 932	0	727 951	699 019	28 932
Traffic Management	221 528	5 386	0	226 914	225 426	1 488
Community Based Programme	53 519	(7 726)	0	45 793	31 046	14 747
TOTAL	3 522 950	647 231	0	4 170 181	3 872 191	297 990

Note: Virement between main divisions are further explained in Part 4 Annual Financial Statements; General review of state of affairs

The expenditure performance per programme per economic classification is indicated below:

Table 7: Programme 1: Administration

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	164 571	162 457	2 114	1.3
Transfers	17 610	17 592	18	0.1
Capital	12 434	1 093	11 341	91.2
TOTAL	194 615	181 142	13 473	6.9

The under spending is mainly due to an overestimation of the capital requirements for the Enterprise Content Management and Rational Portfolio Management systems.

Table 8: Programme 2: Public Works

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	424 865	412 637	12 228	2.9
Transfers	269 294	250 714	18 580	6.9
Capital	101 105	87 639	13 466	13.3
TOTAL	795 264	750 990	44 274	5.6

Under-expenditure on the National Conditional Grant: Devolution of Property Rates Fund Grant is mainly due to accounts received after financial year-end.

Under-expenditure on the National Conditional Grant: Transport Disaster Management Grant is due to delays on the Grootwinterhoek project in getting the contractor on site and functional.

Under spending on cleaning services, telephone and other equipment is due to projects such as the Shared Service Centre and Alexandra hospital being finalised slower than expected.

Table 9: Programme 3: Roads Infrastructure

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	544 704	533 137	11 567	2.1
Transfers	68 792	66 392	2 400	3.5
Capital	1 566 148	1 385 039	181 109	11.6
TOTAL	2 179 644	1 984 568	195 076	8.9

Under-expenditure on the National Conditional Grant: Transport Disaster Management Grant is due to the lead time involved in planning, design and acquiring services. If the unspent portion of the conditional grant is excluded from the allocation, the variance is less than 1 percent.

Table 10: Programme 4: Public and Freight Transport

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	115 777	93 681	22 096	19.0
Transfers	610 192	605 057	5 135	0.8
Capital	1 982	281	1 701	85.8
TOTAL	727 951	699 019	28 932	4.0

Under spending on the provision for the management of the Public Transport Operations Grant allocated in the Adjustments Estimate for 2009 is due to lead time in acquiring services.

Under spending on a transfer payment for the dial-a-ride project was as a result of the timeline on the original agreement. This indicated that the amount of R 5.133m would be payable to the municipality in July 2010 and it was decided that making the payment at the end of March would result in the City unduly benefitting on interest. Therefore the decision was made to apply for rollover of the amount to the next financial year.

Table 11: Programme 5: Traffic Management

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	225 080	223 595	1 485	0.7
Transfers	83	82	1	1.2
Capital	1 751	1 749	2	0.1
TOTAL	226 914	225 426	1 488	0.7

Table 12: Programme 6: Community Based Programmes

ECONOMIC CLASSIFICATION	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	VARIANCE AS A % OF FINAL ALLOCATION
Current	44 292	30 058	14 234	32.1
Transfers	464	461	3	0.6
Capital	1 037	527	510	49.2
TOTAL	45 793	31 046	14 747	32.2

Under spending occurred due to projects being placed under review by the Executive Authority and some subsequently terminated.

SPECIFIC CHALLENGES AND RESPONSES

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

Challenge 1: Filling of vacant posts

Changes in the Executive Authority for the Department resulted in a slow down in the process of filling vacant

positions. The situation was further exacerbated by the provincial government's modernisation programme.

Response to Challenge 1

The recruitment processes once approved were accelerated towards the end of the financial year, reaching finality in the majority of cases in the next financial year.

Challenge 2: Spending of national Transport Disaster Management Grant

Late receipt of the grant combined with the magnitude thereof and design and procurement lead times, attributed to the under spending.

Response to Challenge 2

52 percent of the Grant has been spent to date (2008 and 2009). A request for rolling over the balance to the next financial year has been submitted for consideration. Meanwhile the design and procurement processes are underway.

ISSUES REQUIRING ONGOING ATTENTION

Allocations should be made from the relevant Revenue Account in accordance with the capacity of the Department to deliver. Furthermore, allocations made to the Department in a particular year should incorporate the carry through of costs or planning into the future years.

TRANSFER PAYMENTS

This section shows the funds that have been transferred to other institutions and municipalities, and therefore does not constitute final expenditure by the Department. Municipalities receive sizeable transfer payments from the Department. The transfers indicated in this section show those transfer payments which mainly relate to the delivery of infrastructure. These transfers are supported by formal agreements between the beneficiary institutions and the Department, which includes compliance with section 38(1)(j) of the Public Finance Management Act, 1999 (Act 1 of 1999, as amended). Information on transfer payments is organised by Programme below.

The transfers reflected in the table below are for the preparation of integrated transport plans by local authorities.

Table 13: Programme 1: Administration – Transfers to local government

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfer to local government				
Cape Winelands District Municipality	2 000	2 000	0	420
George Municipality	1 000	1 000	0	922
Stellenbosch Municipality	1 500	1 500	0	780
TOTAL	4 500	4 500	0	2 122

The Cape Winelands District Municipality's estimated expenditure was for a Gap Analysis, data collection, first round public participation, planning and reporting of findings for the preparation of their ITP.

In terms of the George Municipality, the total amount spent thus far was for the preparation of the Comprehensive Integrated Transport Plan (ITP), which was finalised, however, not yet approved by Council.

The Stellenbosch Municipality's estimated expenditure was for work undertaken in terms of the Non-motorised Transport Network Plan, Parking Management Strategy, Comprehensive Household Survey, development of a transport model and the Public Transport Operations Plan.

Full spending reports for these municipalities can be expected when the ITPs are council approved - George: June 2010; Cape Winelands: December 2010 and Stellenbosch: 2011. It should be noted, however, that quarterly progress reports are provided which give an indication of spending by the municipalities.

Steering Committees have been established for the purpose of guiding the preparation of ITPs. Departmental officials attend these meetings to monitor the implementation process and progress being made. In addition, the Department comments on the content and procedures followed in terms of the NLTA when municipalities request approval of the ITP from the Executive Authority.

The transfers reflected in the table below are the actual property rates paid to municipalities and funded by the Property Rate Funds Grant. Payments are based on invoices received.

Table 14: Programme 2: Public Works – Transfers to local government

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfer to local government				
Unallocated	268 864 ⁽¹⁾		18 579	
Beaufort West Municipality		742		742
Bitou Municipality		321		321
Blaauwberg Local Municipality		1 689		1 689
Breede River/Winelands Municipality		719		719
Breede Valley Municipality		1 397		1 397
Cape Agulhas Municipality		175		175
Cederberg Municipality		444		444
Central Karoo District Municipality		149		149
City of Cape Town		217 756		217 756
Drakenstein Municipality		6 147		6 147
Eden District Municipality		132		132
George Municipality		2 822		2 822
Hessequa Municipality		502		502
Kannaland Municipality		1 630		1 630
Knysna Municipality		899		899

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Laingsburg Municipality		109		109
Matzikama Municipality		806		806
Mossel Bay Municipality		837		837
Oudtshoorn Municipality		2 727		2 727
Overstrand Municipality		497		497
Prince Albert Municipality		25		25
Saldanha Bay Municipality		1 096		1 096
Stellenbosch Municipality		4 599		4 599
Swartland Municipality		799		799
Swellendam Municipality		298		298
Theewaterskloof Municipality		1 134		1 134
West Coast District Municipality		16		16
Witzenberg Local Municipality		1 818		1 818
TOTAL	268 864	250 285	18 579	250 285

⁽¹⁾ Funds are unallocated at the beginning of the year as the payment of rates is made on invoices submitted which cannot be specifically allocated per municipality upfront.

The transfer payments in Table 15 below represent claims and subsidies paid in accordance with section 56(1) of the Cape Roads Ordinance, 1976 (Ordinance 19 of 1976) for the maintenance of municipal proclaimed roads as well as licences paid for plant. The under spending is, in the main, due to subsidy claims not being submitted as a result of actual work not being executed timely.

Table 15: Programme 3: Roads Infrastructure – Transfers to local government

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfer to local government				
Beaufort West Municipality	82	78	4	78
Berg River Municipality	39	39	0	39
Bitou Municipality	446	0	446	0
Breede River/Winelands Municipality	376	376	0	376
Breede Valley Municipality	1 794	1 794	0	1 794
Cape Agulhas Municipality	54	0	54	0
Cape Winelands District Municipality	455	455	0	455
Cederberg Municipality	64	0	64	0

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Central Karoo District Municipality	140	130	10	130
City of Cape Town	13 439	13 439	0	13 439
Drakenstein Municipality	500	0	500	0
Eden District Municipality	792	792	0	792
George Municipality	229	229	0	229
Hessequa Municipality	1 809	1 806	3	1 806
Kannaland Municipality	585	585	0	585
Knysna Municipality	70	0	70	0
Laingsburg Municipality	10	10	0	10
Matzikama Municipality	91	91	0	91
Mossel Bay Municipality	650	0	650	0
Oudtshoorn Municipality	105	105	0	105
Overberg District Municipality	357	357	0	357
Overstrand Municipality	30	0	30	0
Prince Albert Municipality	91	32	59	32
Saldanha Bay Municipality	150	82	68	82
Stellenbosch Municipality	2 796	2 796	0	2 796
Swartland Municipality	90	90	0	90
Swellendam Municipality	68	0	68	0
Theewaterskloof Municipality	252	252	0	252
West Coast District Municipality	555	555	0	555
Witzenberg Municipality	675	663	12	663
TOTAL	26 794	24 756	2 038	24 756

The transfer payment in Table 16 below represents a payment made to the Airports Company of South Africa for the completion of a 2010 FIFA World Cup roads infrastructure project.

Table 16: Programme 3: Roads Infrastructure – Transfers to public corporations and private enterprises

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfer to public corporations and private enterprises				
Airports Company of South Africa	40 000	40 000	0	40 000
TOTAL	40 000	40 000	0	40 000

The table below shows transfers made to municipalities for the installation of CCTV cameras to monitor public transport safety; the installation of public transport stops as part of the rollout of the George Mobility Strategy; and to contribute to the Dial-a-Ride project to support special needs passengers.

Table 17: Programme 4: Public Transport – Transfers to local government

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfer to local government				
City of Cape Town	10 000	4 867	5 133	0
George Municipality	5 500	5 500	0	0
TOTAL	15 500	10 367	5 133	0

The transfer to the George Municipality was only concluded in March 2010, resulting in minimal progress. R 3.5 million is allocated for the construction of public transport stops. The municipality is busy with the procurement process for the construction of the stops, upgrading of the associated road infrastructure and the commencement of the planning, design and implementation of the inter-urban Bus Terminus.

A dedicated George Mobility Strategy (GMS) infrastructure steering committee was established with the local municipality and chaired by the Department in order to discuss the various projects and subsequent progress, whilst monitoring performance and spend.

The table below shows the transfer to the bus services operator for public transport services provided in terms of the interim kilometre based contract.

Table 18: Programme 4: Public Transport – Transfers to public corporations and private enterprises

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfers to public corporations and private enterprises				
Golden Arrow Bus Services Pty Ltd	593 774	593 774	0	593 774
TOTAL	593 774	593 774	0	593 774

Table 19 below shows the transfer for the establishment of the George Mobility Strategy Trust to assist the George Mobility Operator Steering Committee, as well as a transfer to Metrorail (PRASA) for the refurbishment of train stations in the Malmesbury –Fisantekraal Corridor.

Table 19: Programme 4: Public Transport – Transfers to non-profit institutions

NAME OF INSTITUTION	VOTED (R'000s)	ACTUAL TRANSFER (R'000s)	VARIANCE (R'000s)	ESTIMATED EXPENDITURE (R'000s)
Transfers to non-profit institutions				
George Mobility Strategy Trust	350	350	0	350
Metrorail (PRASA)	564	564	0	564
TOTAL	914	914	0	914

CONDITIONAL GRANTS

National Conditional Grants were introduced in 1998/99 to support national priorities, particularly in the social services sector. They enable national priorities to be provided for in budgets of other spheres of government. They are viewed as part of voted funds. In accordance with the Division of Revenue Act, 2009 information on grants received is provided below.

Table 20: Summary of Conditional Grants for 2009/10

Unforeseeable / unavoidable R'000s	Grant Type (1) (2) (3)	Main appropriation R'000s	Adjustments Appropriation R'000s	Total receipts R'000s	Total Spend R'000s
Infrastructure Grant to Provinces	Schedule 4				
Roads Infrastructure		364 644	364 644	364 644	364 644
Expanded Public Works Programme Incentive Grant	Schedule 8				
Community Based Programmes		500	500	500	0
Public Transport Operations Grant	Schedule 4				
Public and Freight Transport		593 774	593 774	593 774	593 774
Devolution of Property Rates Fund Grant	Schedule 5				
Public Works		164 865	268 864	268 864	250 285
Transport Disaster Management Grant	Schedule 5				
Roads Infrastructure			382 156	382 156	201 071
Public Works			8 395	8 395	2 990
TOTAL		1 123 783	1 618 333	1 618 333	1 412 764

(1) Schedule 4: Allocations to provinces to supplement funding of programmes or functions funded from provincial budgets.

(2) Schedule 5: Specific purpose allocations to provinces

(3) Schedule 8: Incentives to Provinces to meet targets with regards to priority government programmes

PERFORMANCE

The performance on the conditional grants is as follows:

DEVOLUTION OF PROPERTY RATE FUNDS GRANT

The purpose of the grant is to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates. The grant was spent, as intended in the grant framework, on the payment of provincial property rates.

The following conditions are applicable to this Grant:

- Invoices must be submitted by municipalities to provincial Departments for payment.
- Provinces must ensure that sufficient provision is made within their baselines to accommodate future commitments pertaining to provincially-owned properties.

The total expenditure amounts to R 250.285 million resulting in a under spending of R 18.579 million on the total budget allocation of R 268.864 million for 2009/10. The current under spending is mainly the result of accounts received after financial year-end.

INFRASTRUCTURE GRANT TO PROVINCES

The purpose of the grant is to help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; to enhance the application of labour intensive methods in order to maximise job creation and skills development as encapsulated in the EPWP guidelines, and to enhance capacity to deliver infrastructure.

The following conditions are applicable to this Grant:

- Submission of tabled infrastructure plans with prioritized project lists that are signed-off for the 2009 MTEF by 1 April 2009 for departments that are targeted by the grant. These plans must comply with the prescribed version 4 of template 2T01, including EPWP requirements and will be required for the 1st instalment.
- The flow of the 2nd instalment depends on the submission of fourth quarter report for the 2008/09 financial year and final list of projects captured on the IRM.
- The flow of the 3rd instalment is also dependent upon receipt of 2010/11 infrastructure plans which should include the list of prioritized projects as captured in the Infrastructure Programme Management Plan (IPMP) for that year. The list of prioritized projects must properly align with the projects being planned and implemented in 2009/10 and must be endorsed by the respective national departments, especially with respect to priority allocations made to education.
- The 2009 MTEF makes provision for scaling-up EPWP in the roads and transport sector. The following amounts are targeted for this purpose: R 1.6 billion in 2009/10, R 2.2 billion in 2010/11 and R 2.8 billion in 2011/12. These amounts are part of the recommended roads and transport allocation within the Infrastructure Grant to Provinces (IGP) and are a continuation of the EPWP allocations from the 2007 MTEF. The 2010/11 and 2011/12 amounts are thus already embedded within the baselines and will continue beyond the 2009 MTEF.
- Quarterly reports on the physical progress of implementation of infrastructure projects are required in addition to in-year monthly expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation. Reports should also indicate progress in terms of expenditure, jobs created, and training on EPWP designated projects.
- The flow of the 3rd, 4th and 5th instalments are conditional upon submission and approval of signed-off quarterly reports.
- Compliance with the approval process for infrastructure plans for 2010/11 and 2011/12 as outlined below.
- Asset Management and Maintenance:
 - The custodian of assets responsible for the delivery of provincial infrastructure should develop a needs assessment for Capital and Maintenance Works based on the minimum standards for infrastructure where available. This should be certified by the Accounting Officer with the advice of the Implementing Agent.
 - Condition and functionality assessments should be developed and incorporated within the Infrastructure Asset Management system(s).

The conditions were complied with and the grant was fully spent for its intended purpose that is the construction, maintenance, upgrading and rehabilitation of roads infrastructure.

The table below shows the projects to which the Infrastructure Grant to Provinces was allocated.

Table 21: Projects for which the Infrastructure Grant to Provinces was utilised

Infrastructure Grant to Provinces: Roads Infrastructure Projects	Allocation R'000s	Expenditure R'000s
C733.4 Broadlands to Sir Lowry Pass	48 013	48 013
C776.2 Gansbaai – Elim Phase 2	33 000	33 000
C783 Algeria Road Phase 1	6 298	6 298
C839.1 Eden Still Bay	12 000	12 000
C847 Calitzdorp	23 000	20 274
C880 Koeberg Direction Ramps	221 009	223 735
Maintenance – current	21 324	21 324
TOTAL	364 644	364 644

TRANSPORT DISASTER MANAGEMENT GRANT

The purpose of this grant is to repair road infrastructure including bridges and sections of on-line road infrastructure that were built to the required engineering standards and maintained in terms of good industry practice.

The conditions of the grant are as follows:

- The event must be declared a National Disaster in order to qualify for application.
- Non-insured infrastructure damaged by natural disasters (for example through flooding and related disasters)
- Transfers to provinces must be done in line with payment schedule/cost management schedule.
- Approximately 10 percent of estimated construction cost to do business plans, feasibility and designs. Once the documentation (i.e. business plans) is in order, then 40 percent will be advanced where after cash flows are set, then funds are disbursed as works progress.

In the 2009/10 Adjustments Estimate an additional R 391 million in the form of a national Transport Disaster Management Grant was appropriated, consisting of rollovers from the previous financial year of R 274 million for flood damage in the Overberg, Central Karoo, Cape Winelands en Eden District Municipalities during November 2007 and a new allocation of R 117 million for flood damage in the Cape Winelands and West Coast District Municipalities during July 2008.

A combination of the late approval of the rollovers and receipt of the allocation, the magnitude thereof and design and procurement lead times lead to an under spending of R 186 million occurring on the grant. The grant was spent on 170 projects for the intended purposes of repairing flood damage on roads. 47 Percent of work was performed in-house and 53 percent was contracted out.

Of the unspent portion of the grant, R 105 million is already committed to projects where tenders have been awarded.

PUBLIC TRANSPORT OPERATIONS GRANT

The purpose of the grant is to provide supplementary funding towards public transport services provided by provincial departments of transport.

The conditions of the grant are as follows:

- The conditional grant is the payment of the national contribution for the subsidisation of interim, current tendered, negotiated and subsidised service contracts entered into by the provincial department of transport and bus operators for the provision of subsidised services based on kilometres operated.
- Funding for the provision of Interim (ticket based) contract will only be provided for up to 30 September 2009, all conversions of Interim to kilometre based contracts must therefore be concluded on or before 30 September 2009.
- All service designs will have to be approved by the Public Transport Integration Committee comprising of the three spheres of Government to ensure alignment with Integrated Public Transport Networks (IPTNs).
- Utilise the Subsidy Management System (SUMS) for the verification of monthly claims and inform the Department of Transport in circumstances where the SUMS system is not operational, in such circumstances monthly claims will be processed manually.
- Supervision and Monitoring Firms and / or External Auditors must certify the correctness of the operator's claim in terms of km of services provided and report to Department of Transport (DoT) monthly.

An amended interim contract, based on kilometres was concluded with the service provider on 30 September 2009 as required.

A Monitoring and Supervision Firm /Auditor was appointed by June 2009 instead of adopting the SUMS due to a technical defect which was detected on the national system. This has not yet been resolved by the national Department of Transport.

A Public Transport Integration Committee comprising of three spheres of Government was established to guide the development of Integrated Rapid Public Transport Networks (IRTPN).

The grant was fully spent for its intended purpose which was to provide subsidisation of commuter bus services. The grant achieved its outcome statement of converting the payment method of the existing Interim Contract from passenger based to a kilometre based method.

EPWP INCENTIVE GRANT TO PROVINCES

The purpose of the grant is to incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the Expanded Public Works Programme (EPWP) Incentive Grant for Provinces guidelines.

The following conditions apply to the grant:

- Targets along with incentive amounts to be paid out if targets are met, are published in the Division of Revenue Act.
- Works through the EPWP Management Information systems.
- All reported data must be subjected to verification and auditing.
- All project data must be available for auditing and performance adjusted in accordance with audited data.

An original amount of R 0.5 million was appropriated in the main budget for this grant. Subsequently, two amounts of R 11.09 million and R 3.1 million for performance in the second and third quarters respectively were received, outside of the budget process. A request was made to allocate the R 11.09 million in the main budget for 2010/11 (as indicated below) and the same will be done for the R 3.1 million during the 2010 Adjustments Estimate budget process. The R 0.5 million was surrendered to the Provincial Revenue Fund.

A distribution framework is being developed for the allocation of incentives received in this manner.

Allocation of Incentive Grant:

2nd quarter = R11 089 800 based on the performances of the following respective Programmes.

- Roads Infrastructure : 1130.55 FTE's (76.03% x R 11 089 800) = R 8 431 574.94
- Public Works : 356.45 FTE's (23.97% x R11 089 800) = R 2 658 225.06

3rd quarter = R 3.1 million based on the following performance:

- Roads Infrastructure 543 FTE's

The grant was disbursed to the respective Programmes as indicated above.

The table below illustrates the audited performance as at 31 March 2010, against the National targets for 2009/2010.

Table 22: Audited Performance of EPWP in the Infrastructure Sector

SECTOR	TARGET (2009/10) WORK OPPORTUNITIES	PERFORMANCE (AUDITED AS AT 31 MARCH 2010)	% OVER / UNDER PERFORMANCE
Infrastructure	8 230	11 365	38%

The sector has exceeded the set targets for 2009. The sector is compliant with the conditions as stipulated DORA and the Incentive Agreement. The Department's RPM system is linked to that of the National Management Information System reporting tool which allows for the timely transfer of performance information on a quarterly basis.

PROGRAMME PERFORMANCE

Key measurable objectives were developed per main division and incorporated into the 2009/10 Annual Performance Plan. In the next section the achievements on these objectives are elucidated.

**PROGRAMME ONE:
ADMINISTRATION**

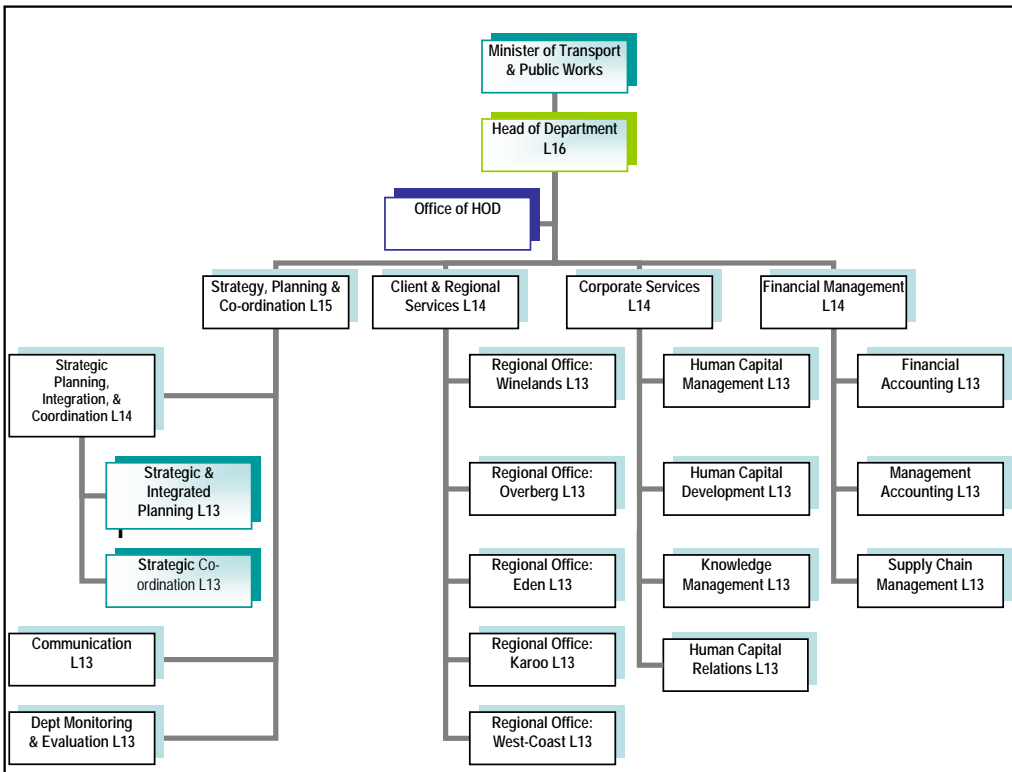


Figure 2: Macro-Organisational Structure Linked to Programme 1

SERVICE DELIVERY ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

PURPOSE

To provide the overall management and administrative support of the Department.

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 1:

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in support of the iKapa GDS.

STRATEGIC OBJECTIVE:

1.1 To manage the over-arching departmental 2010 FIFA World Cup strategy, programme and plan to ensure a successful event which leaves a legacy in the province.

STRATEGIC GOAL 3: Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.

STRATEGIC OBJECTIVE:

3.1 To ensure that integrated planning is undertaken which promotes public transport.

STRATEGIC GOAL 4: Facilitate and develop the skills, required for infrastructure-led economic growth.

STRATEGIC OBJECTIVES:

4.1 To develop and implement mentorship programmes to promote skills development.

4.2 To enhance, develop and implement programmes to develop specialised skills towards infrastructure led growth.

4.3 To provide workplace learning for bursary students.

REVIEW

Integrated Planning

Support to municipalities to undertake the review of their Integrated Transport Plans (ITPs) began after an initial delay in the finalisation of the category of plan to be developed, determining the resource gaps and the contracting in of specialists to assist. The review process will be concluded during the next financial year.

Project management and co-ordination of the George Mobility Strategy continued to receive priority attention, with progress being made with the formalisation of the operators into an entity.

The review of the Provincial Land Transport Framework began, which includes a status quo and gap analysis, leading to public participation and finalisation.

A framework to guide the development of Transport Precincts was completed, and is now being applied and tested in a practical environment of the Philippi Precinct, in order to formulate an overarching development proposal for the said area.

A freight and logistics strategy, including an implementation plan, was developed and consulted with the freight fraternity, national Department of Transport, the City of Cape Town and other stakeholders.

The Provincial Transport Operations Plan (PTOP) for the 2010 FIFA World Cup continued to be updated as new information surfaced from various stakeholders and analysis. The technical team also worked with the City of Cape Town to update their Host City Transport Operations Plan, with information being shared between the

parties. The PTOp guided planning in areas such as George and the Cape Winelands given the focus of tourists accommodation in these areas. In addition, the location of three teams in the Southern Cape region resulted in attention being given to transportation needs of the area. The Department submitted the PTOp to the national Department of Transport in September 2009 in a final effort to obtain operational funding to support transport services for the event. Unfortunately the submission was declined.

Skills development – Masakh’iSizwe Bursary programme

During this financial year no new companies joined the Bursary Collaboration Venture (BCV), a public-private partnership to share bursary and training costs, leaving the number of partners at 12 (Africon and Ninham Shand merged and became Aurecon).

The throughput rate, a Department of Education measure of success, of the bursary students continues to outperform the national and institutional averages for the engineering and built environment fields of study. This may be attributed to the extra-curricular programmes and mentor support provided for the students. 75 Students graduated in December 2009 with 14 graduates joining the Department, 31 joining the BCV partners, 6 continuing their studies, and 30 seeking employment outside of the Department or with partner companies. At the beginning of the (2009 academic / calendar) year 300 students were awarded bursaries: 145 for degree studies at the Universities of Cape Town and Stellenbosch and at Cape Peninsula University of Technology, 10 for B.Tech degrees and 145 for studies towards National Diploma (ND). Financially disadvantaged and women students are prioritised and it is encouraging to note that an increasing number of female students are entering the field with 42 percent of the bursaries being awarded to female students.

An important aspect of the programme is to ensure that the students get the necessary experiential learning required by the academic programmes. The lack of such opportunities for ND students nationwide is the most significant factor in the very low throughput rate of students. This is therefore an important aspect of the programme and is the responsibility of the Work Integrated Learning (WIL) component of the Department. All Masakh’iSizwe students needing experiential learning (27 ND and 22 degree) were successfully placed.

Enterprise Content Management Programme

The ECM Programme is aimed at improving the efficiency and effectiveness of Information Management. The user-base increased to 650 out of a possible total of 1 100. This represents a year on year increase of 25 percent.

Financial Management Improvement

Matters relating to the improvement of financial management are captured in the Accounting Officer’s report contained in Part 4 of this Annual Report.

SERVICE DELIVERY ACHIEVEMENTS

Table 23: Programme 1: Administration: measurable objectives, performance indicators and targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the iKapa GDS.						
1.1 To manage the over-arching departmental 2010 FIFA World Cup strategy, programme and plan to ensure a successful event which leaves a legacy in the Province.						
To update the integrated transport operations plan for the 2010 event on a quarterly basis	Updated integrated transport operations plan	1	4	2	(2)	50%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development						
3.1 To ensure that integrated planning is undertaken which promotes public transport						
To facilitate and approve 30 municipal integrated transport plans by 30 September	Number of plans approved	0	30	11	(19)	63%
To annually review and approve the Provincial Land Transport Framework by 31 March	Approved PLTF	N/A	1	0	(1)	100%
To assist with the development of mobility strategy concepts for transport in 5 district areas by 31 March 2012	Concepts sanctioned	N/A	1	0	(1)	100%
4. Facilitate and develop the skills required for infrastructure-led economic growth (HR to clarify)						
4.1 To develop and implement mentorship programmes to promote skills development						
To implement 1 mentorship programme per quarter for Masakh'iSizwe bursary students	Mentorship programme	N/A	4	1	(3)	75%
4.2 To enhance, develop and implement programmes to develop specialised skills towards infrastructure led growth						
To annually award bursaries to students studying in scarce skills categories	Number of bursaries awarded per academic year	293	300	275	(25)	8%
4.3 To provide workplace learning for bursary students						
To facilitate Work Integrated Learning with technical assistance bi-annually to Masakh'iSizwe bursary students	Number of students assisted on the programme	N/A	45	63	18	40%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
To update the integrated transport operations plan for the 2010 event on a quarterly basis	Updated integrated transport operations plan (50% below target)	Limited updates were undertaken as a result of the narrowing of focus to key areas which required transport services.
To facilitate municipal integrated transport plans	Number of plans approved (63% below target)	The intended project programme was slowed down due to delays with obtaining the required operating license information, municipal council approvals, transferring payments to the municipalities and the Provincial evaluation uncovering gaps with the draft ITPs.
To review the Provincial Land Transport Framework (PLTF)	Approved PLTF (100% below target)	A change in the direction of approach to the PLTF, with the decision made to appoint service providers to assist the under capacitated unit has caused a delay in the delivery of the first draft framework. A desktop analysis of current policies to be considered in the formulation of the PLTF was completed.
To develop mobility strategy concepts for transport in district areas	Concepts sanctioned (100% below target)	The delay with the approval of the Central Karoo Integrated Transport Plan has delayed the submission of the Central Karoo Mobility Strategy, as it is required to be a council sanctioned project and endorsed by the MEC (Central Karoo ITP was submitted to the MEC and conditionally approved on 31 May 2010).
To implement 1 mentorship programme per quarter for Masakh'iSizwe bursary students	Mentorship programme (75% below target)	It is acknowledged that the objective incorrectly stated one mentorship programme per quarter rather than per annum. One mentorship programme was implemented through-out the year.
To annually award bursaries to students studying in scarce skills categories	Number of bursaries awarded per academic year (8% below target)	Low number of mathematics and science students and who meets the criteria for acceptance at university and bursary funding.
To facilitate Work Integrated Learning with technical assistance bi-annually to Masakh'iSizwe bursary students	Number of students assisted on the programme (40% above target)	Increased capacity allowed the Department to absorb more students.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Technical capacity at local government level for integrated transport planning

Most municipalities are unable to effectively manage and produce integrated transport plans in accordance with the transport legislative framework.

Responses to Challenge 1

Leverage the national Local Government Turn-around Strategy to capacitate municipalities in the area of transport planning.

Facilitating the contracting in of expertise to assist municipalities to develop the requisite plans where necessary.

Provision of financial assistance to support those municipalities that do not have sufficient technical capacity to develop the plan themselves, but are able to manage an external development process.

ISSUES REQUIRING ONGOING ATTENTION

The following issues require attention by the various units within Programme 1:

- Strengthening departmental performance management, through improving monitoring, evaluation and reporting through the development of tools including a management dashboard.
- Improving inter-governmental relations so as to enable a seamless government environment.
- Broadening the participation of the Bursary Collaboration Venture of the Masakh'iSizwe Bursary Programme.
- Accessing of resources from the National Skills Fund to support the bursary programme.
- Improving financial management (inclusive of Supply Chain Management).

**PROGRAMME TWO:
PUBLIC WORKS**

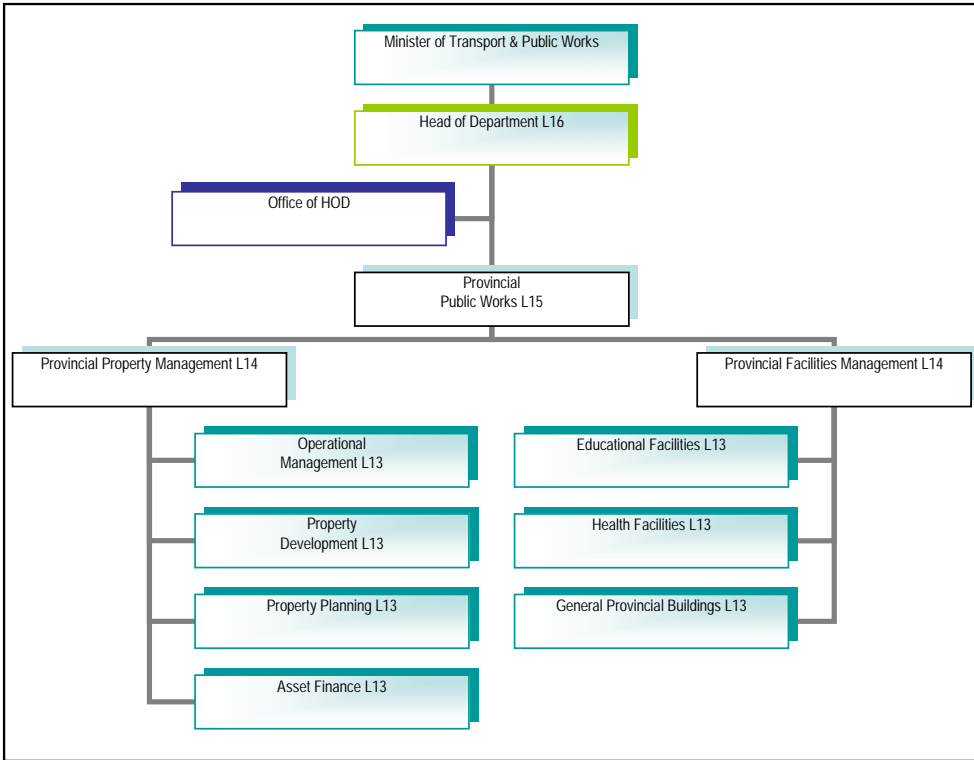


Figure 3: Macro-Organisational Structure Linked to Programme 2

PROGRAMME 2: PUBLIC WORKS

PURPOSE

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.

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 2:

STRATEGIC GOAL

1. **Plan and monitor infrastructure and transport, in support of the iKapa GDS.**

STRATEGIC OBJECTIVE

- 1.1 To ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and prescripts.

STRATEGIC GOAL

2. **Deliver and maintain integrated public infrastructure, in line with the iKapa GDS and its strategic interventions.**

STRATEGIC OBJECTIVE

- 2.1 To accelerate infrastructure delivery and reducing infrastructure and maintenance backlog.

STRATEGIC GOAL

3. **Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.**

STRATEGIC OBJECTIVE

- 3.1 To provide technical and professional built sector advise and to deliver provincial public transport building facilities.

STRATEGIC GOAL

4. **Facilitate and develop the skills required for infrastructure-led economic growth.**

STRATEGIC OBJECTIVE

- 4.1 To build a critical mass of skilled built sector practitioners and professionals to meet the demand for built sector skills.

STRATEGIC GOAL

5. **Lead and facilitate the internalisation of the EPWP across all departments in the Province.**

STRATEGIC OBJECTIVE

- 5.1 To reduce income poverty and unemployment.

The table below provides the status of the Province's property portfolio, by Department.

Table 24: The Province's property portfolio by Department

STATE OWNED PORTFOLIO	LAND				BUILDINGS	
	Number of properties	Number of vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square metres of building
Health Department	254	10	0	1 659	2 382	1 300 087
Education Department	3 619	42	0	10 104	6 364	33 963 137
Other than Education and Health	1 655	288	0	122 510	4 174	8 395 614
Total	5 528	340	0	134 273	12 920	43 658 838

The table below shows the extent of buildings leased for various Departments.

Table 25: The Province's leased portfolio by Department

LEASED PORTFOLIO	LAND		BUILDINGS		Cost to Government in R'000	Number of expired lease agreements
	Number of properties leased	Total number of hectares	Number of buildings leased	Square metres of building		
Health Department	0	0	62	27 253	R 20 924 518	7
Education Department	0	0	358	555 349	R 80 799 580	3
Other than Health and Education	0	0	103	150 055	R 95 298 564	73
Total	0	0	523	732 657	R 197 022 662	83

The table below captures the condition of the Province's buildings.

Table 26: 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%	488	31%	544	34%	220	14%	283	18%	1 583
Education Department	82	5%	460	28%	493	30%	361	22%	246	15%	1 642
Other Infrastructure	36	2%	443	25%	709	40%	354	20%	231	13%	1 773
Grand Total	166	3%	1 391	28%	1 746	35%	935	19%	760	15%	4 998

The table below shows the demand for space by provincial department.

Table 27: The Demand for New Space

DEPARTMENT	NUMBER	NUMBER OF SQUARE METRES	PLANNED CAPITAL EXPENDITURE		
			Base Year 2008/09 R'000	MTEF 1 2009/10 R'000	MTEF 2 2010/11 R'000
Health Department					
Hospitals (HRP)	14	510 194	424 776	378 864	1 313 834
Clinics, Community Health Centre and Ambulance stations	76	131 529	160 540	178 539	470 608
TB Health Facilities Allocation (CPF)	8	10 000	10 000	10 000	30 000
Capital Project Funding	14	19 800	21 000	23 000	63 800
Total for Health Facilities	112	671 523	616 316	590 403	1 878 242
Education Department					
Construction of New Schools	21	372 000	609 000	673 000	1 645 000
Construction of Special Schools	3				
Construction of Grade R Classrooms	150				
Upgrading of Inappropriate School Structure – (School replacement)	17				
Construction of Admin Blocks	1				
Total for Education Facilities	192	372 000	609 000	673 000	1 645 000
General Building Facilities					
Year Contract		15 296	27 285	30 000	72 581
Tower Block (4 Dorp) Facades and CBD Precincts Upgrade		45 000	75 000	15 000	135 000
Total for General Building Facilities		60 296	102 285	45 000	207 581
Other office accommodation					
Other Infrastructure					
Office (Leased In)	**55	10 000	11 000	12 100	

* Note that the funding for Health and Education infrastructure and maintenance projects are located on the budgets of Health and Education respectively.

** Note that this is a combination of new leases, renewed leases and consolidation of existing leases in the same building.

REVIEW AND ASSESSMENT OF THE PAST FINANCIAL YEAR

The delivery of infrastructure was accelerated and yielded the following results:

Table 28: Details of construction activities completed

Infrastructure	Revised Construction Period	On / Over Time	Penalties Imposed	On / Over Budget	Comments
Brooklyn Chest TB Hospital: R & R	✓	Over	✓	On	Contractor's default
Crossroads CHC: Anti-Retro Viral Clinic	✓	Over	✓	On	Contractor's default
Gugulethu CHC: Anti-Retro Viral Clinic	✓	Over	✓	On	Contractor's default
Khayelitsha District Hosp. Infrastructure Installation	✓	Over	✓	On	Contractor's default
Malmesbury TB Hospital: R & R	-	On	-	On	-
Groote Schuur Hospital: Anaesthetic Department	✓	Over	✓	On	Contractor's default
Groote Schuur Hospital Ph1: Fire Detection	✓	Over	✓	On	Contractor's default
Groote Schuur Hospital: Pharmacy Bulk Store Air-conditioning	✓	Over	✓	On	Contractor's default
Tygerberg Hospital: Helipad	-	On	-	On	-
Tygerberg Hospital: Lift Upgrade	✓	Over	✓	On	Contractor's default
Philippi Stadium	✓	On	-	On	
Table View Primary	✓	Over	✓	On	Final accounts are being prepared
Gansbaai Secondary	✓	On	-	On	-
Nomzamo Primary, Strand.	✓	Over	✓	On	-
Avian Park Primary, Worcester	✓	Early	✓	On	-
Zwelihle Primary, Hermanus	✓	On	✓	On	-
Bongoletu Primary, Philippi	✓	On	✓	On	Some delays experienced due to community unrest, but project extension of time was approved by WCED for two additional Grade R classrooms

Construction commenced on the following:

Education Facilities:

- 73 Brick & Mortar Grade R Classrooms
- 30 x Mobile Grade R Classrooms

- Wallacedene Secondary School
- Tafelberg LSEN School
- Bongolethu Primary School - Completion of only two additional Grade R classrooms
- Blue Downs Primary School, Kuilsriver
- Delft N2 Gateway Secondary School 1, Delft South
- Delft N2 Gateway Secondary School 2, Delft South
- Delft N2 Gateway Primary School 1, Delft South
- Delft N2 Gateway Primary School 2, Delft South
- Westlake Primary School, Tokai
- Cloeteville Primary School in Stellenbosch

Health Facilities:

- Paarl Pathology Laboratory
- Worcester Pathology Laboratory
- Malmesbury Pathology Laboratory
- Grassy Park: New Clinic
- Wesbank New CDC: Malmesbury
- Vredendal New Ambulance Station: Vredendal
- Ceres New Ambulance Station: Ceres
- Plettenberg Bay: Kwa-Nokuthula CDC & Ambulance Station
- G.F Jooste Hospital: Ward 2: Manenberg
- Worcester Regional Hospital: Phase 4: Wards M7 & M8
- Mitchells Plain District Hospital
- Leeu Gamka New Ambulance Station: Eden District
- Paarl: T.C Newman Hospital CHC – Upgrade

Planning and design work was completed for the following:

- Brackenfell Secondary School in Brackenfell.
- Fisantekraal Secondary School in Durbanville.
- Northpine Secondary School in Kraaifontein.
- Cloeteville Primary School in Stellenbosch.
- 4 Dorp Street Façade
- Goukamma Nature Reserve: Upgrading of rondawels
- Groot Winterhoek Nature Reserve: Repairs to road
- Beaufort West Office Accommodation for Health

Planning commenced on the following:

- Grabouw Secondary School in Grabouw – planning continued from previous year due to temporary delay for redetermination of building site.
- Boys Town Secondary School in Crossroads – planning continuing from previous year due to site uncertainty and revised WCED requirements.
- Beaufort West Office Accommodation for Agriculture
- Hermanus Office Accommodation for Nature Conservation
- Salt River Pathology Laboratory
- Construction of 21 x new schools;
- Construction of 3 x Special schools;
- Construction of 150 x Grade R classrooms;
- Upgrading of 2 x Schools of Skills
- 17 x Schools (Replacement) – Inappropriate structures;
- Classroom replacement at 1 x school – Inappropriate structures
- Relocation of mobiles, and
- Construction of 1 x Admin Block at Vista Secondary School

General buildings:

Maintenance and refurbishment of provincial government buildings and infrastructure continued.

Property management

On inception of the new Provincial Government in the Western Cape the Provincial Cabinet took a decision to cancel the existing agreement with the national Department of Housing in respect of the province's land contribution to Integrated Sustainable Human Settlements (intended to transfer fourteen properties).

The business cases for a Public Works Government Component and for the implementation of the "user pay" principle were compiled and in the process of consultation with relevant role-players and decision makers.

With regard to the CBD Regeneration Programme, the drafting of a framework to guide the feasibility study commenced in liaison with relevant stakeholders.

SERVICE DELIVERY ACHIEVEMENTS

Table 29: Programme 2: Public Works: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the iKapaGDS						
1.1 Ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and						
** To maintain the State-Owned property portfolio for Education	Number of properties owned	3 798	3 889	3 619	(270)	7%
	Number of vacant urban properties (land) owned	0	0	42	42	100%
	Number of unutilised rural properties (land) owned	0	0	0	0	0%
	Number of hectares of land owned	16 091	12 798	10 104	(2 694)	21%
	Number of properties with buildings owned	8 876	8 876	6 463	(2 413)	27%
	Number of square meters of buildings owned	4 964 358	4 964 358	33 963 137	28 998 779	584%
** To maintain the State-Owned property portfolio for Health	Number of properties owned	254	249	254	5	2%
	Number of vacant urban properties (land) owned	0	0	10	10	100%
	Number of unutilised rural properties (land) owned	0	0	0	0	0%
	Number of hectares of land owned	1 763	1 772	1 659	(113)	6%
	Number of properties with buildings owned	1 583	1 583	2 382	799	50%
	Number of square meters of buildings owned	1 685 643	1 685 643	1 300 087	(385 556)	23%
** To maintain the State-Owned property portfolio for Other than Education and Health	Number of properties owned	1 326	1 498	1 655	157	10%
	Number of vacant urban properties (land) owned	444	363	288	(75)	21%
	Number of unutilised rural properties (land) owned	0	0	0	0	0%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
	<i>Number of hectares of land owned</i>	10 995	137 004	122 510	(14 494)	11%
	<i>Number of properties with buildings owned</i>	1 873	1 873	4 174	2 301	123%
	<i>Number of square meters of buildings owned</i>	495 944	495 944	8 395 614	7 899 670	1 593%
<i>** To maintain the leased property portfolio for Education</i>	<i>Number of properties (land) leased</i>	0	0	0	0	0%
	<i>Number of hectares of land leased</i>	0	0	0	0	0%
	<i>Number of buildings leased</i>	364	358	358	0	0%
	<i>Number of square meters of buildings leased</i>	556 892	92 668	555 349	462 681	499%
<i>** To maintain the leased property portfolio for Health</i>	<i>Number of properties (land) leased</i>	0	0	0	0	0%
	<i>Number of hectares of land leased</i>	0	0	0	0	0%
	<i>Number of buildings leased</i>	60	80	62	(18)	23%
	<i>Number of square meters of buildings leased</i>	26 664	28 612	27 253	(1 359)	5%
<i>** To maintain the leased property portfolio for Other than Education and Health</i>	<i>Number of properties (land) leased</i>	0	0	0	0	0%
	<i>Number of hectares of land leased</i>	0	0	0	0	0%
	<i>Number of buildings leased</i>	108	109	103	(6)	6%
	<i>Number of square meters of buildings leased</i>	153 471	93 859	150 055	56 196	60%
Preparation for the implementation of GIAMA by 31 March 2012	Number of properties valued as a percentage of the total number of properties on the Asset Register as at 1 April 2009	N/A	100	0	(100)	100%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
	Number of properties vested as a percentage of the total number of properties on the Asset Register as at 1 April 2009	N/A	95	99	4	4%
	Number of properties assessed as a percentage of the total number of properties on the Asset Register as at 1 April 2009	N/A	20	0	(20)	100%
	Number of properties audited as a percentage of the total number of properties on the Asset Register as at 1 April 2009	N/A	20	0	(20)	100%
	Compile a Custodian Asset Management Plan	N/A	1	1	0	0
2. Deliver and maintain public infrastructure. in line with the iKapa GDS and its strategic interventions						
2.1 Accelerate infrastructure delivery and reduce infrastructure and maintenance backlogs						
To construct new infrastructure (new accommodation made available within the financial year)	Number of health projects	39	20	18	(2)	10%
	Number of education projects managed (incl 20 re-locatable mobiles excl School Governing Bodies)	60	38	5	(33)	87%
	Number of general buildings projects	10	10	35	25	250%
To undertake planned Maintenance Projects	Number of health projects	180	200	63	(137)	68%
	Number of education projects	275	300	876	576	192%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
	Number of general building projects	200	150	210	60	40%
The disposal of properties	Number of properties sold	40	10	0	(10)	100%
To let land and buildings	Number of lease agreements	600	246	251	5	2%
	Number of parking agreements	-	1 200	960	(240)	20%
To provide accommodation through the acquisition (buy & lease) of land and buildings by 31 March 2012	Number of properties	5	18	8	(10)	56%
	Number of properties leased	534	538	523	(15)	3%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development						
3.1 To provide technical and professional built sector advice and to deliver provincial public transport building facilities						
To provide technical and professional built sector advice on request	Number of projects/ cases where advice was required	10	20	0	(20)	100%
4. Facilitate and develop the skills required for infrastructure-led economic growth						
4.1 To build a critical mass of skilled built sector practitioners and professionals to meet the demand for built sector skills						
To facilitate the placement of Section 18.2 learners, artisans and tradesmen annually	Number of Placements:					
	Health	120	120	38	(82)	68%
	Education	250	250	119	(131)	52%
	General buildings	10	10	16	6	60%
	Property Management	4	5	1	(4)	80%
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province						
5.1 Reduction of income poverty and unemployment						
To create employment opportunities	Number of direct employment opportunities created through Health infrastructure	8 500	8 500	2 794	(5 706)	67%
	Number of direct employment opportunities created through Education infrastructure	1 500	1 750	531	(1 219)	70%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
	Number of direct employment opportunities created through general building infrastructure	1 500	2 000	875	(1 125)	56%
	Number of direct National Youth service employment opportunities created	500	500	717	217	43%
	Number of EPWP building preventative maintenance work opportunities via the Building Facilities Maintenance Programme	2 000	2 000	3 571 *BFMP head count.	1 571	79%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
To maintain the State-Owned property portfolio for Education	Number of properties owned (7% below target)	The baseline figure represents the number of properties in the user property portfolio as at 01/04/2009. The user property portfolio is being updated and property data corrected and verified for accuracy resulting in adjustments to the baseline figure. With the updating and correcting of property data and the verification thereof for accuracy and reliability, the baseline figure has changed.
	Number of vacant urban properties (land) owned (100% above target)	
	Number of hectares of land owned (21% below target)	
	Number of properties with buildings owned (27% below target)	
	Number of square meters of buildings owned (584% above target)	
To maintain the State-Owned property portfolio for Health	Number of properties owned (2% above target)	The baseline figure represents the number of properties in the user property portfolio as at 01/04/2009. The user property portfolio is being updated and property data corrected and verified for accuracy resulting in adjustments to the baseline
	Number of vacant urban properties (land) owned	

	(100% above target) Number of hectares of land owned	figure. With the updating and correcting of property data and the verification thereof for accuracy and reliability, the baseline figure has changed.
	(6% below target) Number of properties with buildings Owned	
	(50% above target) Number of square meters of buildings owned	
	(23% below target)	
To maintain the State-Owned property portfolio for Other than Education and Health	Number of properties owned	The baseline figure represents the number of properties in the user property portfolio as at 01/04/2009. The user property portfolio is being updated and property data corrected and verified for accuracy resulting in adjustments to the baseline figure. With the updating and correcting of property data and the verification thereof for accuracy and reliability, the baseline figure has changed.
	(10% above target) Number of vacant urban properties (land) owned	
	(21% below target) Number of hectares of land owned	
	(11% below target) Number of properties with buildings owned	
	(123% above target) Number of square meters of buildings owned	
	(1 593% above target)	
To maintain the leased property portfolio for Education	Number of square meters of buildings leased	Target output was incorrectly calculated and erroneously understated in respect of public schools on private land by 464 224 m ²
	(499% above target)	
To maintain the leased property portfolio for Health	Number of buildings leased	Leases cancelled
	(23% below target) Number of square meters of buildings leased	The total number of square meters of building leased in decreased as a result of the cancelled leases
	(5% below target)	
To maintain the leased property portfolio for Other than Education and Health	Number of buildings leased	Lease was cancelled and not renewed.
	(6% below target) Number of square meters of buildings leased	Target output was incorrectly calculated and understated by 60 140m ² due to the omission of the Ceres road camp and accommodation for one Cuban professional.
	(60% above target)	
Preparation for the implementation of GIAMA by 31 March 2012	Number of properties valued as a percentage of the total number of properties on the Asset Register as at 1 April 2009	Awaiting approved valuation model. Municipal valuations, where available, reflect fair value of properties and where not available, values reflected as R 1. No approved valuation model available.
	(100% below target) Number of properties vested as a percentage of the total number of properties on the Asset Register as at 1 April 2009	
		Applications for the vesting of 156 properties have been submitted to the Provincial State Land disposal Committee. Lack of access to historical data essential in substantiating utilisation or intended utilisation.

	(4% above target) Number of properties assessed as a percentage of the total number of properties on the Asset Register as at 1 April 2009	Work did not commence in the year under review.
	(100% below target) Number of properties audited as a percentage of the total number of properties on the Asset Register as at 1 April 2009	Work did not commence in the year under review.
	(100% below target) Number of health projects	Projects started later than anticipated.
To construct new infrastructure (new accommodation made available within the financial year)	(10% below target) Number of education projects	Projects started later than anticipated.
	(87% below target) Number of general buildings projects	Some projects were carried over as they started late in the previous year. Additional funding secured.
	(250% above target) Number of health projects	Client planning and capacity constraints.
Planned Maintenance Projects	(68% below target) Number of education projects	More projects executed due to additional funds secured.
	(192% above target) Number of general projects	Some projects were carried over as they started late in the previous year. Additional funding secured.
	(40% above target) Number of properties sold	No properties disposed, due to shift in emphasis in management of property portfolio
The disposal of properties	(100 below target) Number of lease agreements	251 Lease agreements. Three commercial leases were terminated as they were required for provincial purposes whereas two residential leases were concluded.
	(2% above target) Number of parking agreements	960 Parking agreements were concluded. Lack of co-operation from officials as users.
To let land and buildings	(20% below target) Number of properties purchased	Lack of funding. Finding suitably located and feasible land for provincial use.
	(56% below target) Number of properties leased	Leases have been cancelled.
To provide accommodation through the acquisition of land and buildings by 31 March 2012	(3% below target) Number of projects/cases where advice was required	No requests for advice were received
	(100% below target) Number of Placements:	
To facilitate the placement of Section 18.2 learners, artisans and tradesmen annually	Health (68% below target)	Learners not placed on time due to theoretical training component completing later than expected.
	Education (52% below target)	Learners not placed on time due to theoretical training component completing later than expected.
	General buildings	The Shared Service Centre project allowed the placement of additional learners.

	(60% above target)	
	Property Management (80% below target)	Component responsible for the placement of graduates have not made any new placements for those who have resigned and/or been appointed in permanent positions in property management.
To create employment opportunities	Number of direct employment opportunities created through health infrastructure (67% below target)	Projects started later than anticipated.
	Number of direct employment opportunities created through education infrastructure (70% below target)	Projects started later than anticipated
	Number of direct employment opportunities created through general building infrastructure (56% below target)	Projects started later than anticipated
	Number of direct National Youth Service (NYS) employment opportunities created (43% above target)	Increased number of youth appointed on the Shared Service Centre project.
	Number of EPWP building preventative maintenance work opportunities via the building facilities maintenance programme (79% above target)	The type and nature of the programme allowed for more people to be placed.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Increasing accommodation needs (space) of client departments

Accommodation for functions is fragmented. Departmental establishments are continuously increasing. Sub-optimal utilisation of space.

Response to Challenge 1

Proper formulation of user and custodian asset management plans.

Challenge 2: Increasing maintenance backlogs

To determine a sustainable solution to the growing maintenance backlog.

Response to Challenge 2

A key objective of the CBD Regeneration Programme is to leverage a sustainable funding stream from the development of the Provincial Property Portfolio. The intention is to utilise this funding source to supplement the maintenance budget.

ISSUES REQUIRING ONGOING ATTENTION

The issues below require attention from Provincial Public Works:

- Finalisation of the vesting of properties in the name of the Provincial Government and resolving ownership uncertainties despite significant progress being made.
- Pursuit of the implementation of the 2006 Property Charter objectives, through, *inter alia*, the Property Incubator Programme in order to create an environment where targeted property related businesses are able to acquire the necessary skills and competencies in order to compete for opportunities in the property sector. The Property Incubation Programme could not be successfully implemented in the province due to uncertainty and lack of guidance from national government.
- Fulfilling of the technical functions of public works in circumstances where client departments still use other implementing agents.
- Accessing funding for maintaining the immovable asset stock and making in-roads into the maintenance backlogs.
- Progressing the CBD Regeneration Programme through the feasibility phase to implementation.

**PROGRAMME THREE:
ROADS INFRASTRUCTURE**

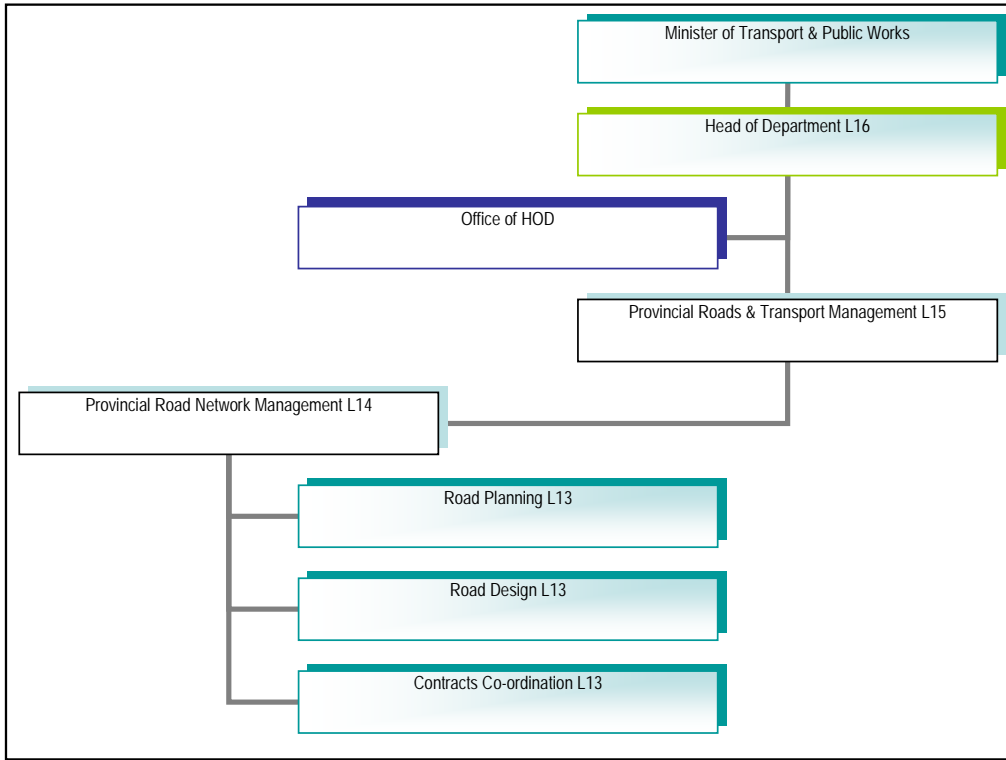


Figure 4: Macro-Organisational Structure Linked to Programme 3

PROGRAMME 3: ROAD INFRASTRUCTURE

PURPOSE

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 socially just, developmental and empowering processes.

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 3

STRATEGIC GOAL

1. Plan and monitor infrastructure and transport, in support of the *iKapa* GDS.

STRATEGIC OBJECTIVE

- 1.1 Road infrastructure delivery that supports the *iKapa* GDS.

STRATEGIC GOAL

2. Deliver and maintain integrated public infrastructure, in line with the *iKapa* GDS and its strategic interventions.

STRATEGIC OBJECTIVE

- 2.1 Incorporate *iKapa* GDS goals in the outcomes of Road Infrastructure projects.

STRATEGIC GOAL

3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.

STRATEGIC OBJECTIVE

- 3.1 To place public transport first in development proposals.
- 3.2 To provide public transport lanes along arterial routes.

STRATEGIC GOAL

4. Facilitate and develop the skills required for infrastructure-led economic growth.

STRATEGIC OBJECTIVE

- 4.1 Provide in-service training, mentorship and succession programs to technical graduates.

STRATEGIC GOAL

5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.

STRATEGIC OBJECTIVE

- 5.1 Incorporate EPWP principles into the mainstream maintenance and capital projects.

STRATEGIC GOAL

6. Transform the Department to improve the representativeness, efficiency and effectiveness of delivering its provincial mandate.

STRATEGIC OBJECTIVE

- 6.1 Align the organisational structure and people of the branch to its purpose and function and thereby improve its efficiency, effectiveness.

STRATEGIC GOAL

7. Ensure that BBBEE is realised.

STRATEGIC OBJECTIVE

- 7.1 Incorporate BBBEE objectives in the outcomes of projects.
- 7.2 Give preference to Black, Women and Youth participation in contractor development programmes.

The table below provides an overview of the condition of the provincial road infrastructure by district municipality, and includes the City of Cape Town.

Table 30: Condition of road infrastructure by region

REGION OF PROVINCE	CONDITION OF INFRASTRUCTURE (Km's or No.)					Total Km's or Total No.
	Very Good	Good	Fair	Poor	Very Poor	
CENTRAL KAROO DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	152.96	256.58	116.60	74.89	0.00	601.03
Gravel Roads	0.00	568.15	1 110.24	657.22	79.26	2 414.87
Bridges with span > 2 metre						88
Culverts with span > 2 metres						297
EDEN DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	249.17	630.68	420.46	76.18	0.00	1 376.49
Gravel Roads	62.26	377.23	1 339.99	1 114.44	170.96	3 064.88
Bridges with span > 2 metres						181
Culverts with span > 2 metres						377
OVERBERG DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	487.06	181.29	124.52	29.74	8.88	831.49
Gravel Roads	4.82	205.98	474.79	697.84	71.37	1 454.80
Bridges with span > 2 metre						107
Culverts with span > 2 metres						186
CAPE WINELANDS DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	383.30	663.44	361.75	128.10	8.00	1 544.59
Gravel Roads	0.00	55.29	471.70	678.24	209.56	1 414.79
Bridges with span > 2 metre						185

REGION OF PROVINCE	CONDITION OF INFRASTRUCTURE (Km's or No.)					Total Km's or Total No.
	Very Good	Good	Fair	Poor	Very Poor	
Culverts with span > 2 metres						305
WEST COAST DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	181.73	517.45	375.75	258.60	101.60	1 435.13
Gravel Roads	0.47	6.12	478.65	1 403.86	318.00	2 207.10
Bridges with span > 2 metre						182
Culverts with span > 2 metres						230
CAPE TOWN METRO						
Highways						
Surfaced Roads (excluding highways)	143.50	84.57	78.31	20.13	10.20	336.71
Gravel Roads	0.00	0.00	0.00	11.02	0.00	11.02
Bridges with span > 2 metre						141
Culverts with span > 2 metres						30
TOTAL WHOLE PROVINCE 2009/10						
Highways						
Surfaced Roads (excluding highways)	1 597.72 (26%)	2 334.01 (38%)	1 477.39 (24%)	587.64 (10%)	128.68 (2%)	6 125.44
Gravel Roads	67.55 (1%)	1 212.77 (11%)	3 875.37 (37%)	4 562.62 (43%)	849.15 (8%)	10 567.46
Bridges with span > 2 metre						884
Culverts with span > 2 metres						1 425
TOTAL WHOLE PROVINCE 2008/09						
Highways						
Surfaced Roads (excluding highways)	1 611.79 (27%)	2 265.82 (37%)	1 398.93 (23%)	627.12 (10%)	168.21 (3%)	6 071.87
Gravel Roads	52.11 (1%)	1 063.15 (10%)	3 576.80 (34%)	4 384.17 (41%)	1 510.16 (14%)	10 586.39
Bridges with span > 2 metre						884
Culverts with span > 2 metres						1 426

REGION OF PROVINCE	CONDITION OF INFRASTRUCTURE (Km's or No.)					Total Km's or Total No.
	Very Good	Good	Fair	Poor	Very Poor	
For the purpose of this table, the degrees of overall condition of pavement mean the following:						
Very Good	Very few or no defects. Degree of defects c 3 (less than warning).					
Good	Few defects. Degree of structural defects mostly less than warning.					
Fair	A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects).					
Poor	General occurrence of particularly structural defects with degrees warning to severe.					
Very Poor	Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive.					

A comparison between the 2008/09 and 2009/10 situation shows a slight improvement in the condition of the gravel and surfaced road networks, with the percentage of kilometres of roads in a very poor condition decreasing, while the percentage of the fair to good categories increased.

REVIEW AND ASSESSMENT OF THE PAST FINANCIAL YEAR

Maintenance

The further refinement of the blading optimisation model resulted in improved maintenance of gravel roads by the District Municipalities. The monitoring of maintenance activities by the District Municipalities were enhanced through revised service level agreements.

Routine road maintenance is used in the contractor development programme. Sixteen new contractor development learnerships forms part of the Koeberg Interchange and Somerset West/N2 upgrade.

The need to address flood related maintenance has put a strain on existing resources to do routine maintenance work especially in the Eden district. This has further increased the maintenance backlog on the road network.

The following major maintenance projects were completed:

- The reseal of 83km of various roads in the Elands Bay area.
- The regravelling of 93km in the Ceres area.
- The repair of structures over the Dorps River, Seweweekspoort and the Kouka River near Prince Albert damaged in the August 2006 floods.

Expanded Public Works Programme Projects

EPWP principles are incorporated into all routine maintenance projects to increase their impact. The Gansbaai/ Elim road project being undertaken in the Overberg region is a typical example of achieving EPWP outcomes through Labour Intensive Construction. In addition, a number of community access roads and other labour intensive contracts were completed. Such EPWP projects include the following:

- Ongegund (C883.04) upgrade of access road, sidewalks near Vredendal (Saldanha Bay LM)
- Bella Vista sidewalks (C882.02) near Ceres (Witzenberg LM)
- Redelinghuys upgrade (C883.01) of streets (Bergrivier LM)
- De Nova sidewalks (C896.02) near Kraaifontein (Unicity: Oostenberg Admin)
- Algeria road upgrade (C783) in Cederberg Lm
- Sidewalks (C884.05) in Kwanokuthula at Riversdale (Hessequa LM)
- Gegund (C883.05) access road upgrade & sidewalks near Vredendal (Matzikama LM)
- Upgrade of DR 1661 6.1 km phase 1 near Calitzdorp (C847)

- Upgrade of access road near Still Bay (C930.01)
- Upgrade of a section of the Main Road 582 km 74-78 - Merweville road (C837.02)

The EPWP promotes the use of Labour Based Methods (LBM) or Labour Intensive Construction Methods (LIC) over Machine Based Methods (MBM) where it is economically viable. The selection of projects is important to ensure economic viability and other aspects, as some projects and activities require speed and cognisance of traffic safety and thus LIC would not be considered in all projects and in the use of all activities.

Construction

As was the case for 2008/09, the construction spending profile for 2009/10 differed from previous years in the sense that a large percentage of the construction budget (60%) had to be spent on mainly four major 2010 FIFA World Cup projects namely, Koeberg Interchange, N2 Somerset West, N2 Airport and the Knysna lagoon road. Other smaller construction projects originally planned to commence during 2008/09 and 2009/10 therefore had to be rescheduled. Most of the 2010 projects commenced in the first half of 2008 with initially slow spending patterns that accelerated substantially toward the end of that financial year and throughout 2009/10.

The following projects of note were nearing completion at the end of the 2009/10 financial year (>90 percent complete):

- upgrade 25km of road in Pakhuis Pass near Clanwilliam.
- rehabilitate 24km of road between Riebeeck Wes and Moorreesburg.
- rehabilitate and upgrade 5km of the N2 highway near the Airport.
- upgrade 6km of the N2 along the Knysna lagoon.
- upgrade 22km of road near Marcuskraal in the West Coast area.
- complete various flood damage repair projects.

The following new projects commenced during 2009/10:

- Slope failure repairs in Burger's Pass near Montagu.
- Flood damage repairs in the Groot River Pass.
- Flood damage repairs in Uniondale Poort.
- Flood damage repairs in the Eden District Municipal area.
- Upgrading of 8km of gravel road near Gansbaai (EPWP project).

Skills Shortages

The following measures were put in place to reduce the engineering and technical skill shortages in the Unit:

- ongoing recruitment drive for persons with scarce skills.
- young professionals development programme was initiated and external mentors appointed to facilitate the programme. In relation to the young professionals development programme, it is the intention to develop a joint plan with the Masakh'iSizwe Bursary Collaboration Partners, place young professional in regional offices, and appoint further mentors.
- Masakh'iSizwe graduates were appointed and deployed in the regions to address the scarce skills shortage. A further intake during January 2010 brought an additional 12 young engineers into the Branch.
- Consultants were appointed at the regional offices to alleviate skills shortages and to mentor graduates.

Table 31: Sub-Programme 3.2: Planning: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the <i>iKapa</i> GDS						
1.1 Road infrastructure delivery that supports <i>iKapa</i> GDS.						
<i>**To ensure an adequate Provincial Road network</i>	Total kilometres of surfaced road at year end	N/A	6 071	6 126	55	1%
	Total kilometres of gravel road at year end	N/A	26 092	25 594	(498)	2%
To assist municipalities with production of their integrated Transport Plans that are aligned with the Provincial Land Transport Framework	Number of plans	20	30	23	(7)	23%
To update and draft transport legislation and regulations	Number of pieces of legislation finalised	0.8	2	0	(2)	100%
To improve network analyses using HDM4 and local street network software	No of pilot projects	N/A	2	2	0	0%
2. Deliver and maintain public infrastructure, in line with the <i>iKapa</i> GDS and its strategic interventions.						
2.1 Optimal allocation of resources						
To optimise roads infrastructure resource allocation	dTims annual optimisation report	No Run	1	1	0	0%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development						
3.1 To place public transport first in development proposals						
To respond timely to development plan applications and land use proposals	Percentage dealt with on time (non-cumulative)	100	98	98	0	0%
4. Facilitate and develop the skills required for infrastructure-led economic growth						
4.1 To improve the capacity of government to deliver on roads infrastructure projects						
To provide accredited professional training to graduates	Number of graduates in training	10	17	11	(6)	35%
To provide training and inter-active forums for improved planning	Number of hours	N/A	16	16	0	0%

*** denotes nationally required performance measures*

Table 32: Sub-Programme 3.3: Design: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
2. Deliver and maintain public infrastructure, in line with the iKapa GDS and its strategic interventions						
2.1 Optimal allocation of resources						
To design roads that meet the appropriate	Number of designs	36	10	11	1	10%

Table 33: Sub-Programme 3.4: Construction: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
2. Deliver and maintain public infrastructure, in line with the iKapa GDS and its strategic interventions						
2.1 Optimal allocation of resources						
<i>**To construct surfaced roads</i>	<i>Number of km</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0%</i>
<i>**To rehabilitate surfaced roads</i>	<i>Number of km</i>	<i>35</i>	<i>46</i>	<i>34</i>	<i>(12)</i>	<i>26%</i>
<i>**To construct gravel roads</i>	<i>Number of km</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0%</i>
To upgrade gravel roads to surfaced roads	Number of km	35	63	75	12	19%
To upgrade surfaced roads	Number of km	8	25	22	(3)	12%
To construct safety improvements, facilities and community accesses	Number of projects	9	8	9	1	13%
To construct, replace or upgrade culvert, bridge & retaining structures	Number of structures	N/A	7	30	23	329%
4. Facilitate and develop the skills required for infrastructure-led economic growth						
4.1 To improve the capacity of government to deliver on roads infrastructure projects						
To register category 18.2 Learnerships with the CETA	Number of learnerships	0	5	9	4	80%
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province						
5.1 Road infrastructure delivery through the application of EPWP principles						
To promote EPWP employment	Number of person days (x10 ³)	237	240	385	145	60%
To promote the creation of new EPWP job opportunities	Number of job opportunities	1 653	1 900	1 601	(299)	16%

*** denotes nationally required performance measures*

Table 34: Sub-Programme 3.5: Maintenance: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
2. Deliver and maintain public infrastructure, in line with the iKapa GDS and its strategic interventions.						
2.1 Optimal allocation of resources						
**To reseal surfaced roads	Number of m ² (x10 ³)	N/A	390	388	(2)	1%
	Number of km	185	40	38.8	(1.2)	3%
**To re-gravel roads	number of km	316	375	301	(74)	20%
**To maintain the condition of the total Provincial surfaced road network of 6072km (rated according to the Visual Condition Index, VCI)	% km of road in very good condition	N/A	27	26	(1)	4%
	% km of road in good condition	N/A	37	38	1	3%
	% km of road in fair condition	N/A	23	24	1	4%
	% km of road in poor condition	N/A	10	10	0	0%
	% km of road in very poor condition	N/A	3	2	1	33%
**To maintain the condition of the Provincial gravel road network of 10592km (excluding minor roads) (rated according to the Visual Condition Index, VCI)	% km of road in very good condition	N/A	1	1	0	0%
	% km of road in good condition	N/A	10	11	1	10%
	% km of road in fair condition	N/A	34	37	3	9%
	% km of road in poor condition	N/A	41	43	(2)	5%
	% km of road in very poor condition	N/A	14	8	6	43%
**To blade gravel roads	Number of km (x10 ³)	N/A	45	48	3	7%
**To perform blacktop patching surfaced roads	Number of m ² (x10 ³)	N/A	1 500	25	(1 475)	98%
**To monitor the efficiency of resource allocation for road maintenance	Funds allocated to the Maintenance Sub-Programme expressed as a percentage of the total allocated to Programme 3 Roads Infrastructure	N/A	33	33	0	0%
To rehabilitate and repair culvert, bridge & retaining structures	Number of structures	N/A	10	34	24	240%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
4. Facilitate and develop the skills required for infrastructure-led economic growth						
4.1 To improve the capacity of government to deliver on roads infrastructure projects						
To register category 18.2 Learnerships	Number of learnerships	12	15	0	(15)	100%
To register category 18.1 Learnerships for the training of staff as artisans and operators	Number of learnerships	30	30	0	(30)	100%
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province						
5.1 Road infrastructure delivery through the application of EPWP principles						
To promote EPWP employment	Number of person days (x10 ³)	156	300	192	(108)	36%
To promote EPWP employment	Number of new jobs created	5 275	550	1 111	561	102%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
To ensure an adequate Provincial Road network	Total kilometres surface roads at year end (1% above target)	The upgrade from gravel to surfaced standard of Pakhuis Pas, Paleis Heuwel, Eendekuil and Marcuskraal added to the total kilometers of surfaced roads.
	Total kilometres of gravel road at year end (2% below target)	75 Kilometres upgraded from gravel to surfaced (see above) plus an additional 13 kilometres de-proclaimed (de-proclaimed: due to minimal public usage)
To assist municipalities with production of their integrated Transport Plans that are aligned with the Provincial Land Transport Framework	Number of plans (23% below target)	The Winelands DM (6 ITPs) and the Stellenbosch Municipality have not submitted their council-approved ITPs.
To update and draft transport legislation and regulations	Number of pieces of legislation finalized (100% below target)	Onerous legislative process inclusive of public participation.
To provide accredited professional training to graduates	Number of graduates in training (35% below target)	5 Graduates are placed within regions attending to specific issues and will only be placed on the Training Program as from June 2010
To design roads that meet the appropriate standards	Number of designs completed (10% above target)	Flood damage necessitated an additional design
To rehabilitate surfaced roads	Number of km (26% below target)	The Karwyderskraal project (12 km) was delayed due to unseasonal weather conditions and the project is intended to be completed during April 2010.

To upgrade gravel roads to surfaced roads	Number of km (19% above target)	Marcuskraal, a 2008/09 project, was only completed during 2009/10 and thereby contributed towards the current year's achievements. Furthermore, the Merweville project that was originally expected to be completed in April 2010 (in 2010/11), finished earlier (in 2009/10).
To upgrade surfaced roads	Number of km (12% below target)	The Knysna project (6 km) was delayed (unrecorded sub-surface servitudes).
To construct safety improvements, facilities and community accesses	Number of projects (13% above target)	Additional project was implemented
To construct, replace or upgrade culvert, bridge & retaining structures	Number of structures (329% above target)	Several structures were replaced on flood damage repair projects that were not initially contemplated to ensure access for communities.
To register category 18.2 Learnerships with the CETA	Number of learnerships (80% above target)	It was originally planned to only register 5 learnerships on the Koeberg Interchange project, but it was subsequently decided to double the number. One candidate has since dropped out.
To promote EPWP employment	Number of person days (x10 ³) (60% above target)	This can partly be attributed to scope changes (additional work) on some of the larger projects (Koeberg and Knysna). This has increased the person days, but not the job opportunities. See also comment under Maintenance.
To promote the creation of new EPWP job opportunities	Number of job opportunities (16% below target)	The estimates (targets) for new job creation are based on actual performance achieved on similar projects in the past and therefore variances occur.
To reseal surfaced roads	Number of m ² (x10 ³) (1% below target)	Higher than anticipated rainfall
	Number of km (3% below target)	Higher than anticipated rainfall
To re-gravel roads	Number of km (20% below target)	The Oudtshoorn and Central Karoo regravelling teams were redeployed to Eden DM to assist with emergency flood damage repairs.
To maintain the condition of the total Provincial surfaced road network of 6072km (rated according to the Visual Condition Index, VCI)	% km of road in very good condition (4% below target)	Very poor and poor roads were prioritised
	% km of road in good condition (3% above target)	Upgrading from very poor to good resulted in this increase
	% km of road in fair condition (4% above target)	Upgrading from very poor to fair resulted in this increase
	% km of road in very poor condition (33% above target)	Concerted effort to improve conditions of very poor roads
To maintain the condition of the Provincial gravel road network of 10592km (excluding minor roads) (rated according to the Visual Condition Index, VCI)	% km of road in good condition (10 % above target)	Road maintenance focus to improve the very poor and poor roads to good whilst maintaining the condition of the good and very good roads.
	% km of road in fair condition (9% above target)	Road maintenance focus to improve the very poor and poor roads to fair whilst maintaining the condition of the good and very good roads.
	% km of road in poor condition	Road maintenance focus to improve the very poor and poor roads to good whilst maintaining the condition of good and

	(5% below target)	very good.
	% km of road in very poor condition (43% below target)	Road maintenance focus to improve the very poor and poor roads to good whilst maintaining the condition of good and very good.
To blade gravel roads	Number of km (x10 ³) (7% above target)	Blading optimisation model resulted in increased output.
To perform blacktop patching surfaced roads	Number of m ² (x10 ³) (98% below target)	The original target of 1 500m ² was an estimate based on historical data. Blacktop patching is a reactive activity and is very difficult to estimate and impossible to "plan" for.
To rehabilitate and repair culvert, bridge & retaining structures	Number of structures (240% above target)	Several structures were repaired on flood damage repair projects that were not initially contemplated.
To register category 18.2 Learnerships	Number of learnerships (100% below target)	Although the Tri-partite agreement for 18.2 learnerships with Labour, Ceta and the Department has not yet been signed by DoL, the Department has continued with contractor development based upon the 18.2 Learnership concept, but not been able to register these learnerships with DoL.
To register category 18.1 Learnerships for the training of staff as artisans and operators	Number of learnerships (100% below target)	In view of budget re-prioritisation, the regional offices were unable to register any learnerships for 2009/10
To promote EPWP employment	Number of person days (x10 ³) (36% below target)	The labour intensive nature of the routine maintenance contracts awarded by the regional offices, were less than anticipated. The number of person days is below target, but if the combined target for employment (person days) for both Construction and Maintenance of 540 000 is considered, then the 577 000 achieved is 6.8% above target.
To promote EPWP employment	Number of new jobs created (102% above target)	More short-time employment opportunities than originally anticipated were created.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Address the backlog in roads infrastructure

To maintain the condition of roads at an appropriate standard, to address capacity constraints of the road network and simultaneously address backlogs.

Response to Challenge 1

To access financial resources based on sound asset management information and analysis.

A phased approach towards addressing the backlog.

Review of maintenance philosophy with respect to gravel roads and cost effective spend.

Challenge 2: Flood/ storm/ disaster damage

Accommodation of projects related to flood/ storm /disaster damage repairs.

Response to Challenge 2

Motivate for a review of engineering standards utilised in the design of road infrastructure in order to improve

such standards so as to accommodate the increased occurrence of severe weather events.

To focus preventative maintenance (prior to winter) efforts across provincial and national departments to ensure clean waterways and courses, particularly under drainage structures crossing roads.

Challenge 3: Shortage of engineering and technical staff

A shortage of engineering graduates in the labour market resulting in the non-filling of critical scarce skilled posts.

Response to Challenge 3

Promotion of bursaries in scarce skills (medium to long term investment) with concomitant mentoring.

Access funds for the implementation of the Occupational Specific Dispensation.

Provide excellent training opportunities and encourage registration with professional associations.

Graduate Engineering in Training Programme launched February 2010 – 12 graduates will be assisted in attaining their professional registration within the prescribed timeframes by ECSA.

ISSUES REQUIRING ONGOING ATTENTION

Programme 3 is required to address the following issues in the coming years:

- The shortage of professional and technical staff necessitates the development of staff through the offering of special training and mentorship programmes.
- Reducing road maintenance backlogs through re-focused and target driven approach.
- The incorporation of labour intensive construction methods and the EPWP principles in infrastructure and contract design in a cost-beneficial manner.

**PROGRAMME FOUR:
PUBLIC TRANSPORT**

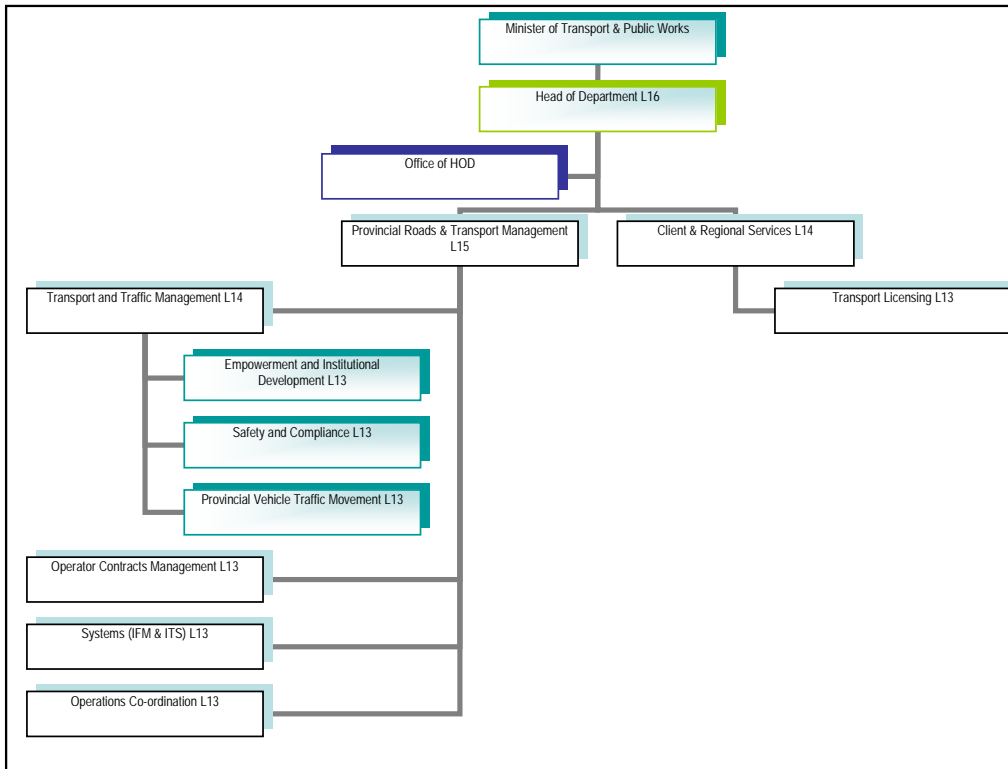


Figure 5: Macro-Organisational Structure Linked to Programme 4

PROGRAMME 4: PUBLIC TRANSPORT

PURPOSE

To plan, regulate and facilitate the provision of public and freight transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector with the aim to enhance mobility in all communities.

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 4

STRATEGIC GOAL

1. **Plan and monitor infrastructure and transport, in support of the iKapa GDS.**

STRATEGIC OBJECTIVE

- 1.1 Integration of public transport into broader provincial and local development plans to ensure improved safety, reduced environmental costs, enhanced mobility and accessibility.

STRATEGIC GOAL

2. **Deliver and maintain integrated public infrastructure, in line with the iKapa GDS and its strategic interventions.**

STRATEGIC OBJECTIVE

- 2.1 To stimulate economic growth and social development through the provision and maintenance of public transport infrastructure.

STRATEGIC GOAL

3. **Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.**

STRATEGIC OBJECTIVES

- 3.1 To develop, implement and maintain an Intelligent Transport System, comprising of an Integrated Fare Management and Automatic Vehicle Location for improving the management of the Public Transport Fleet by scheduling of operations, the monitoring of compliance and service levels of the operations.
- 3.2 To implement gross contract performance-based operator contracts and more efficient management of the Public Transport subsidies.
- 3.3 Integrated intermodal public transport system.

STRATEGIC GOAL

4. **Facilitate and develop the skills required for planning and scheduling to manage and operate the ITS/IFM.**

STRATEGIC OBJECTIVE

- 4.1 To improve the capacity of government and operators to deliver the public transport function.

STRATEGIC GOAL

5. **Lead and facilitate the internalisation of the EPWP across all departments in the Province.**

STRATEGIC OBJECTIVE

- 5.1 To increase the number of opportunities linked to the EPWP in public transport.

STRATEGIC GOAL

6. **Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate.**

STRATEGIC OBJECTIVE

- 6.1 Improved efficiency, effectiveness and representivity of the Public Transport Branch.

STRATEGIC GOAL

7. Ensure the BBBEE is realised.

STRATEGIC OBJECTIVE

7.1 To increase participation of BBBEE providers in opportunities to be operators and service providers for public transport.

REVIEW AND ASSESSMENT OF THE PAST FINANCIAL YEAR

With the introduction of the National Land Transport Act (NLTA) in 2009, closer co-operation between the spheres of government facilitated the establishment of a Public Transport Integration Committee (PTIC) as well as an Inter-governmental forum to support the delivery of co-ordinated public transport initiatives.

The conversion from a passenger-based subsidy system to that of kilometre-based system as required by DORA was negotiated with the incumbent operator by the deadline of 30 September 2009. These services are now monitored on a continued basis by the Department.

With respect to the George Mobility Strategy, construction of the temporary depot was completed, while work was initiated on the planning and design for the permanent depot, inter-urban bus terminus and general public transport stops. A further requirement for the successful implementation of the George Mobility Strategy was the establishment of a viable business entity consisting of all operators. In this regard a business trust was formed by the minibus taxi operators and the single bus operator, which formalised and dictated clear rules of engagement with anticipated achievements. Further to this, the department initiated business skills programmes for members of the trust and other taxi association resources in order to accelerate the understanding of business concepts and meaningful participation of operators in future business ventures.

In light of the minibus taxi operators' concerns regarding the roll-out of the BRT/IRT systems by municipalities, the national Department of Transport initiated a National Joint Working Group (NJWG) which consists of minibus taxi stakeholders, civil society and government representatives. The Department participated in these deliberations in order to influence national policy and implement agreements in this province, where applicable. The objective of this particular group is to determine rules of engagement that would amongst other determine how the minibus taxi industry will participate in the implementation of the BRT/IRT system. The past financial year has yielded the conclusion of a memorandum of agreement between affected stakeholders. The following key fundamental principles were agreed to in the memorandum of agreement and will be looked at in-depth in the new financial year:

- Taxi Recapitalisation
- Law enforcement
- Legislation and Regulations
- BRT/IRT
- Cooperatives

Communication lines with tourism groups were also strengthened. After some complaints from the tourism industry about poor communication between the Provincial Operating Licensing Board and the industry, as well as the length of time it takes the Board to finalise applications, a liaison structure was established to facilitate the resolution of problems and finalisation of applications. A dedicated team was identified for this purpose. Monthly meetings between the Board/ Administration and TOACT (organization of tour operators) have also been implemented.

While compliance by the minibus taxi industry with the minimum standard constitution and other requirements of the National Land Transport Transition Act (NLTTA) remained a challenge (whilst this act was still applicable), considerable improvement was achieved in the year under review. The following results were achieved with regards to taxi association Annual General Meetings (AGMs): One taxi Association was registered which resulted in a total of 153 registered taxi associations. Of these, 120 taxi associations scheduled Annual General Meetings of which 90 AGM's were successful, while 30 were unsuccessful in electing new leadership. Reasons for the unsuccessful AGMs include issues such as a lack of a quorum. Letters were sent 33 non-compliant taxi associations in March providing them with the obligatory steps to be followed to become compliant, failing which they will be suspended or deregistered. The Department provided logistical and technical support during the minibus-taxi elections in the Western Cape. Staff changes were made in the latter part of the year in an attempt to improve performance.

In addressing Safety and Compliance in public transport, the Department achieved the following:

- Established a public transport inspectorate in partnership with the Department of Community Safety as per Provincial Cabinet Resolution of 2 December 2009. Through this initiative traffic law enforcement officers were trained on both the application of the interpretation of Road traffic law and NLTA provisions.
- Workshops were facilitated with long distance operators on the dangers of overloading, fatigue management and vehicle road worthiness.

The Dispute Resolution Unit (DRU) continued to facilitate resolution of conflict situations among public transport operators. In the year under review, the DRU dealt with 41 cases.

Initiatives were undertaken to strengthen the Metered Taxi Co-operative, an economic empowerment vehicle which aims to create business opportunities for the metered taxi industry.

SERVICE DELIVERY ACHIEVEMENTS

Table 35: Sub-Programme 4.2: Public and Freight Planning: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.						
3.1 To develop, implement and maintain an Intelligent Transport System, comprising an Integrated Fare Management and Automatic Vehicle Location for improving the management of the Public Transport Fleet by scheduling of operations, the monitoring of compliance and service levels of the operations, including capacity planning of the system.						
ITS: To implement, install and commission the system (Central Public Transport Back Office)	Number of subsidised vehicles to have the devices installed with ITS. Phase 1.	N/A	250	7	(243)	97%
To facilitate the installation and test operations of ITS equipment on the public transport fleet.	Number of ITS/IFM equipment suppliers accredited.	N/A	4	0	(4)	100%
3.2 To develop and negotiate performance based operator contracts for the provision of an improved public transport service						

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
To develop and negotiate public transport operator contracts	Number of subsidised public transport contracts awarded	N/A	1	1	0	0%
** To transform the public transport industry in accordance with the Public Transport Improvement Plan (PTIP)	Number of public transport operators subsidised	N/A	1	1	0	0%
	Number of public transport operators	N/A	8 098	10 448	2 350	29%
** To improve the performance of the subsidised public transport system	Number of subsidised trips	N/A	0	0	0	0%
	Number of subsidised trips monitored	N/A	1 000	184 963	183 963	18 396%

**** denotes nationally required performance measures**

Table 36: Sub-Programme 4.3: Public and Freight Infrastructure: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
2. Deliver and maintain integrated public infrastructure, in line with the iKapa GDS and its strategic interventions						
2.1 To stimulate economic growth and social development through the provision and maintenance of public transport infrastructure						
** To enhance public and freight transport	Number of projects	N/A	4	0	(4)	100%

**** denotes nationally required performance measures**

Table 37: Sub-Programme 4.4: Institutional Management: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.						
3.3 To improve user perception through awareness and marketing						
To develop and implement an engagement framework that will facilitate the inclusion of the minibus and SMME bus sectors within the restructuring process	Number of Provincial and regional industry engagements and Public Participations (workshops, road shows)	N/A	3	2	(1)	33%
3.4 To develop an effective non-motorised public transport system						

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
Promote the use of non-motorised transport	Number of bicycles distributed	879	100	2960 (85 plus 2875 from nDot)	2 860	2 860%
4. Facilitate and develop the skills required for infrastructure-led economic growth.						
4.1 To improve the capacity of government and operators to deliver the public transport function.						
To promote the formation of private transport companies and cooperatives	Number of business entities facilitated	N/A	1	1	0	0%
<i>** To empower transport operators</i>	<i>Number of transport</i>	<i>N/A</i>	<i>250</i>	<i>304</i>	<i>54</i>	<i>22%</i>
	<i>Number of facilitated</i>	<i>N/A</i>	<i>3</i>	<i>8</i>	<i>5</i>	<i>167%</i>
Facilitate the formalisation of the informal Public Transport operations to a formalised industry.	Number of Financial	N/A	2	1	(1)	50%
	Number of council elections: Metered Taxi	N/A	1	0	(1)	100%
	Minibus taxi	N/A	1	1	0	0%

*** denotes nationally required performance measures*

Table 38: Sub-Programme 4.5: Operator Safety and Compliance: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.						
3.1 Ensure safer public transport vehicles, infrastructure and operations.						
<i>** To improve the performance of the subsidised public transport system.</i>	<i>Number of subsidised trips</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0%</i>
<i>** To improve safety in the public transport system</i>	<i>Number of accidents involving public transport vehicles^(a)</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0%</i>
	<i>Number of fatalities due to accidents involving public transport vehicles^(b)</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0%</i>
The establishment of vehicle impound facilities on identified public transport concentrated routes/ areas.	Number of facilities promulgated	N/A	1	0	(1)	100%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
To execute public transport safety marketing and communication campaigns	Number of campaigns	5	6	8	2	33%

** denotes nationally required performance measures

(a) and (b) The nature of the data is not incorporated into the current Accident Data Methodology.

Table 39: Sub-Programme 4.6: Regulation and Control: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.						
3.3 Ensure safer public transport vehicles, infrastructure and operations.						
<i>** To regulate the public transport industry</i>	<i>Number of permits converted to operating licences</i>	<i>N/A</i>	<i>1 234</i>	<i>1 063</i>	<i>(171)</i>	<i>14%</i>
	<i>Number of operating licences issued</i>	<i>N/A</i>	<i>7 000</i>	<i>6 380 (excluding temporary operating licences)</i>	<i>(620)</i>	<i>9%</i>
	<i>Number of operating licences withdrawn</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Number of registered public transport vehicles</i>	<i>N/A</i>	<i>17 000</i>	<i>17 000</i>	<i>0</i>	<i>0%</i>
To improve communication and efficient handling of OL applications through at least 5 meetings with planning authorities annually	Number of meetings with planning authorities	0	5	8	3	60%
To contribute towards improved, legalised public transport operations through holding regional structured engagements annually – aimed at improving the response times of operators in uplifting their operating licenses once approved by the POLB	Number of regional structured engagements with operators	N/A	2	6	4	200%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
ITS: To implement, install and commission the system (Central Public Transport Back Office)	Number of subsidised vehicles to have the devices installed with ITS. Phase 1. (97% below target)	The fitting of equipment was delayed due to unexpected longer negotiations required with the operator.
To facilitate the installation and test operations of ITS equipment on the public transport fleet	Number of ITS/IFM equipment suppliers accredited. (100% below target)	The conclusion of the accreditation process is delayed pending lessons to be learned from the pilot roll-out.
To transform the public transport industry in accordance with the Public Transport Improvement Plan (PTIP)	Number of public transport operators (29% above target)	Elimination of backlog and increased applications in anticipation of 2010 FIFA World Cup.
To improve the performance of the subsidised public transport system	Number of subsidised trips monitored (18 396% above target)	Acknowledged that target was under-projected.
To enhance public and freight transport infrastructure	Number of projects completed (100% below target)	Decision was taken to direct funds to municipalities (through transfer agreements) to deliver the infrastructure projects eg GMS depot delivered, CCTV installation and public transport stops.
To develop and implement an engagement framework that will facilitate the inclusion of the minibus and SMME bus sectors within the restructuring process	Number of Provincial and regional industry engagements and Public Participations (workshops, road shows) (33% below target)	The dispute amongst members of George Taxi Association and the finalisation of region and provincial minibus taxi elections prohibited the final engagement.
Promote the use of non-motorised transport	Number of bicycles distributed (2 860% above target)	Distribution of bicycles in addition to that of the Shova Kalula (nDoT) programme.
To empower transport operators	Number of transport operators trained (22% above target)	Exceeded target by 54 persons. This was due to the acceleration in the readiness for the George Mobility Strategy implementation.
	Number of facilitated training courses (167% above target)	Exceeded target due to the acceleration in the readiness for the George Mobility Strategy implementation.
Facilitate the formalisation of the informal Public Transport operations to a formalised industry	Number of Financial agreements (50% below target)	Nature of support to metered taxi industry was reviewed.
	Number of council elections: Metered taxi (100% below target)	The Constitutional model of the Metered Taxi Council is under review after-which an election will be held.
The establishment of vehicle impound facilities on identified public transport concentrated routes/areas	Number of facilities promulgated (100% below target)	No impound facilities were established.
To execute public transport safety marketing and communication campaigns	Number of campaigns (33% above target)	The NLTA, Act 5, 2009 became effective in December 2009. Law enforcers had to be briefed immediately and this resulted in the sub-directorate having organised additional information campaigns.
To regulate the public transport industry	Number of operating licences converted to permits	Conversion depends on operators applying.

	(14% below target)	
	Number of operating licences issued (9% below target)	During the period under review the demand is focused more on issuing temporary operating licenses. Secondly, issuing of operating licences is dependant on the operator bringing in his/her vehicles for checking. Many operators request for extension because they have not purchased the vehicles. The issuing of operating licence is demand driven and more so it requires the operators to comply with certain legislative requirements.
To improve communication and efficient handling of OL applications through at least 5 meetings with planning authorities annually	Number of meetings with planning authorities (60% above target)	The relationship and co-operation with Planning authorities was improved and requests resulting in the increased interactions.
To contribute towards improved, legalised public transport operations through holding regional structured engagements annually - aimed at improving the response times of operators in uplifting their operating licenses once approved by the POLB	Number of regional structured engagements with operators (200% above target)	The elimination of backlog project and co-operation of planning authorities resulted in increased engagements with the operators.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Instability within the Minibus Taxi Industry

The excessive competition over lucrative routes and the increasing congestion on the roads is undermining the profitability of the industry.

Response to Challenge 1

The Department, working in collaboration with the City of Cape Town, will be prioritising the restructuring of the road based public transport services to include the minibus taxi industry and transform the system into a subsidised, scheduled public transport service. This will include intense negotiation and engagement with all stakeholders, as well as the current bus operator. The restructured services will consist of a re-designed transport network, aimed at eliminating duplication of commuter services. The contract may include automatic fare collection, which will eliminate the current cash-based operations and allow a central point of fare collection. Furthermore, the payments to the Public Transport Operators will be performance-based once industry unity has been progressed.

Industry instability is now being addressed through regular open and transparent elections. The leadership has been deeply engaged by the Ministry, but remains volatile. Progress has been made towards one representative organisation. Support will be provided by Government to allow them to participate in mutually-agreed programs intended to transform and prepare the taxi industry to participate in the formal Public Transport system.

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. An inter-governmental collaboration structure was established between the City of Cape Town and the Department to focus on infrastructure, the integration and alignment of the Integrated Rapid Transport System with the restructuring of the rest of the services in the metropolitan area, the operational planning of the 2010 FIFA World Cup and the implementation of the NLTA.

Accident Data

Collection of accident data in relation to public transport vehicles.

Rail Services

The most serious challenge faced by public transport is the infrastructural improvement of Metrorail, and the growth of their fleet by at least 30 trainsets. Without this, no significant improvement can be obtained in public transport. The Minister and the Department are in urgent and on-going discussions with the National Minister of Transport, the National Treasury and PRASA / Metrorail.

**PROGRAMME FIVE:
TRAFFIC MANAGEMENT**

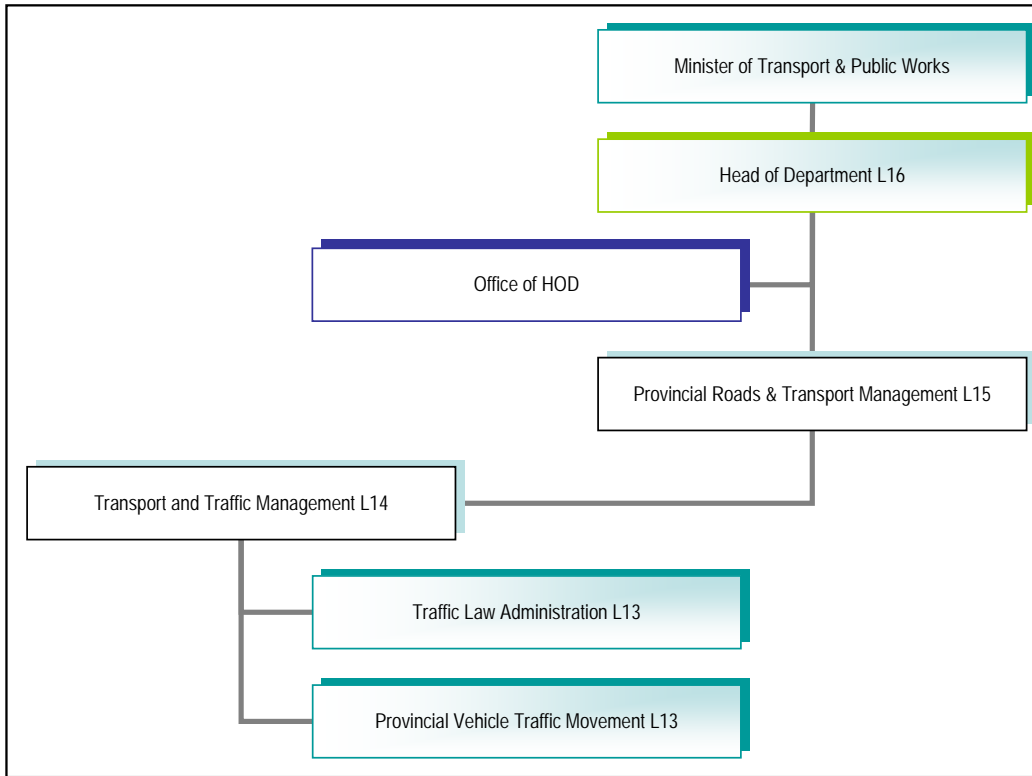


Figure 6: Macro-Organisational Structure Linked to Programme 5

PROGRAMME 5: TRAFFIC MANAGEMENT

PURPOSE

To ensure the provision of an appropriately authorised and safe transport environment through the registration and licensing of vehicles and drivers.

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 5:

STRATEGIC GOAL

1. Plan and monitor infrastructure and transport, in support of the *iKapa* GDS.

STRATEGIC OBJECTIVE

- 1.1 To ensure data integrity in respect of accident data reports.
- 1.2 To ensure vehicle safety and driver competence.

STRATEGIC GOAL

2. Deliver and maintain integrated public infrastructure, in line with the *iKapa* GDS and its strategic interventions.

STRATEGIC OBJECTIVES:

- 2.1 To protect revenue and minimise arrear licence fees and penalties.
- 2.2 To optimise the utilisation of weigh bridges and develop effective systems to protect public infrastructure.

REVIEW AND ASSESSMENT OF THE PAST FINANCIAL YEAR

In October 2008 the Department commenced with a comprehensive process to conclude a single Service Level Agreement (SLA) with each municipality pertaining to the three separate functions of motor vehicle licensing; driver fitness testing and vehicle fitness testing. The process has three pertinent objectives, being: service delivery improvement; improvement of management control and reviewing the current agency remuneration structure to sufficiently resource the three functions. To this end, the Department is in the process of determining norms and standards for service delivery that will be incorporated into a Service Level Agreement (SLA) with DLTC's, VTS's and RA's with an anticipated completion date in March 2011, whilst at the same time it has commenced with a process to revisit the agency remuneration structure to ensure proper resourcing of the relevant functions.

It was envisaged to have a first phase of this project completed by 31 March 2010, which would have resulted in the signing of SLA's with all municipalities at that time. The second phase of the project would have entailed the revisiting of the current remuneration structure, which would have resulted in a second SLA being signed with each municipality in the Western Cape by 31 March 2011.

Upon the distribution of the (first phase) SLA's to municipalities during December 2009 for final inputs, various concerns were raised by some municipalities (both legal and in terms of the cost of the service) and hence the Department could not succeed in concluding the first phase of the signing of SLA's as contemplated in its original project plan.

The Department endeavors to conclude the SLA with municipalities during the 2010/11 financial year, inclusive of a revised agency remuneration structure.

The Department, in conjunction with the City of Cape Town, has formed a Joint Task Team to address, inter alia, the long waiting periods for applications for learner's and driving license tests; high failure rates and no show rates of applicants.

To address the incidence of "cross-border licensing" the Department is investigating alternative more practical and sustainable ways of generating income towards a dedicated road building and maintenance fund.

The Department embarked on a process to improve the procedures relating to the application and issuing of abnormal load permits.

The Department has developed new guidelines and procedures to implement the stipulations of the 15th Amendment of the National Road Traffic Regulations, pertaining to VTS's.

The extended operating hours of weighbridges resulted in a significant increase in the number of vehicles weighed over the past two financial years. The percentage of vehicles found to be overloaded has dropped to 3.17% compared to 3.75% in 2008/09. Planning for a tenth weighbridge station near Gouda is progressing. The future of weighbridges situated on National Roads to be tolled is being investigated in conjunction with SANRAL.

The personnel position of the Accident Data Centre has stabilised and the capturing backlog is about two months.

SERVICE DELIVERY ACHIEVEMENTS

Table 40: Sub-Programme 5.2: Safety Engineering: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the <i>iKapa</i> GDS.						
1.1 To ensure data integrity in respect of accident data reports.						
To improve productivity in relation to the verifying of accident reports	Number of verifiers per 10 000 reports	2.6	2.5	2.5	0	0%
To improve productivity in relation to the capturing of accident	Number of data captureers per 10 000 reports	2.3	1.5	2.3	0.8	53%
To verify and capture accident forms	Number of accident forms	21 838	18 000	21 284	3 284	18%
To provide copies of accident form requests	Number of requests	2 879	1 300	1 336	36	3%
To produce regular and ad hoc accident reports	Number of regular accident	1	1	1	0	0%
	Number of ad hoc accident	45	50	36	(14)	28%

Table 41: Sub-Programme 5.3: Transport Administration and Licensing: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the iKapa GDS.						
1.2 To ensure vehicle safety and driver competence						
<i>**To enforce compliance</i>	<i>Number of license compliance inspections</i>	0	10 800	11 718	918	9%
To enforce compliance through the auditing and inspecting of activities and infrastructure of 87 VTS's	Audit and inspect activities and infrastructure of 87 VTS's annually	67	87	110	23	26%
To enforce compliance through the auditing and inspecting of activities and infrastructure of 54 DLTS's	Number of DLTC's audited and inspected	30	108	108	0	0%
2. Deliver and maintain integrated public infrastructure, in line with the iKapa GDS and its strategic interventions.						
2.1 Protect revenue and minimise arrear licence fees and penalties						
<i>**To license motor vehicles</i>	<i>No of new vehicle licences issued</i>	23 921	23 400	20 759	(2 641)	11%
	<i>Number of licence fraud cases prosecuted</i>	N/A	4	0	(4)	100%
	<i>Number of vehicles registered</i>	N/A	315 577	294 789	(20 788)	7%
	<i>Number of vehicles licensed</i>	N/A	1 262 308	1 808 993	546 685	43%
	<i>Number of licences paid on time</i>	N/A	1 514 769	1 612 784	98 015	6%
	<i>Number of registered vehicles licensed as a percentage of the total vehicles registered</i>	N/A	96	96	0	0%
	<i>Number of licences paid on time as a percentage of total number of licences paid</i>	N/A	96	96	0	0%
	<i>Administration costs a percentage of total licence revenue</i>	N/A	20	20	0	0%
	<i>Licence fee revenue collected</i>	N/A	823 371	894 986	71 615	8.7%

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
To reduce the number of motor vehicle records with outstanding motor vehicle licence fees	No of outstanding licence fee cases followed up	10 441	15 000	17 040	2 040	14%

** denotes nationally required performance measures

Table 42: Sub-Programme 5.4: Overload Control: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western						
2.2 To optimise the utilisation of weigh bridges and develop effective systems to protect public infrastructure.						
**To reduce overloading and damage to road infrastructure	<i>Number of transport vehicles weighed</i>	521 198	380 000	530 766	150 766	40%
	<i>Number of vehicles which are overweight</i>	19 545	16 000	16 831	831	5%
	<i>Number of hours weighbridges to be operated</i>	59 242	34 000	60 190	26 190	77%
	<i>Number of vehicles weighed overloaded as percentage of total vehicles weighed in a year</i>	N/A	4.21	3.17	(1.04)	25%
	<i>Number of hours weighbridges operated as a percentage of total hours in a year</i>	N/A	43.1	76.3	33.2	77%
	<i>Number of vehicles inspected per hour</i>	N/A	11.0	8.8	(2.2)	20%
	<i>Number of freight traffic overloaded as a percentage of total freight traffic weighed in a year</i>	N/A	4.21	3.17	(1.04)	25%
	<i>Number of weighbridges maintained/calibrated</i>	9	9	9	0	0%
	<i>Number of weighbridges constructed</i>	N/A	0	0	0	0%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
To improve productivity in relation to the capturing of accident reports	Number of data capturers per 10 000 reports (53% above target)	There was increased effort to eradicate the capturing backlog by increasing capturing resources.
To verify and capture accident forms	Number of accident forms (18% above target)	There was increased effort to eradicate the capturing backlog by increasing capturing resources. The above led to more forms being captured for the year.
To provide copies of accident form requests	Number of requests (3% above target)	Increased number of requests.
To produce regular and ad hoc accident reports	Number of ad hoc accident reports (28% below target)	Reports depend on demand for information from users of accident data. This showed a decline.
To enforce compliance	Number of license compliance inspections executed (9% above target)	All offices are now fully trained in this function and could therefore be utilised optimally.
To enforce compliance through the auditing and inspecting of activities and infrastructure of 87 VTS's	Audit and inspect activities and infrastructure of 87 VTS's annually (26% above target)	Emphasis was placed on this due to the Department's Safely Home Campaign.
To license motor vehicles	No of new vehicle licences issued (11% below target)	This item is dependent on economic factors and the power of the public to buy and register new vehicles. The Department has no control over these factors.
	Number of licence fraud cases prosecuted (100% below target)	No cases could be identified for prosecution.
	Number of vehicles registered (7% below target)	This item is dependent on various economic factors and the power of the public to buy and register new vehicles. The Department has no control over these factors.
	Number of vehicles licensed (43% above target)	Licenses collected and paid as per distribution of expiry dates and therefore liability for renewal.
	Number of licences paid on time (6% above target)	Licenses collected and paid as per distribution of expiry dates and therefore liability for renewal.
	Licence fee revenue collected (8.7% above target)	The growth in the issuing of new motor vehicle licenses is dependant on a number of variables and exogenous factors, such as disposable income of the public, access to financing and market prices of vehicles. It is thus extremely difficult to predict the performance.
	To reduce the number of motor vehicle records with outstanding motor vehicle licence fees	No of outstanding licence fee cases followed up (14% above target)

To reduce overloading and damage to road infrastructure	Number of transport vehicles weighed (40% above target)	Weighbridge operating hours extended.
	Number of vehicles which are overweight (5% above target)	This is linked to the number of vehicles weighed.
	Number of hours weighbridges to be operated (77% above target)	Compare with previous year. Target was not adjusted to show the effect of extended operating hours.
	Number of vehicles weighed overloaded as percentage of total vehicles weighed in a year (25% below target)	Increased law enforcement effort has reduced number of infringements above grace limit. It can thus be deduced that the effort was reasonably successful.
	Number of hours weighbridges operated as a percentage of total hours in a year (77% above target)	Compare with previous year. Target not adjusted to show extended operating hours.
	Number of vehicles inspected per hour (20% below target)	Number declined due to operating hours being extended into low traffic volume hours.
	Number of freight traffic overloaded as a percentage of total freight traffic weighed in a year (25% below target)	Note that "under target" in this instance means a substantial improvement in performance.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Reduction of arrear licence fees

Reduce arrear licence fee cases.

Response to Challenge 1

Strengthen the collection capacity for licence fees.

Challenge 2: Fraud prevention

Prevention of fraud and corruption with the issuing of motor vehicle licenses, driving licences and roadworthy certificates for motor vehicles.

Response to Challenge 2

Conclusion of Service Level Agreements with Registering Authorities, Driving Licence Testing Centres and

Vehicle Testing Stations.

Amendment of national road traffic legislation to empower the Compliance Monitoring Unit for Driving Licence Testing Centres (DLTC's), and Vehicle Testing Stations (VTS's) to enforce compliance.

Compilation of an integrated Motor Vehicle Licence, Driver and Vehicle Fraud and Corruption Prevention Plan between the three spheres of government.

Capturing of certain eNaTIS transactions on provincial level to prevent unauthorised amendments to motor vehicle details.

Challenge 3: Improve efficiency in the remuneration structure for the collection of motor vehicle licenses, driver fitness testing and vehicle fitness testing

Implement an equitable agency remuneration structure for all three functions in order to properly resource these functions.

Response to Challenge 3

Finalisation of the process of a single Service Level Agreement (SLA) with each municipality pertaining to the three separate functions of motor vehicle licensing; driver fitness testing and vehicle fitness testing.

ISSUES REQUIRING ONGOING ATTENTION

The following issues have been identified as requiring attention in the coming year:

- The effective enhancement and management of eNaTIS to ensure effective and efficient management of vehicle and driver data.
- Continued improvement of infrastructure and technology to ensure that traffic law enforcement officers are able to do effective overload control safety inspections on the road network.
- Service delivery improvement at driving licence testing centres, vehicle testing stations and registering authorities.
- Efficiency gains regarding the collection of motor vehicle licence fees.

**PROGRAMME SIX:
EXPANDED PUBLIC WORKS PROGRAMME**

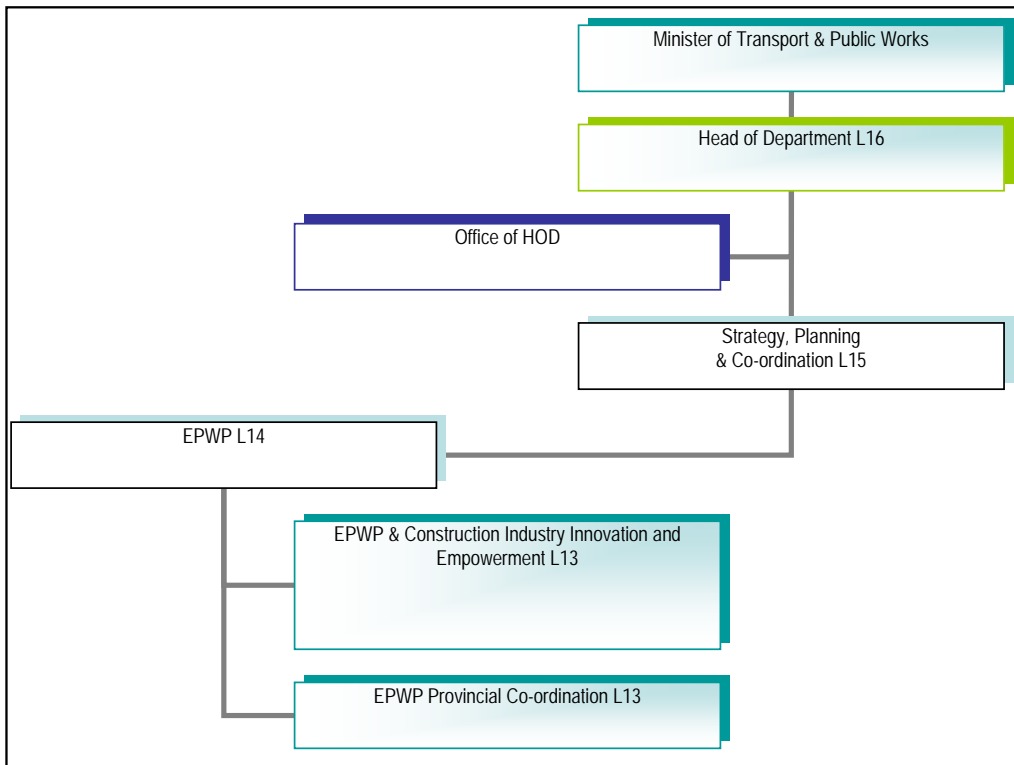


Figure 7: Macro-Organisational Structure Linked to Programme 6

PROGRAMME 6: EXPANDED PUBLIC WORKS PROGRAMME

PURPOSE

To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme (EPWP).

STRATEGIC GOALS AND OBJECTIVES PERTINENT TO PROGRAMME 6

STRATEGIC GOAL

1. Plan and monitor infrastructure and transport, in support of the *iKapa* GDS.

STRATEGIC OBJECTIVES:

- 1.1 To intensify Labour Intensive Activities within infrastructure and environmental projects.
- 1.2 To perform Empowerment Impact Assessments on infrastructure projects greater than R2 million
- 1.3 To advocate the Empowerment Impact Assessment Tool and Process.
- 1.4 To assist communities with preliminary investigations on infrastructure related projects.

STRATEGIC GOAL

4. Facilitate and develop the skills required for infrastructure-led economic growth.

STRATEGIC OBJECTIVES:

- 4.1 To develop and implement a Construction Industry Development Programme on targeted groups.
- 4.2 Facilitate the relationship between all EPWP role-players and the Department of Labour (DOL) and SETAs.
- 4.3 To provide certified skills to individuals in the Western Cape through the L1000 programme.
- 4.4 Develop emerging entrepreneurs into fully-fledged entrepreneurs that are able to establish sustainable business venture which will also have the capacity to execute government contracts efficiently and effectively.
- 4.5 Facilitate the development of artisan's skills under the National Youth Services (NYS).
- 4.6 Facilitate the implementation of a database of skill levels and the unemployed at district level.

STRATEGIC GOAL

5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.

STRATEGIC OBJECTIVES:

- 5.1 To ensure the Institutional framework for EPWP coordination in the province is in place (e.g. Sector and Steering Committee Secretariat).
- 5.2 To ensure the Monitoring and reporting mechanisms for EPWP in the province are in place.
- 5.3 To ensure that the Provincial sector, and local government EPWP Implementation Plans are developed and monitored.
- 5.4 To facilitate the development of EPWP innovative projects.

STRATEGIC GOAL

7. Ensure that BBBEE is realised.

STRATEGIC OBJECTIVES:

- 7.1 Monitor and evaluate the implementation of Empowerment Impact Assessment targets.
- 7.2 Identifying opportunities for BBBEE by utilisation of Empowerment Impact Assessment tools.

Table 43: 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 2009/10	Number of work opportunities employment created		
						Female	Male	Total
City of Cape Town	196 361	190 510	386 871	73	207	9 242	10 165	19 407
DC1 West Coast District Municipality	8 303	8 914	17 217	3	19	553	994	1 547
DC2 Cape Winelands District Municipality	25 487	24 317	49 804	10	39	1 193	1 483	2 676
DC3 Overberg District Municipality	8 252	8 107	16 359	3	36	1 452	2 059	3 511
DC4 Eden District Municipality	26 229	22 984	49 213	9	51	2 161	2 920	5 081
DC5 Central Karoo District Municipality	4 156	3 497	7 653	2	11	1 392	791	2 183
Other programmes					242	5 986	8 979	14 965
Total Western Cape	268 788	258 329	527 117	100	605	21 979	27 391	49 370

Note: EPWP Work opportunities are inclusive of national, provincial and municipal projects.

REVIEW AND ASSESSMENT OF THE PAST FINANCIAL YEAR

EPWP Co-ordination and Compliance Monitoring

EPWP phase 2 commenced on 1 April 2009 with a national target set for the Western Cape over a 5 year period 204 770. A target of 40 000 EPWP work opportunities was set for the 2009/10 financial year and at the 31 March 2010, 49 370 audited work opportunities were reported.

The implementation of the institutional framework of provincial EPWP has been achieved as stipulated in the approved strategic directive. The provincial steering committee and the four sector work groups have been established (Infrastructure, Environmental, Social and Non-State sectors)

Empowerment impact assessment programme

24 Infrastructure projects were subjected to empowerment impact assessments for the purposes of enhancing empowerment. A review of the current tool has been embarked upon and a revised process has been developed to entrench empowerment targets in all infrastructure contracts exceeding R2 million. Socio Economic profiles were determined through BBBEE assessments of infrastructure supply within Western Cape local regions to support the Empowerment Impact Assessment process.

Contractor development programme

Training interventions were improved with the content of tender information sessions and frequency of engagement with the contracting fraternity in the built environment. Participants of the programme are benefiting from the alignment of the programmes which different capital projects have with different stakeholders. The Qingqa Skills Development Programme offers the following suite of training sessions and workshops to contractors: costing and pricing; environmental health and safety; General Conditions of Contract; Joint Building

Contract Committee Contracts documentation; project cash flow management; joint ventures and cooperatives; BBBEE; and Labour Intensive Construction (NQF Level 2).

Women in Construction

As part of a Construction Summit, the Construction Women of the Year was announced in three categories. This intervention gives recognition to transformation in the construction industry towards a more gender representative industry. The Women in Construction programme has seven active forums in the Western Cape. The forums are in the following areas: Metro – Northern Suburbs, Metro – Khayelitsha/Mitchell's Plain, Eden, West Coast, Cape Winelands, Central Karoo and the Overberg.

National Youth Service (NYS)

The National Youth Service programme – “Youth in Infrastructure, Building and Maintenance” targets were set until 2013 during the EPWP Phase 2. The programme further aims to let youth enhance and acquire skills that will lead them to access and exit into viable economic opportunities.

In the Western Cape, 261 learners for NYS phase 2 were enrolled with the Training Education Providers (taken from the 2008/09 financial year) and received accredited training. In addition, 700 learners were recruited for NYS Phase 3 of which 560 were then taken through the training programme in this financial year.

Learnership 1000

613 Learners completed the 12-18 months Learnership 1000 training programme. Phase 2 Learnership 1000 programme was placed on hold.

New Venture Creation (NVC) Programme

The aim of the programme is to develop emerging entrepreneurs into fully fledged entrepreneurs through a process of rigorous assessment of applicants; SETA accredited training; business mentorship. 76 Emerging entrepreneurs completed the New Venture Creation (NVC) training programme in 2009/10. In addition, 120 new entrepreneurs were recruited for NVC phase 2 training programme. This programme formed part of the Learnership 1000 and was placed on hold.

Exit Strategies

The Exit Strategy tracking system designed for EPWP beneficiaries has been developed. 899 EPWP beneficiaries were surveyed to determine the impact of EPWP interventions which provided the foundation for review on 4 EPWP programmes and 3 case studies were undertaken.

Umsebenzi job portal

Since inception the EPWP Programme has registered 100 000 unemployed persons on the Umsebenzi Jobs portal as at 31st December 2009. 4758 Work opportunities were registered as well as 228 recruiters. The Portal project was reviewed and subsequently terminated.

Solomon Mahlangu Development Project (SOMDEC)

The programme was reviewed and subsequently terminated.

Table 44: Programme 6: Community Based Programmes: Measurable Objectives, Performance Indicators and Targets

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
1. Plan and monitor infrastructure and transport, in support of the iKapa GDS.						
1.1 To intensify Labour Intensive Activities within infrastructure and environmental projects.						
To co-ordinate technical support workshops per year to infrastructure construction role-players promoting LIC guidelines	Number of workshops	21	12	13	1	8%
1.2 To perform Empowerment impact Assessments on infrastructure projects greater than R2 million.						
Compile Empowerment Impact Assessment reports highlighting the empowerment targets set for the project.	Number of EmplAs completed	25	30	24	(6)	20%
1.3 To assist communities with preliminary investigations on infrastructure related projects.						
Compile database of EmplA socio economic information on Local Municipalities.	Number of local municipalities	0	10	10	0	0
4. Facilitate and develop the skills required for infrastructure-led economic growth.						
4.1 To develop and implement a Construction Industry Development Programme on targeted groups.						
To provide contractor tendering information sessions to existing and new ABE's per year	Number of contractor information sessions provided	22	12	12	0	0%
Popularisation of Women in construction	Key Event: Construction Women of the Year Award	1	1	1	0	0
Develop a skills plan for Women in construction	No of Skills plans	0	6	7	1	16.7%
To implement the Siyenyuka Contractor Development Programme (SCP) for HDI enterprises per year	No of HDI enterprises (50% women owned SMEs) developed	55	50	0	(50)	100%
4.2 To provide certified skills to individuals in the Western cape through the L1000 programme.						
To recruit individuals into the Learnership programme Phase 2 (L1000)	No of Learners	250	300	0	(300)	100%
4.3 Develop emerging entrepreneurs into fully-fledged entrepreneurs that are able to establish sustainable business venture which will also have the capacity to execute government contract efficiently and effectively..						

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
To develop individuals for new business ventures in the L1000 programme	Number of individuals trained	N/A	200	0	(200)	100%
4.4 Facilitate the development of artisan's skills under the National Youth Service (NYS)						
Train unemployed youth in experiential training opportunities	Number of youths placed in experiential training opportunities	N/A	700	560	(140)	20%
4.5 Facilitate the implementation of a database of skill levels and the unemployed at district level						
To register unemployed persons on the Umsebenzi Portal per year	Number of unemployed registered	N/A	40 000	21 197	(18 803)	47%
To register work opportunities on the Umsebenzi Portal per year	Number of work opportunities registered	N/A	2 000	4 758	2 758	137%
To register recruiters on the Umsebenzi Portal per year	Number of recruiters registered	N/A	50	228	178	356%
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.						
5.1 To ensure the Institutional framework for EPWP coordination in the province is in place (e.g. Sector and Steering Committee Secretariat).						
To establish sector working groups and provincial steering group per year and provide a secretariat service	Number of sector working groups	N/A	4	4	0	0%
	Number of steering groups	N/A	1	1	0	0%
5.2 To ensure the Monitoring and reporting mechanisms for EPWP in the province is in place.						
Develop and maintain an Exit Beneficiary Tracking System.	No of Systems	1	1	1	0	0%
** Compile accurate and timely quarterly EPWP work opportunities reports	<i>Number of people employed</i>	40 000	40 000	49 370	9 370	23%
	<i>Number of employment days created</i>	2 400 000	2 400 000	4 715 690	2 315 690	96%
	<i>Number of jobs created</i>	41 037	40 000	50 260	10 260	26%
	<i>Number of youths (16-25)</i>	12 000	12 000	20 799	8 799	73%
	<i>Number of women</i>	16 000	16 000	20 877	4 877	30%
	<i>Number of people with disabilities</i>	800	800	217	(583)	73%
	<i>Number of people trained</i>	40 000	40 000	20 503	(19 497)	49%
5.3 To ensure that the Provincial sector and local government EPWP Implementation Plans are developed and						

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Actual Outputs 2008/09	Target Outputs 2009/10	Actual Outputs 2009/10	Deviation from Target	
					Unit	%
To collate 4 sector plans into a comprehensive provincial implementation plan per year	Provincial Implementation Plan	1	1	0	(1)	100%
5.4 To facilitate the development of EPWP innovative projects						
To implement social transformation project for the year	Number of projects implemented	N/A	1	0	(1)	100%
To implement short term projects identified in the SOMDEC business plan	Number of projects implemented	N/A	2	0	(2)	100%
7. Ensure that BBBEE is realised.						
7.1 Monitor and evaluate the implementation of Empowerment Impact Assessment targets						
To compile quarterly departmental EmplA compliance reports	Number of compliance reports	N/A	4	4	0	0%
7.2 Identifying opportunities for BBBEE by Utilisation of Empowerment Impact Assessment tool.						
Conduct regional BBBEE assessments	Number of regional	N/A	2	3	1	50%

** denotes nationally required performance measures

REASONS FOR DEVIATIONS FROM TARGETS

Where there are positive or negative deviations, the reasons for such are provided below.

Measurable Objective	Deviation	Reason
To promote LIC guidelines, co-ordinate technical support workshops	Number of workshops held throughout the Province (8% above target)	Increased need amongst Provincial and Local Authority officials.
To perform empowerment impact analyses	Number of EmplA completed (20% below target)	Assessments depend on number of projects and therefore could not be achieved due to Branches reducing and reviewing their own targets.
Develop a skills plan for women in construction	Number of skills plans. (16.7% above target)	An additional skills plan was required to ensure that all 7 forums are adequately and uniformly assessed.
To implement the Siyenyuka Contractor Incubator Programme (SCIP)	No of HDI enterprises (50% women owned SMEs) developed (100% below target)	The programme was reviewed and is projected to be re-activated in 2010/11
To recruit individuals into the Learnership programme Phase 2 (L1000)	No of learners (100% below target)	Programme on hold.
To develop individuals for new business ventures in the learnership programme (L1000)	No of individuals trained (100% below target)	Programme on hold.
Train unemployed youth in experiential training opportunities	Number of youth placed in experiential training opportunities (20% below target)	140 Learners not available with initial commencement.

To register unemployed persons on the Umsebenzi Portal per year	Number of unemployed registered (47% below target)	The portal was placed under review in December 2009 and closed on 31 March 2010
To register work opportunities on the Umsebenzi Portal per year	Number of work opportunities registered (137% above target)	The portal was placed under review in December 2009 and closed on 31 March 2010
To register recruiters on the Umsebenzi Portal per year	Number of recruiters registered (356% above target)	The portal was placed under review in December 2009 and closed on 31 March 2010
Compile accurate and timely quarterly EPWP work opportunities reports	Number of people employed (23% above target)	Improved advocacy, co-operation from municipalities and reporting systems enabled better performance.
	Number of employment days created (96% above target)	
	Number of jobs created (26% above target)	
	Number of youths (16-25) employed (73% above target)	
	Number of women employed (30% above target)	
	Number of people with disabilities employed (73% below target)	
	Number of people trained (49% below target)	The EPWP was reconfigured through its Phase 2 where-in training was no longer a pre-requisite (focus shifted to creation of job opportunities).
To collate 4 sector plans into a comprehensive provincial implementation plan per year.	Provincial Implementation plans (100% below target)	The reconfiguration of EPWP brought about a delay in the conclusion of the comprehensive plan.
To implement social transformation project for the year	Number of projects implemented (100% below target)	The Social Transformation Project was placed under review on 1 April 2009
To implement short term projects identified in the SOMDEC business plan	Number of projects implemented (100% below target)	The SOMDEC Project was placed under review and subsequently terminated.
Conduct regional BBBEE assessments	Number of regional Assessments (50% above target)	Additional regions were included.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Mainstreaming

Mainstreaming in provincial and municipal line functions.

Response to Challenge 1

Implementation of the EPWP strategic directive, which will promote the inclusion of provincial departments and municipalities in the development of the EPWP implementation plan and roll-out thereof.

ISSUES REQUIRING ONGOING ATTENTION

The following issues require attention:

- To improve the implementation of the EmplA tool on infrastructure projects.
- Co-operation with the built sector industry to provide further support to development and entrepreneurship programmes.
- The certification of skills development beneficiaries.
- Women in Construction access to contractual opportunities.
- Skills Development integration with line function
- Interaction with the Department of Social Development regarding disability grants being forfeited when employed on the EPWP programme.

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 Medium Term Expenditure Framework period.

Table 45: Roads Infrastructure Capital Projects

PROJECT	2009/10 R'000	2010/11 R'000	2011/12 R'000	2012/13 R'000
CONSTRUCTION				
C741 Bosmandam pedestrian bridge	83			
C883.5 Vredendal Gegund street	2 276			
C880.8 Koeberg i/c Table Bay Boulevard landscaping	2 039	2 000		
C733.4 Broadlands to Sir Lowrys Pass	50 960	60 000		
C837.2 N1 Merweville	15 563	3 000		
C880.2 Service location Koeberg	19			
C890 Graafwater	18			
C888 Prince Valley sidewalk	44			
C789 Greyton/Genadendal	2 160			
C776.1 Bredasdorp – Gansbaai phase 1	2 401			
C776.2 Gansbaai – Elim phase 2	47 305	15 000		
C788 Marcuskraal	1 190			
C842 Pakhuis Pass	53 657	4 900		
C783 Algeria Road Phase 1	20 929			
C839.1 Eden Still Bay	19 694	1 000		
C847 Calitzdorp	20 274	300		

PROJECT	2009/10 R'000	2010/11 R'000	2011/12 R'000	2012/13 R'000
C740 Lynedoch i/c	177			
C733.3 Hazelden Drive to Broadlands	53 189	12 000		
C880 Koeberg Direction ramps	351 121	170 000	55 000	
C880.3 Koeberg relocation service	61			
C880.4 Koeberg Rehab Table Bay	99 863	31 000		
C886 Wallacedene sidewalks	271			
C896.2 De Nova sidewalks	969			
C882.1 Klapmuts sidewalks	556			
C882.2 Bela Vista sidewalks	1 190			
C882.3 Greyton Heuwelskroon	3 109	150		
C883.1 Redelinghuys Main Street	2 211			
C883.4 Saldanha Ongegund sidewalks	4 120			
C884.1 Ladismith sidewalks	116			
C884.5 Kwanokuthula Plettenberg Bay	1 673			
CBP Projects	471			
C500.21 Mossel Bay Safety Phase 1	156			
C637 Paarl – N1/DR 1118	282			
C707.3 N1 rehab	225			
C708.10 N2 0-2 km move services	22 454	4 000		
C803 Karwyderskraal	30 302	8 000		
C810 Bottelary Road	836			
C708.6 N2 Westbound rehab	78			
C754.1 Piketberg – Redelinghuys	163			
C707.5 N1 Phase 2	288			
C636 Wellington - Hermon	438			
C708.7 N2 Eastbound rehab	58 553	100		
C552 Malmesbury - Hermon	430			
C802.1 TR77 – St Helena Bay	189			
C586 Pniel - Simondium	35 950	32 000	300	
C785 Repair slope Huis River Pass	210			
C794.1 White Bridge Knysna	101 638	16 000		
C638 TR24/1 – TR11/2 Mooresburg	19 270	600		
C656 Chapmans Peak Toll Plazas	41 651	20 000		
Granger Bay Boulevard	569			
Transfer Payments	50 579	20 551	12 000	13 000
TOTAL	1 121 970	400 601	67 300	13 000
MAINTENANCE				
Reseal	57 355	117 400	246 000	267 000
Regravel	54 480	113 570	130 736	141 246
C864.2 Tradouws Pass & Burgers Pass	6 582			
C811.1 Uniondalepoort	16 394			

PROJECT	2009/10 R'000	2010/11 R'000	2011/12 R'000	2012/13 R'000
C865.4 Groot River & Bloukrans River Pass	9 770			
C865.8 Geelhoutboom area	5 198			
C865.7 Waboomkraal & Geelhoutboom	9 756			
C863.1 Citrusdal	4 766			
C749.3 Armco's on MR191	3 670			
C865.6 Mossel Bay LM Area	5 050			
C781.2 Oudtshoorn & De Rust	1 141			
C781.1 Calitzdorp & Oudtshoorn	4 649			
C865.1 George LM Area	6 779			
C822.1 TR2/9 Groot Brak slope	1 175			
C585.2 Bridge Handrails Phase 2	237			
C791 Bridges in Overberg	276			
C784 Bains Kloof Pass	582			
C781 Bridges Oudtshoorn	114			
C864.1 Zuurbraak Buffeljags	239			
C865.2 Hessequa area	3 385			
C739.1 Herbertsdale	11 813			
Transfer Payments	6 894	8 555	12 000	12 500
Capital	210 305	239 525	388 736	420 746
Current	486 494	511 402	502 775	504 101
TOTAL	696 799	750 927	891 511	924 847
PLANNING AND DESIGN				
Expropriation	4 198	4 400	4 600	4 900
Fees	97 628	107 390	122 587	134 360
Transfer Payments	2 800	2 900	2 900	2 900
TOTAL	104 626	114 690	130 087	142 160

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, through regular surveillance, of how the gravel road network is performing.

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.

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

Table 46: Summary of the condition of provincial road infrastructure

	CONDITION OF INFRASTRUCTURE (Km's or No.)					Total Km's or Total No.
	Very Good	Good	Fair	Poor	Very Poor	
Surfaced Roads (excluding highways)	1 597.72 (26%)	2 334.01 (38%)	1 477.39 (24%)	587.64 (10%)	128.68 (2%)	6 125.44
Gravel Roads	67.55 (1%)	1 212.77 (11%)	3 875.37 (37%)	4 562.62 (43%)	849.15 (8%)	10 567.46
Bridges with span > 2 metre						884
Culverts with span > 2 metres						1 425
For the purpose of this table, the degrees of overall condition of pavement mean the following: Very Good Very few or no defects. Degree of defects c 3 (less than warning) Good Few defects. Degree of structural defects mostly less than warning Fair A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects) Poor General occurrence of particularly structural defects with degrees warning to severe Very Poor Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive						

The total capital maintenance and rehabilitation backlog was estimated at R 5.465 billion in 2009. Due to the cost of data collection, this calculation is only done every second year. The average 5-year capital funding required to maximise road user benefits and maintaining the asset value is estimated at R 2.8 billion per annum.

The level of funding for roads maintenance and rehabilitation does not permit the implementation of a scenario where road user benefits are maximised and the asset value is preserved. It is not even possible to meet a minimum standards scenario. The condition of roads will therefore continue to deteriorate and the backlog will increase from year to year. This trend has been worsened by the sharp rise in the cost of infrastructure provision. The present strategy is to protect the asset in line with priorities as identified by asset management systems to provide the best possible economic benefit for funds available. Such a strategy is, however, often not compatible with social objectives of government and a healthy balance has to be struck between the two extremes. Careful analysis indicates, that too large a share of the available budget is directed towards the maintenance of gravel roads, which carry only about 5 percent of the vehicle-kilometres travelled on provincial roads in the Province.

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 and trafficable condition, though not necessarily meeting minimum standards.

It is therefore predicted that, if the current level of funding is maintained, the percentage of surfaced roads in a poor to very poor condition will increase from the present 10 percent to about 50 percent in the next ten years. The network will lose about R4 billion of its current asset value of R 37 billion by 2016.

MANAGEMENT OF KEY MOVEABLE ASSETS

The Department has a road building and road maintenance plant fleet consisting of over 2000 items. This fleet is used by the Regional Offices, and District Municipalities who act as the agents of the Province. The fleet is hired out at predetermined rates which ensure that operational costs are met and that the fleet can be renewed where and when necessary.

Heavy vehicles and road maintenance machines are purchased according to the approved preference procurement policy, and according to the approved annual purchase budget. Standard items are purchased by using the National Treasury Contract RT57 and the rest by means of *ad hoc* tenders and quotations.

PROCESSES FOR TENDERING

The approved Accounting Officers Supply Chain Management System and the Preferential Procurement Implementation Plan are in place, but also under review.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Reversal of deterioration of road network assets

Limited resource provisions constrain the maintenance of road infrastructure at appropriate levels.

Response to Challenge 1

Optimally utilise the limited resources allocated to the Department, through innovative application of appropriate tools.

Access alternative funding streams to support the road network maintenance programme.

PUBLIC WORKS

The tables below shows capital projects completed started and their expected completion dates.

Table 47: Public Works Projects started in 2009/10, but not completed

Projects started in 2009/10 (not completed)	Directorate	Site Handover	Expected Practical Completion Date
73 Brick & Mortar Grade R Classrooms	Works Education	November 2009	August 2010
30 x Mobile Grade R Classrooms	Works Education	November 2009	16 April 2010
Wallacedene Secondary School (0014/2006)	Works Education	29 September 2008	28 May 2010
Tafelberg LSEN School (0017/2006)	Works Education	20 November 2008	28 June 2010
Bongolethu Primary School (323074/2008) Completion only of two additional Grade R classrooms	Works Education	11 March 2009	30 June 2010
Blue Downs Primary School, Kuilsriver	Works Education	10 March 2010	April 2011
Delft N2 Gateway Secondary School, Delft South	Works Education	19 March 2010	April 2011
Delft N2 Gateway Secondary School 2, Delft South	Works Education	19 March 2010	April 2011
Delft N2 Gateway Primary School, Delft South	Works Education	19 March 2010	April 2011
Delft N2 Gateway Primary School, Delft South	Works Education	19 March 2010	April 2011
Westlake Primary School, Tokai	Works Education	19 March 2010	April 2011
Cloeteville Primary School in Stellenbosch	Works Education	12 January 2010	24 March 2011
Paarl Pathology Laboratory	Works Health	28 January 2010	18 June 2010
Worcester Pathology Laboratory	Works Health	28 January 2010	18 June 2010
Malmesbury Pathology Laboratory	Works Health	04 February 2010	08 June 2010
Grassy Park: New Clinic	Works Health	08 March 2010	26 March 2011
Wesbank New CDC; Malmesbury	Works Health	19 March 2010	September 2011
Vredendal New Ambulance Station; Vredendal	Works Health	31 March 2010	March 2011
Ceres New Ambulance Station; Ceres	Works Health	11 January 2010	01 February 2011
Plettenberg Bay: Kwa-Nokuthula CDC & Ambulance Station	Works Health	11 January 2010	July 2011
Worcester Regional Hospital: Phase 4: Wards M7 & M8	Works Health	16 November 2009	December 2010
Mitchells Plain District Hospital	Works Health	22 September 2009	October 2012
Leeu Gamka New Ambulance Station; Eeden District	Works Health	30 May 2009	06 August 2010
Paarl: T.C Newman Hospital CHC – Upgrade	Works Health	July 2009	October 2010

Comment [LT1]: NOTE: started in 2008/09. DELETE if not applicable.

Table 48: Public Works Projects completed in 2009/10

Projects completed in 2009/10	Directorate
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Projects completed in 2009/10	Directorate
Brooklyn Chest TB Hospital: Repairs and Renovations	Health
Cross Roads CHC: ARV Treatment Facility	Health
Gugulethu CHC: ARV Treatment Facility	Health
Khayelitsha District Hospital: Infrastructure Installation	Health
Malmesbury TB Hospital: Repairs and Renovations	Health
Groote Schuur Hospital: Anaesthetic Department	Health
Groote Schuur Hospital: Phase 1: Fire Detection	Health
Groote Schuur Hospital: Pharmacy Bulk Store Airconditioning	Health
Tygerberg Hospital Helipad	Health
Tygerberg Hospital Lift Upgrade	Health
Tygerberg Hospital: Phase 2: Fire Doors	Health
Tygerberg Hospital: Security Fence	Health
Riversdale Hospital: Resurfacing of Parking Area	Health
Red Cross Hospital: Ward Upgrade and CSSD Relocation	Health
Worcester DMS and Ambulance Station	Health
Retreat CHC: ARV Treatment Facility	Health
Somerset Hospital: Enabling Work	Health
Table View Primary: Table View	Education
Gansbaai Secondary; Gansbaai	Education
Nomzamo Primary School	Education
Avian Park Primary, Worcester	Education
Zwelihle Primary, Hermanus	Education
Bongolethu Primary, Philippi	Education
103 Maintenance Projects	Education
Shared Service Centre in Athlone	General
Department of Agriculture Executive Wing at Elsenberg	General
Philippi Stadium upgrade	General
Video Conference Centre – 7 th Floor, Dorp Street	General
Kensington Substance Abuse Centre	General
Kuils River Sport School	General
Upgrading of Artscape Theatre	General
157 Maintenance Projects	General
15 Engineering sites and sewage projects	General
84 Security projects	General
6 000 Help desk calls were attended to	General

No facilities were closed down or downgraded in the period under review.

In terms of generally accepted international standards, a minimum budget of 2% of the replacement value of the property portfolio is required annually for maintenance to ensure that a property is adequately maintained over its planned 50-year life-cycle. Compared to this benchmark, budget allocations are totally inadequate. This is a

cause for concern as the condition and value of our buildings are declining at an alarming rate. The provincial property portfolio maintenance backlog amounts to approximately R 3.0 billion and increases annually by 2%. Although 56% of the properties are in a fair condition, continued limited resources for planned and preventative maintenance to preserve the existing property portfolio will cause the condition to deteriorate.

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.

No major projects regarding maintenance of moveable assets were undertaken.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Reversal of deterioration of provincial immovable assets

Limited resource provisions constrain the maintenance of provincial immovable assets at appropriate levels.

Response to Challenge 1

Optimally utilise the limited resources allocated to the Department, through innovative application of appropriate tools.

Access alternative funding streams to support the immovable asset maintenance programme.

PART THREE:

**AUDIT
COMMITTEE
REPORT FOR THE
FINANCIAL YEAR
ENDING
31 MARCH 2010**

**PROVINCIAL GOVERNMENT WESTERN CAPE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS (VOTE 10)**

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2010.

Audit Committee Members and Attendance

In terms of Section 38 (1) (a) (ii) of the PFMA, the Department of Transport and Public Works is required to establish an Audit Committee. The appointment of this Audit Committee came in effect on 1 January 2010. To ensure adequate governance and oversight, the Department has been served by the Economic Cluster Audit Committee for the period 1 April 2009 – 31 December 2009. The Audit Committee should meet at least 4 times per annum as per its approved terms of reference.

The Economic Cluster Audit Committee consisted of the members listed below and met 8 times from 1 April 2009 – 31 December 2009.

Name of Member	Number of Meetings Attended
Mr P Jones (Chairperson)	6
Mr Z Hoosain	7
Mr J Jarvis (Contract expired 31 December 2009)	8
Mr S Claassen (Contract expired 31 December 2009)	8

The Transport and Public Works Audit Committee consists of the members listed below and met once from 1 January 2010 – 31 March 2010.

Name of Member	Number of Meetings Attended
Mr A Amod (Chairperson)	1
Mr Z Hoosain	1
Mr W Pieters	1

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action. From the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General South Africa, various instances of control inadequacies and non-compliance with prescribed policies and procedures in the current reporting period were noted, including those processes impacting on reporting on predetermined objectives. The system of internal control applied by the Department in the areas reviewed by Internal Audit and the Auditor-General is therefore inadequate.

The Department has also made no progress in respect of Enterprise Risk Management and was constrained by the non-availability of capacity in the ERM Unit. This has been escalated to the Accounting Officer during the year under review. The Audit Committee is monitoring progress on a quarterly basis.

Information Technology

The Committee previously reported on the growing crisis of IT within the Provincial Government and the limited progress that has been made towards implementation of the turn-around strategy to address the IT-related risks facing the Province. Until the turn-around strategy relating to the governance of IT has been fully implemented, the risks facing the Department will not be mitigated to an acceptable level.

The Audit Committee has been informed that IT Services have received priority consideration at Cabinet Level for the implementation of the IT Services Blueprint.

The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act

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

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and Management's responses;
- reviewed the Department's processes for compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

In the year under review, the Shared Internal Audit unit experienced challenges relating to capacity and change management which impacted on its ability to achieve its plan. The Audit Committee acknowledged these challenges and in conjunction with the Head of the Department agreed to a revised Internal Audit Plan. The Audit Committee will continue to monitor progress to ensure that Internal Audit adds value to the Department and achieves optimal performance.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

Appreciation

The Audit Committee wishes to express its appreciation to the Officials of the Department, Provincial Treasury, the Auditor-General South Africa and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr P Jones

Chairperson of the Economic Cluster Audit
Committee

Date: 12 August 2010



Mr A Amod

Chairperson of the Transport and Public Works
Audit Committee

Date: 12 August 2010

PART FOUR:

**ANNUAL
FINANCIAL
STATEMENTS FOR
THE YEAR ENDED
31 MARCH 2010**

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

PART FOUR: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010

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

1 GENERAL REVIEW OF STATE OF AFFAIRS

Strategic issues

The 2009/10 financial year represents the final year of the Department's five year strategic plan. It also marks the beginning of the next five-year electoral and strategic planning cycle which commenced in April 2009. This brought a different Provincial Cabinet and Executive Authority being assigned to the Department.

Clearly this resulted in a juxtaposition between the strategic direction of the Department in terms of the new government's mandate, and required performance in terms of the 2009/10 Annual Performance Plan developed and approved by the previous Provincial Government. A new Vision, Mission, Values and Strategic Agenda were formulated by the elected Provincial Government during June 2009 and the administration at all levels was required to adapt and realign to the direction set.

Ten strategic objectives were identified, namely:

- SO1: Maximising Economic and Employment Growth and Sustainability.
- SO2: Improving Education Outcomes.
- SO3: Moving the Western Cape Forward: Increasing Access to Safe and Efficient Transport.
- SO4: Maximising Health Outcomes.
- SO5: Reducing Crime.
- SO6: Optimising Human Settlement Integration.
- SO7: Maximising Sustainable Resource Management and Use.
- SO8: Increasing Social Cohesion.
- SO9: Alleviating Poverty.
- SO10: Clean, value-drive, efficient, effective and responsive government.

The Department participated in the development of draft Strategic Cases for SO1, SO6, SO7 and SO9, while it led the formulation of the Strategic Case for SO3. The latter was launched by the Premier and the Executive Authority during January 2010.

During the Provincial Cabinet's strategic sessions, the Executive Authority identified five priority programmes, namely:

- the creation of a highly effective department;
- leveraging the Province's Cape Town Central Business District properties to enhance economic growth;
- shifting the modal split in favour of public transport;
- improving road safety (halving fatalities);
- Reducing maintenance backlogs on economic and social infrastructure.

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In response thereto, work began on the CBD Regeneration Programme, the Safely Home Programme, renegotiating the financial resource envelope for the department, building partnerships with the City of Cape Town on public transport matters and engaging the minibus taxi industry on behavioural matters. Furthermore, the review of certain programmes and projects was undertaken to redirect resources to new priority areas.

The Provincial Government also embarked on a modernisation programme to find the best and most efficient way possible for it to serve the people of the Western Cape. This programme cuts across all departments. Four important areas were identified namely: legislative frameworks, organisational capacity building, physical and resource management and e-governance.

Events

Table 1 below reflects on some of the events that occurred during the course of the 2009/10 financial year.

Table 1: Events

<p>Public Transport Policy Statement with respect to Special Needs Passengers Launch</p>	<p>During April 2009, the "Public Transport Policy Statement with respect to Special Needs Passengers" was launched. The opportunity was taken to also sign the "way forward" document to ensure incremental implementation of an accessible public transport system. The Provincial Government to promote public transport requirements of passengers with special needs in its planning, provision and management of public transport system in the Western Cape so that the system, over time, becomes universally accessible to all passengers.</p>
<p>George Mobility Strategy: Signing of Memorandum of Agreement</p>	<p>During April 2009 a Memorandum of Agreement (MOA) on implementing a new, improved and subsidised public transport service in George was concluded.</p>
<p>Bicycle hand-over events</p>	<p>Through the National Shova Kalula (bicycle) Programme, 2 960 bicycles were distributed to needy, rural-based learners in order to ensure that these learners do not have to walk in excess of 2.5 km's to and from school where no public transport is available. This program aims to enhance non-motorised transport as a means of mobility within the rural areas. The Western Cape Education Department identifies the schools and the learners who are to benefit from this project. Bicycles were handed over to schools in Laingsburg, Prins Albert, Beaufort West, Murraysburg, Calitzdorp, Zoar, Oudtshoorn and surrounding areas.</p>
<p>Enforcement of regulars</p>	<p>The enforcement of all regulars has been stepped up sharply in conjunction with law enforcement agencies. Unsafe vehicles, particularly passenger ones have been removed from the roads. Unlicensed and off route taxi's and</p>

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	<p>buses have been regularly impounded. The Provincial Borders have been sealed to prevent the entry of unsafe unlicensed buses and taxis. Vehicle drivers have been fined in their thousands for mainly moving offences. Action has been taken against one bus in terms of section 50 National Road Traffic Act 1996 (Act 93 of 1996).</p> <p>The Shadow (Safely Home anti-drunk driving operations war room) is being expanded from its first unit in Vangate to George. It has already processed over 1500 over limit cases. Special safety hoardings are being erected across the provinces speed over distend monitoring is being tested prior all this has been done part of "The Safety Home" project which seeks to halve the fatality rate by 2014.</p> <p>An intensive bus blitz was held in Beaufort West during July 2009 This exercise was but one element of the Province's ongoing commitment to reducing the death rate on our roads. Every single bus entering or leaving the Province was subject to:</p> <ul style="list-style-type: none"> • An on the spot roadworthiness test • Verification of operating license • Verification of the driver's public driving license • Assessment of the driver's recent work schedule and alertness.
<p>National Youth Day exhibition: George</p>	<p>On June 2009 the George Municipality invited the Department to showcase projects undertaken in the Department at their National Youth Day celebrations held at the Thembaletu Sportsfield. The exhibition stand was visited by approximately 50 learners from the Thembaletu community on the day. Masakh'iSizwe and the EPWP job portal were showcased to the youth in order to expose them to bursary – and job opportunities.</p>
<p>Masakh'iSizwe Graduation Ceremony</p>	<p>In spite of a global economic downturn, the Department successfully continued with Masakh'iSizwe training and placement programme to address skill shortage in the transport and building construction environment. During September 2009, 59 students of the 2009 programme received bursary awards.</p>
<p>Mitchell's Plain/Khayelitsha Funride</p>	<p>The Department in collaboration with the Department of Education Western Cape; the national Department of Transport (through the Shova Kalula Programme) and other Partnering Stakeholders hosted the Annual Mitchell's Plain/Khayelitsha Fun Ride on the 24th of October, which formed part of the National Transport Month; also an annual event held right through the Month of October. Their fun ride was aimed at the promotion of non-motorised</p>

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	transportation and living a healthy lifestyle.
Taxi Registrar Road shows/exhibitions	During September and October 2009, the Department embarked on a Taxi Registrar Road Show in Paarl, Fish Hoek, Langa and Khayalitsha/Mitchell's Plein with the objectives to educate clients (Taxi Industry) about the Registrar's services, to building relationship with current clients. It was also an opportunity for the taxi operators to share their concerns with Department and the Department to share information and the latest developments with the taxi members.
Re-opening of Chapman's Peak Drive	Chapman's Peak Drive was re-opened during October 2009 after a comprehensive safety upgrade.
Annual Construction Women of the Year Awards	The annual Construction Women of the Year Award Ceremony which was held in December 2009. This event contributes to and creates awareness of successful Women in Construction within the Western Cape Province.
The Safely Home anti-drunk driving operations war room (SHADOW) Launch	The Centre was opened in December 2009. The Safely Home anti-drunk driving operations war room (SHADOW), situated opposite the Vangate Mall, is equipped with Dräger Alcotest breath analyser machines which can take an instant and accurate reading of the amount of alcohol on an individual's breath. This can then be used as evidence to secure a conviction. This will shorten the waiting period for prosecutions, eliminate messy "chain of evidence" problems and dramatically improve prosecution. This is in support of halving fatalities.
Provincial Consultative Workshop on Road Safety	<p>The purpose of this workshop was to put into effect a MINMEC decision where the national Minister and Provincial MEC's agreed to review the road safety strategy – to now include the establishment of the following structures :</p> <ul style="list-style-type: none"> • A National Road Safety Council • Provincial Road Safety Councils • Local Road Safety Forums (with the aim to give communities a say in how road safety can be improved in their areas e.g. how to make pedestrian access to schools and public transport facilities safer. Communities must also play a role in spreading the message of road safety e.g. combating the past-time of drag racing or schools can teach learners about road safety etc. <p>The workshop was held on the 24th of March 2010 in Cape Town and was attended by some 200 people from all over the Province. Organisations represented included national Department of Transport, Department of</p>

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	Transport and Public Works, Community Safety, Traffic Enforcement, SAPS, Municipalities, Community Development Workers, and Social Workers, the minibus taxi industry, bus operators, vehicle testing station owners and operators, accident scene investigators, universities, engineers etc.
Hand-over of 71 ambulances	<p>A large fleet of new ambulances were handed over to the department of Health on 24 March 2010. The new ambulances were purchased by Government Motor Transport (GMT) during the run-up to the 2010 FIFA World Cup in order to strengthen the Province's emergency services related to this event.</p> <p>The 71 ambulances will replace the older vehicles in the fleet and will enable the Western Cape Emergency Medical Services (EMS) to maintain a vehicle fleet that are in mint condition and well looked after with low kilometres. The conversion design was done by EMS and GMT and the work performed by a local Cape Town firm. All associated equipment and finishing, e.g. tracking and control, electronic fuelling, lights, sirens and decals were also fitted in Cape Town.</p>

Major Projects

Public Works

Provincial Public Works is recognised by the Provincial Government as the preferred implementing agent of all Provincial Government built sector infrastructure, the custodian of the provincial government property portfolio (excluding Housing) and the regulator of the built and property sector of the Province for the other projects referred to below and which are reported on in more detail in PART 2.

General Buildings infrastructure

- The 6 building projects and 157 maintenance projects were completed.

Education infrastructure

Whilst the budget is vested in Vote 5 – Education, Provincial Public Works is the implementing agent for the projects referred to below.

- The construction of 6 new schools (accommodating in the order of 6 480 learners) was completed.
- 111 schools were maintained or upgraded.
- An EPWP preventative maintenance programme on 512 schools continued.
- Built sector professional services were rendered to 37 School Governing Bodies' (SGB) projects.
- 23 *ad hoc* incidents of structural damage caused by vandalism and *vis major* were repaired.

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- 74 brick and mortar classrooms for grade R learners (accommodating in the order of 2 520 learners) were completed.
- 30 mobile classrooms for grade R learners were placed (accommodating in the order of 900 learners).

Health infrastructure

Whilst the budget is vested in Vote 6 – Health, Provincial Public Works is the implementing agent for the projects referred to below:

- Two health facilities were completed
- Construction of two major hospital facilities are underway: Khayelitsha and Mitchell's Plain

Roads infrastructure

- Six construction projects were completed.
- The Roads Infrastructure Programme was involved in several areas aimed at improving the mobility of visitors during the 2010 FIFA World Cup event, access to Cape Town Airport and the Cape Town Stadium (designated FIFA routes and emergency routes):
 - The rehabilitation of Trunk Road 2 (N2) between Vanguard Drive and Borchard's Quarry Interchanges, which includes the provision of a lane for public transport and the upgrading of the Airport Access Interchange, was completed.
 - Koeberg Interchange upgrade: Although the directional ramps linking the M5 with the N1-East will not affect stadium-bound traffic directly, the construction of Ramp A will help ease the flow of normal traffic and indirectly assist stadium-bound traffic. This project was accelerated and is progressing according to plan.
 - Upgrading and rehabilitation of Table Bay Boulevard will directly influence stadium-bound traffic. This project was also accelerated and will be completed in time for the 2010 FIFA World Cup event.
 - Upgrading of Trunk Road 2 (current N2) from Somerset West to Sir Lowry's Pass is expected to increase the mobility of 2010 visitors accommodated in the Overberg. These two projects are also proceeding according to plan.
 - Upgrading of the N2 west of Knysna will alleviate congestion and contribute to accessibility for the 2010 related tourism spin-off in the Southern Cape area. This project was completed successfully.

Public and Freight Transport

- The conversion of the passenger-based road-based subsidised scheduled public transport bus services to a kilometre-based contract as per the requirements set out in the Public Transport Operations Grant (PTOG) was achieved by 30 September 2009.

Expenditure

The annual appropriation for 2009/10 was adjusted upwards from R3.523 billion to R4.170 billion by R647million or in nominal terms by 18 percent. In comparison with 2008/09 it was adjusted upwards from

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R2.620 billion to R3.080 billion by R460 million or in nominal terms by 17 percent. The expenditure for 2009/10 is 7 percent below the adjusted appropriation.

Flood damage is a natural phenomenon that has become an annual occurrence with varying impact. Flood damage repair causes the crowding out of existing projects and causes undue pressure on limited resources. In the 2009/10 Adjustments Estimate an additional R391 million in the form of a national Transport Disaster Management Grant was appropriated, consisting of rollovers from the previous financial year of R274 million and a new allocation of R117 million as a result of a combination of the late approval of the rollovers and receipt of the new allocation, the magnitude thereof and design and procurement lead times, under spending of R186 million occurred on the grant. If this under spending is left out of the equation then, the spending performance for the Vote reflects a spend result of 97.05 percent or 2.95 percent below the appropriation bringing the expenditure close to the 2 percent under spending norm.

The national Infrastructure Grant to Provinces of R364.644 million for the purposes of construction, maintenance, upgrading and rehabilitation of roads infrastructure was fully spent. The same applies to the Public Transport Operations Grant of R593.774 million.

The payment of property rates to municipalities in respect of provincial government owned buildings is funded through the national Devolution of Property Rate Funds Grant, a Schedule 5 grant. Spend on the adjusted grant of R268.864 million, was R250.285 million, which is R18.579 million below the amount allocated. However, all claims were not paid due to accounts received after the financial year-end as well as delays in the transfer of new sites for the Departments of Education and Health.

Table 2 below shows the percentage under spending per main division (Programme) of the Vote.

Table 2: Under spending per main division

Programme	2009/10 R'000	%	2008/09 R'000	%
1: Administration	13 473	6.9	3 315	1.9
2: Public Works	44 274	5.6	37 429	4.6
3: Roads infrastructure	195 076	8.9	272 346	16.3
4: Public Transport	28 932	4.0	413	0.2
5: Traffic management	1488	0.7	192	0.1
6: Community Based Programme	14 747	32.2	238	0.5
TOTAL (* Including unspent flood damage grant)	297 990*	7.1	313 933*	10.2
TOTAL (**excluding unspent flood damage grant)	111 500**	3.0	40 282**	1.4

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Table 3 below shows the under spending per economic classification

Table 3: Under spending per economic classification

Economic classification	2009/10 R'000	%	2008/09 R'000	%
Current payments	63 724	4.1	9 722	0.7
Transfers and subsidies	26 137	2.7	5 746	2.1
Payments for capital assets Land and buildings	208 129	12.4	298 465	20.6
TOTAL	297 990	7.1	313 933	10.2

Departmental receipts

Table 4 below shows the percentage over collection of departmental receipts per classification. The aggregate departmental receipts collected for 2009/10 is R 113.546 million above the estimates. The over collection is mainly attributed to: improved collection (current and arrear) of motor vehicle license fees; improved collection of arrear rental collections; an increased demand for operating licenses, sales of tender documentation; as well as the sale of capital assets. With regard to the latter it should be noted that unless determined otherwise by the Provincial Treasury estimates for the sale of immoveable assets are normally not included in the estimates of revenue of the annual budget until such time as the cash has been received. Furthermore, a once off receipt of R25 million from the City of Cape Town was accounted as part of their contribution for the Koeberg/Table Bay Boulevard project (Contract C880.4). This amount will be re-allocated to the infrastructure budget of Roads Infrastructure in the 2010/11 Adjustments Estimate process. Table 4 below shows the over collection of revenue expressed as a percentage of the estimate.

Table 4: Departmental receipts over collection as a percentage of estimated revenue

Programme	2009/10 R'000	%	2008/09 R'000	%
Tax revenue	71 615	8.3	65 773	8.23
Sales of goods and services other than capital assets	13 117	29.7	8 214	10.7
Interest, dividends, rent on land	118	100%	822	100
Sale of capital assets	800	100%	14 198	503.4
Financial transactions in assets and liabilities	27 896	100%	275	100
TOTAL	113 546	13.1	89 282	10.16

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Compared to the previous financial year the collection of tax revenue, namely motor vehicle licence fees has increased from R865 million to R895 million or by 3.5 percent. This can be attributed to an increase in the motor vehicle population, voluntary payment of the prescribed fees by legitimate owners and improved collection. Vigorous follow-up actions resulted in licence penalty receivables increasing from R110 million in the previous year to R127 million. It is recognised that arrear licence fees has grown from R91 to R100 million and that more needs to be invested to counter this trend. Arrear licence fees expressed as a percentage of actual collection for 2008/09 and 2009/10 is 10.51 percent and 11.17 percent respectively.

Virements

Virement means that an accounting officer may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same Vote subject to certain conditions and limitations. Table 5 below shows the approved virements.

Table 5: Virement

Main division			Reason
From	To	R'000	
1: Administration	3: Roads Infrastructure	16 000	Acceleration of Roads Infrastructure delivery
2: Public Works	3: Roads Infrastructure	8 500	Acceleration of Roads Infrastructure delivery

2 SERVICES RENDERED BY THE DEPARTMENT

Services

Services rendered are discussed in PART 2 of the Annual Report.

Tariffs

Tariffs are reviewed annually during the budget process.

The tariffs for:-

- An exemption permit in respect of abnormal loads was increased with effect from 1 April 2009.
- The Chapman's Peak Toll road took effect 1 June 2009.

Inventory

The total inventories on hand at year-end are included in Annexure 6 to the Annual Financial Statements.

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3 CAPACITY CONSTRAINTS

A key constraint in the elevation of SCM processes is the lack of an electronic SCM System. As the Department (and the Province) awaits the finalisation and implementation of the IFMS (Integrated Financial Management System), the manual facilitation of Supply Chain process hampers efficiency. In order for the Department to elevate its supply chain to be responsive to the business, electronic systems that generate economic and financial information and enables comparative analysis that raises red flags and is indicative of imminent risks in the chain, is required. This would enhance the efficiency in the fight against SCM system abuse and the promotion of enterprise risk management.

4 TRADING ENTITIES

Information in relation to the *Government Motor Transport Trading Entity* is captured in a separate annual report, including the management report and annual financial statements. The latter is presented in accordance with the standards of GAAP (Generally Accepted Accounting Practices).

5 ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

Of the total transfers of R924.596 million: -

- R250.285 million represents property rates payable to municipalities.
- R22.008 million represents subsidies to municipalities in accordance with section 56(1) of the Cape Roads Ordinance, 1976 (Ordinance 19 of 1976) for the maintenance of municipal proclaimed roads.
- R14.867 million was transferred to municipalities for the installation of CCTV cameras to monitor public transport safety, the installation of bus stops as part of the rollout of the George Mobility Strategy, to contribute to the Dial-a-Ride project to support special needs passengers, and for the preparation of integrated transport plans.
- R2.748 million was paid for motor vehicle license fees for roads infrastructure plant.
- R593 774 million represents bus subsidies for public transport services provided in terms of the interim kilometre based contract.
- R0.350 million for the establishment of the George Mobility Strategy Trust to assist the George Mobility Operator Steering Committee.
- R0.564 million to Metrorail (PRASA) for the refurbishment of train stations in the Malmesbury – Fisantekraal Corridor.
- R40 million to the Airports Company of South Africa for the completion of a 2010 FIFA World Cup roads infrastructure project.

6 UTILISATION OF DONOR FUNDS

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No donor funds as contemplated in the Departmental Reporting Framework were received.

7 PUBLIC PRIVATE PARTNERSHIP

Chapman's Peak Drive was closed on the instruction of the concessionaire due to urgent maintenance required on the road for most of the year. The road was re-opened to traffic during the latter part of 2009.

During 2009, a Premier's task team investigated alleged irregularities and considered possible alternatives to the Public Private Partnership contract of Chapman's Peak. No irregularities were found, and the outcome suggested that re-negotiations need to be entered into with the Concessionaire regarding the contract.

The MEC's for Transport and Public Works and Finance, Economic Development and Tourism, was mandated by the Premier, with the assistance of a task team, to re-negotiate the contract with the Concessionaire. Work commenced on the re-negotiations in the latter part of 2009, which process is in its final stages of completion. The re-negotiations will amongst other, address the following issues:

- End the Designated Event as soon as possible
- Improve Provincial Contract Management and Internal Control systems
- Re-negotiate certain conditions in the existing contract
- Review an alternative toll plaza solution
- Agree on a pre-emptive closure regime
- Review methodology of Province Future Support
- Review of upgrades and maintenance reserve funds

The envisaged conclusion of the re-negotiations is early June 2010, after which the amended agreement will be signed by the respective parties.

8 CORPORATE GOVERNANCE ARRANGEMENTS

Enterprise Risk Management (ERM)

During the course of the financial year the ERM unit, to a large extent, became dysfunctional presenting a vacancy rate as at 31 March 2010 of 80 percent due to natural attrition, i.e. one out of five posts was filled. Factors affecting the non filling of the posts were:

- Moratoriums instituted on the filling of posts by different executive authorities at various stages
- Most recent of which is the Western Cape Government's modernisation programme

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The Western Cape Government embarked on a process of modernisation, meaning applying international best practice to structure, systems and the performance of people to achieve the objective of maximising value for money service and delivery to the people of the Western Cape. The ERM function was drawn into the modernisation process.

The Provincial Government resolved that the ERM functions of all departments be corporatised and transferred to the Department of the Premier with effect from 1 April 2010.

On 8 February 2010, taking all the factors into account, the Provincial Treasury was informed in terms of s40(5) of the PFMA read with Chapter 3 of the Provincial Treasury Instructions as it relates to ERM of the Department's inability to fully comply with ERM responsibilities because of the lack of capacity.

Fraud Prevention

Fraud represents a significant risk to the department's assets, service delivery efficiency and reputation.

The Department is committed to zero tolerance with regard to corrupt or fraudulent activities and establishing an organisational culture, which will ensure that the assets and reputation of the Department and its staff are protected from fraudulent conduct.

The process to review the Department's Fraud Prevention Plan (inclusive of policy, control strategies, and implementation plan) which dates back to 2004 and perceived to be outdated continued during the year under review. The revised Fraud Prevention Plan was issued to take effect 1 June 2010.

Internal Audit

The Department views good governance as a vital ingredient of operating a successful public sector department so that it can provide assurance to its customers and regulators that the department's operations are properly managed and controlled. During the financial year the Department reviewed its structures and risk governance arrangements and appointed its own Audit Committee consisting of three members. The Department's newly established Audit Committee became effective from 1 January 2010. Prior to the latter date the Department was served by the Economic Cluster Audit Committee.

Notwithstanding the establishment of its own Audit Committee the department is still served by a Shared Internal Audit Service, institutionally vested in and resourced by the Provincial Treasury (the Department of the Premier with effect from 2010/11. The shared service is governed by;

- A service level agreement between the parties.
- A rolling 3-year strategic internal audit plan
- An operational internal audit plan
- Monthly Internal Audit progress reports (detailing performance against the audit plan)
- A departmental project team to ensure effective monitoring

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Internal Control

Although the Accounting Officer has overall responsibility for the Department's System of internal control and for reviewing its effectiveness, the implementation of internal control systems remains the responsibility of management.

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 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.

Improving the quality of financial management is an ongoing process. As part of a broader strategy a team of financial accounting and management accounting specialists was contracted-in to assist with improving financial management controls, thereby creating a control environment that will be conducive to the preparation of annual financial statements that fairly represent the affairs of the Department and simultaneously build reporting capacity through the transfer of skills.

Enterprise content management is maintained with the objective of filing financial governance documents electronically for easy access by officials in the Department and by so doing strengthening compliance with the regulatory framework. Refinement of the content is an ongoing process under the auspices of a lead custodian supported by five custodians.

With the aim of improving the control environment and financial management in general, ten "standing operating procedures" on the following subjects were issued:

- Investment property
- Events after the reporting date
- Leases
- Related party transactions
- Property plant and equipment
- Intangible assets
- Payables and accruals
- Provisions and contingent liabilities
- Travel and subsistence (effective 1 April 2010)
- Unauthorised fruitless and wasteful expenditure (effective 1 April 2010)

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In the Accounting Officer's report for the financial year ended 31 March 2009, 38 cases of alleged fruitless and wasteful (17) and irregular expenditure (21) cases were recorded in the Department's centrally maintained case register. At the time these cases were in different stages of investigation. During the course of the 2009/10 financial year substantial progress was made in resolving the matters. The status as at 31 May 2010 is set out in the Table 6 below.

Table 6: Status of unauthorised, fruitless and wasteful and irregular expenditure cases

Alleged expenditure	Number of Cases			
	Opening balance 1 April 2009	Work-in-progress cases as at 31 May'10	Finalised cases as at 31 May'10	Balance of cases as at 31 May'10
Unauthorised	0	0	0	0
Irregular	21	14	33	14
Fruitless and wasteful	17	8	20	8
Total	38	22	53	22

The Table 7 below reflects the status of reports that were issued by the Forensic Investigative Unit as at 31 May 2010.

Table 7: Forensic Investigative Unit reports

Number of FIU investigations reports			
Opening balance 1 April 2009	Reports 2009/10 Received	Reports Finalised	Closing balance 31 May 2010
10	7	6	11

Conflict of interest

Members of the Senior Management Service disclose their financial interest, the data of which is captured on the personnel and salary system, namely PERSAL. All officials in the SCM unit in the office of the CFO disclose their financial interest. Furthermore, senior management service officials and SCM officials serving on

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a bid adjudication committee or involved in open, limited and quotation bidding adjudication processes declare conflict of interest.

Code of conduct

All employees: -

- Are expected to comply with the Code of Conduct for the Public Service.
- Involved in procurement processes are expected to comply with the values and Code of Conduct contained in the Accounting Officers Supply Chain Management System.
- Involved as supply chain practitioners are expected to comply with the Code of Conduct for Supply Chain Practitioners (National Treasury Practice Note 4 of 2003).
- Involved in bid adjudication are expected to comply with the Code of Conduct for Bid Adjudication Committees (National Treasury 2006)
- 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.

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 (Act 85 of 1993).

The Department participates in the Western Cape Environmental Implementation Plan published by the Department of Environmental Affairs and Development Planning.

9 ASSET MANAGEMENT

Intangible assets

All intangible assets have been captured in an intangible asset register that meets the minimum requirements as per the asset management guidelines. The following difficulty is experienced with regard to asset management reform in respect of intangible assets: LOGIS is not fully conducive to accommodate transactions in respect of the development of intangible assets and therefore not incorporated in the asset register maintained on Logis, but rather in a separate intangible asset register.

Moveable assets

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The asset register facility provided by LOGIS is fully utilised for moveable assets and complies with the minimum requirements as per the asset management guidelines. However, the following difficulties not under the control of the Department are experienced:

- The asset management module of the national transversal Integrated Financial Management System is pending.

The ICN number linked to a particular item on LOGIS does not automatically carry through to the Basic Accounting System (BAS). This means that different item descriptions could be captured due to human error and Journals transacted on BAS do not automatically update LOGIS.

Immoveable assets: Property

The asset register facility provided by the e-Works system is utilised for immoveable assets and complies with the minimum requirements as per the asset management guidelines. However, the following difficulties are experienced that require further engagement:

- A tool and policy for the valuation of property that will meet the GRAP 17 and GIAMA requirements to be provided by the national Department of Works, is pending.
- All the properties have not yet been vested in the name of the Province. These relate to properties where there is uncertainty regarding ownership.

Immoveable assets: Roads

From an asset management perspective, the Road Network Information System is utilised to manage road network information to make this information available to other subsystems. The database is updated by periodic surveys of roadside element data as well as other sources. The information complies with the minimum requirements as per the asset management guidelines. On an annual basis the valuations are calculated systemically based on replacement value.

10 EVENTS AFTER THE REPORTING DATE

The Modernisation Programme of the Provincial Government provides for the shift of the Human Resources function to a Shared Corporate services to be vested within the Department of the Premier. The shift effected is from 1 April 2010.

11 PERFORMANCE INFORMATION

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The Annual Performance Plan attempts to align departmental activities, outputs and goals with provincial and national policy priorities and the budget.

Quarterly performance reports, based on the Annual Performance Plan 2009/10 to 2011/12, were submitted timely to the Provincial Treasury and the Executive Authority in the prescribed manner.

Performance reporting is in a learning curve in the public sector and feedback in the form of assessments is received periodically from the National and Provincial Treasuries and the Department of the Premier.

The following work was done during 2009/10 to improve performance management:

- With an overall objective to provide information to improve decision-making and performance management at management level and to institutionalise accountability, the Departmental Monitoring and Evaluation Framework was developed and approved by the Head of Department in September 2009. Monitoring and Evaluation Managers were guided by the principles contained therein while developing the checklists on programme performance in the following four areas:

- Strategic Performance Plan
- Annual Performance Plan
- Quarterly Performance Report: Portfolio of Evidence
- General compliance with related regulations

The checklists were used to assess and ensure alignment with the various prescribed Treasury prescripts such as the National Treasury Framework for Managing Programme Performance Information.

The responsibility for the Quarterly Performance Report was transferred to the Directorate: Monitoring and Evaluation (M&E) from 1 October 2009. Since then M&E built on the existing draft Standard Operating Procedure in respect of Programme Performance: Portfolio of Evidence by expanding on and outlining standard operating procedures pertaining to Quarterly Performance Reporting Performance Information Management, in March 2010.

The development of various chapters for an M&E Instruction was also identified as an output in the M&E Business Plan to be completed by 30 September 2010. This is included as such in the Senior Manager: M&E performance agreement.

Additional plans for the 2010/11 financial year include the development of a QPR Workflow in the enterprise Content Management system. This would entail replacing and improving the current manual process by automating it so that it is more structured, easily controlled, and so that the process can be tracked through an audit trail.

The Results Based Monitoring and Evaluation Framework (RBM&E) for the Department, commencing with Strategic Objective 3: Increasing access to safe and efficient transport, was work-shopped during the latter part of the financial year. The RBM&E framework will focus on goals, objectives, outcomes, indicators, level of

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desegregation and focus on improving performance and ensuring that departmental activities achieve desired results.

The Annual Performance Plan 2010/11 and Strategic Plan 2010 – 2014 was tabled in the Provincial Parliament prior to commencement of the 2010/11 financial year on 1 April 2010.

The performance of the Department, per programme, is detailed in Part 2 of the Annual Report.

12 STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA): RECOMMENDATIONS

Table 8 below shows the recommendations emanating from the Report of the Standing Committee on Public Accounts on the discussion of the Annual Report of the Department for 2008/09 and progress thereon.

Table 8: standing Committee on Public Accounts recommendations

SUBJECT	RESOLUTION	REPLY
<p>Despite the presence of the internal control and the internal audit committee, the Department still received a qualified audit opinion and had so for the past years as well.</p>	<p>The Department must develop a turn-around strategy which clearly indicates the departments plan to avoid further qualifications in the future.</p>	<p>The qualified opinion in the 2008/09 audit was based on two matters related to the incompleteness of lease information of the:</p> <ul style="list-style-type: none"> ▪ Lease files in relation to the MDA debtors system information (leases out). ▪ MDA debtors system (leases) in relation to the immoveable asset register <p>The following strategies/remedial actions were implemented:</p> <ul style="list-style-type: none"> ▪ The Department would in future disclose the potential receipts where there is no official written lease agreement and the lessor is unlawfully occupying the department's property. It should further be noted that most of these properties were transferred from different Provincial Departments with no lease agreements in place but people already occupying these properties. ▪ The reconciliation process between the MDA and immovable property register was concluded and the same terminology is now used on the MDA and the immovable asset

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		<p>register which refers to leased out properties.</p> <ul style="list-style-type: none"> ▪ Four training workshops were held to build the skill and knowledge of the officials and management directly involved with the leases.
<p>The Department utilises the MDA system to manage debtors in respect of properties controlled and leased by it. Significant weaknesses were identified with the management of debtor files, and as a consequence, the information on the MDA system could not be relied on. Alternative procedures were performed on the immovable asset register to determine the extent of properties being leased by the Department; however, sufficient appropriate audit evidence in respect of the completeness of the information in the MDA system could not be obtained. The completeness of the amounts as disclosed in the financial statements or the register could, therefore, not be verified.</p> <p>Revenue and rental debtors may also be</p>	<ol style="list-style-type: none"> 1. The MDA-system should be updated regularly to ensure that reliable information can be obtained from the system as the information is used in the preparation of the Annual Financial Statements. 2. The Department should also ensure that adequate supporting documentation exists to support information as stated in their records. 3. In addition, reconciliations should be performed between BAS and the MDA system, to ensure that the information corresponds. This would result in accurate and complete recording of rental income and proper debtor management. 4. The project management i.r.o "Hope of Africa" guarantee must be investigated and any irrecoverable amounts must be determined and considered for writing off. 5. The current situation, which has led to a qualified audit opinion in the last number of years, must be resolved as a matter of urgency and within the current 	<p>The MDA-system is updated regularly</p> <p>Portfolios of evidence exist to support information, as stated in the records.</p> <p>BAS and MDA-system are reconciled on a monthly basis.</p> <p>The matter was referred to the State Attorney and a response is pending.</p> <p>The resolution of the situation that led to the qualified opinion of the AGSA, forms part of the Department's Financial Management Improvement Plan. To this end verifications have been completed of all properties that are let for commercial and residential purposes.</p>

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<p>incomplete resulting in the Annual financial statements being misstated, as financial records are not frequently updated.</p> <p>It could also lead to a loss of revenue to the Department due to lack of efficient record keeping.</p>	<p>financial year and in terms of the undertaking given by the Provincial Minister.</p>	<p>All lease files were audited and reconciled with the MDA system which in turn has been reconciled with the Immovable Asset Register.</p>
<p>The Department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements. If the National Treasury does not give an exemption in the next year's audit, and the auditors cannot obtain assurance on the completeness of immovable assets, it might have a negative impact on the audit opinion.</p> <p>On 31 March 2009, the National Treasury granted the Department an exemption from including in the annual financial statements those immovable assets where there is uncertainty regarding its</p>	<p>Management should implement effective controls to ensure the completeness of immovable assets and should also regularly monitor the timeframes it has set for itself to achieving this.</p>	<p>The asset register is updated continuously. The target of meeting 70 percent compliance with GIAMA's minimum requirements by 31st March 2010 as set by the national Department of Works was achieved.</p> <p>The target for vesting (meaning confirmation of ownership) of 50 percent of the outstanding properties by 31st March 2010 was met. A reconciliation of the Deeds Office property information with the asset register was done to further ensure completeness.</p> <p>The asset register was also reconciled with information on MDA.</p>

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<p>ownership. Consequently, the financial statements do not assert the completeness of immovable assets.</p>		
<p>The Roads Capital Account was created in accordance with Provincial Capital Fund Ordinance No. 3 of 1962 and is managed by the Department. However, this ordinance did not prescribe the accounting framework for a capital account.</p> <p>The PFMA and Treasury Regulations is the applicable legislation governing the management and reporting of public funds and how those funds have been applied, the accounting treatment of the capital account is uncertain and it has therefore created an anomaly within the current reporting framework.</p>	<p>All accounts relating to the Roads Capital Account should be treated as that of a trading entity which requires full disclosure in a separate set of Financial Statements, or, alternatively, separately identifiable in the AFS of the Department.</p> <p>Furthermore it is recommended that the Department, in collaboration with the Provincial Accountant General (Provincial Treasury), should investigate the purpose and further need, the applicable accounting framework and the legislative amendments required in respect of the Roads Capital account to resolve this audit finding.</p>	<p>The long term goal is to incorporate the RCA into an appropriate entity. A prerequisite is to ensure accurate information on the moveable assets. This matter has progressed significantly as the asset information on the iPlant System has been reconciled with the physical assets. The next step is to reconcile the iPlant information with the LOGIS asset information. A further prerequisite is the amendment of the Ordinance governing the RCA. This is the responsibility of the Provincial Treasury in collaboration with the Department.</p>
<p>A concession agreement was concluded for the design, construction, financing, operating and maintaining of Chapman's Peak Drive as a toll road for 30</p>	<p>The Department should ensure that an amicable agreement being reached between the various stakeholders concerned, otherwise the department remains exposed to honouring the liability in the agreement for the foreseeable</p>	<p>The re-negotiations are nearing conclusion, the aim of which is to reduce overall liability for the Province and the ending of the designated event. It is expected that consensus will be reached on these matters.</p>

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<p>years.</p> <p>The financial impact of this agreement, has resulted in the department incurring expenditure amounting to R28,182,000 (R12,745,000 as reported in the prior period). Since 2003, this matter has received attention at various levels of the provincial government. At the time of signing this report, a report on the joint investigation by Provincial Treasury, National Treasury and the Department into the sustainability, financial viability and possible impropriety was outstanding. In the absence of an amicable agreement being reached between the various stakeholders concerned, the department remains exposed to honouring the liability in the agreement for the foreseeable future.</p>	<p>future.</p>	
<p>A report from an independent advisor expressed views with regard to alleged fruitless and wasteful expenditure incurred on infrastructure projects</p>	<ol style="list-style-type: none"> 1. Management should implement specific control measures to prevent similar findings and/or irregularities. 2. The Department should 	<p>All bids are properly scrutinised at the relevant bid committees and no bid will be recommended for appointment without proper risk assessment. The departmental SCM practitioners serve on the various sub-bid committees to monitor and guide. With the implementation of RPM, projects can be</p>

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<p>including the Western Cape Nurses College, Valkenberg High Care Nurses Admission Unit and various schools. The process forward is to recover any fruitless and wasteful expenditure from the guarantor and to consider the write-off of any irrecoverable fruitless and wasteful expenditure. These transactions will be recorded when the irrecoverable amount has been quantified.</p> <p>With regard to the construction of the Table View Primary, Samora Machel and Kuyasa schools, the contractor exceeded the contract value to complete the contracts and the excess may be considered fruitless and wasteful expenditure. The appropriate processes to evaluate the default on the contract are currently in progress. The accounting treatment of fruitless and wasteful expenditure is that the transactions are only recorded in the books of account once the irrecoverable amount is quantified. Any write off will technically be for the account of the client</p>	<p>implement a process to determine the amount and to recover any fruitless and wasteful expenditure.</p> <p>3. The Department should also be vigilant in not awarding contracts to contractors with an unsatisfactory past performance record. In cases where a contractor has a good prior record and thereafter defaults on a contract, the department should closely monitor the awarding of subsequent contracts by limiting the number of contracts awarded and ensuring that the contractor has sufficient additional resources and capacity to be able to improve on its performance</p>	<p>monitored and any over/under expenditure can be detected.</p>
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<p>department as the provision for infrastructure delivery in terms of the DORA is vested in the vote of the client Department, namely Education. This could lead to possible fruitless and wasteful expenditure that has not correctly been dealt with.</p>		
<p>The Department is currently investigating the regularity of expenditure incurred amounting to R14,171,221. This resulted from the department having transacted with the consultant without having a valid contract, irregular expenditure has occurred which was not appropriately dealt with.</p> <p>The Department might not be receiving value for money in procurement of services from consultants as the tender process is not applied as envisaged.</p> <p>Furthermore, the process followed by the Department might not be seen as fair, transparent, and competitive.</p>	<ol style="list-style-type: none"> 1. As indicated in the Supply chain management system, limited bidding should be followed only in exceptional circumstances and should be strictly adhered to. 2. Should there be any particular reason why sole bidding was used instead of the open bidding process (i.e. tender process), such reasons should be communicated in writing to audit for its consideration. 3. Furthermore, should there be additional details, i.e. any efforts to get alternative consultants, consideration of international bids, analysis of other similar international projects handled by GTSS & other consultants internationally, such details should be communicated in writing to audit for its consideration. 4. The reasons for starting the project before its approval and how it's validity in relation to the 	<ol style="list-style-type: none"> 1. Noted, must be read with the General Procurement Guidelines issued by the National Treasury. 2. Further information was provided to the Audit through responses to the finding on the performance audit on consultants and by providing a copy of the draft submission on the matter. Meanwhile a consolidated procedure for applying "limited bidding" has been drafted. It is the intention to issue the document in August 2010 as management letter of the AGSA on the performance audit was only received on 13 July 2010. 3. Further information was provided to the Audit through responses to the finding on the performance audit on consultants and by providing a copy of the draft submission on the matter. 4. The allegation was addressed in the management report of the 2008/09 audit as well as in that of the draft management letter

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	<p>Treasury regulations and prescribed delegations should also be communicated to audit.</p> <p>5. The department should also implement a process to determine any amount of possible fruitless expenditure and to recover any expenses.</p>	<p>of the performance audit on the use of consultants that is currently under consideration and a submission to the Accounting Officer for the determination condonation / recovery of irregular expenditure is in progress.</p>
<p>The Department has materially under spent the budget by R313,933,000. This was primarily due to under spending of the National Transport Disaster Management Grant amounting to R273,650,777. The under spending primarily affected the roads infrastructure as well as the public works programmes. Actions are not taken to address risks to the achievement of financial reporting objectives and funds not spend, may have an impact on service delivery.</p>	<p>Management should implement strict controls to ensure that Grants are fully utilised for their purpose and that service delivery is not compromised at any time.</p>	<p>Due to the nature of planning, design, tender and project management of these construction projects, it is not possible to spend all the money granted and appropriated in October/November a previous financial year by end of February of the next financial year.</p>

<p>Difficulties were experienced during the audit concerning delays or the</p>	<p>All documentation and information requested should be provided to the auditors to ensure compliance with</p>	<p>The Accounting Officer signed a commitment in the form of an Audit Engagement Letter to submit quality information timely. In response to this commitment the departmental Finance</p>
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<p>unavailability of requested information. Documentation is not readily available for examination and documentation is not always complete and accurate. The validity, accuracy and completeness of the reported information in the Annual Financial Statements could, therefore, not always be verified.</p>	<p>the PFMA.</p> <p>Furthermore, management should indicate the specific control measures that will be implemented to prevent information not being supplied within the required timeframes.</p>	<p>Instruction 2/2007(amendment 1 of 2009) dated 31 December 2009 provides the procedure for management's response to audit requests for information and audit communications. Responses are monitored in a Steering Committee between the Finance and Audit teams. Provision is also made to request extension where such can be justified and to clarify audit requests and communications.</p>
<p>Key official were not always available throughout the audit process which impacted negatively on the audit process and cost.</p>	<p>Management should ensure that key official's are available at all times in order to attend to any audit findings and request that could be resolved before the completion of the audit and to ensure that it does not have negative impact on audit time and cost.</p>	<p>The Accounting Officer signed a commitment in the form of an Audit Engagement Letter to ensure that management is available. In response to this commitment the departmental Finance Instruction 2/2007(amendment 1 of 2009) dated 31 December 2009 requires management and officials to be available to ensure the timely conclusion of the audit. Unavailability is monitored in a Steering Committee between the Finance and Audit teams and interventions are made in the case of default.</p>
<p>A risk assessment was not conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used. However, the department's fraud</p>	<p>The fraud prevention plan needs to be reviewed and updated as a matter of urgency to ensure its adequacy and effectiveness.</p>	<p>The process to review the Department's Fraud Prevention Plan (inclusive of policy, control strategies, and implementation plan) which dates back 2004 and perceived to be outdated continued during the year under review. The reviewed Fraud prevention Plan has been issued by the Accounting Officer to take effect 1 June 2010.</p>

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<p>prevention plan dates back to 2004 and is possibly outdated and needs to be reviewed. The fraud prevention plan is part of the risk assessment process, and can result in fraud prevention procedures currently in place, becoming inadequate due to changes in conditions. Consequently, compliance with those procedures may deteriorate, increasing the risk of fraud.</p>		
<p>The prior year's external audit findings had not been substantially addressed. Management in consultation with consultants have compiled the Financial Management Improvement Plan (FMIP) emanating from the 2007/08 Auditor General report. This Improvement Plan indicates the action, responsibility, due date and progress on all matters raised during the prior year audit.</p> <p>Similar findings to those raised in prior</p>	<p>Management should ensure that they fully implement the FMIP to prevent audit findings from re-occurring.</p>	<p>Noted. The department's Top Management was informed accordingly on 28 April 2010 through a presentation as the Audit Committee expressed a similar concern.</p>

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<p>year were again raised during the current financial year, as the FMIP has not been fully implemented in the year under review.</p>		
<p>Previous year SCOPA resolutions have not been substantially implemented. Corrective action is not taken or improvements made within established time frames to resolve the matters brought to management's attention.</p>	<p>Management should implement actions ensuring that all SCOPA resolutions are implemented.</p>	<p>Although the resolutions are addressed and responses are provided to the Committee, the resolutions will in future also be incorporated into the Financial Management Improvement Programme.</p>
<p>Adequate control processes and procedures are not designed and implemented to ensure the accuracy and completeness of reported performance information.</p> <p>Furthermore, sufficient appropriate audit evidence in relation to some of the reported performance information that could not be obtained, as the relevant source documentation could not be provided for audit purposes.</p> <p>The possibility exist</p>	<p>It is recommended that management review the accuracy and completeness of performance information supporting documentation robustly to ensure that the information reported in the Annual Report is accurate and complete.</p> <p>The monitoring and review of performance information together with supporting documentation to ensure the quality of information should also form part of the department's system of control.</p>	<p>An M&E manual to give guidance on performance information and the reporting thereof is under construction. It is envisaged that the manual will be published as a departmental directive by no later than 30 September 2010. To further streamline the performance reporting procedure an electronic workflow is being developed which also makes provision for a POE from the lowest reporting level. The 4th Quarter Report for the 2009/10 financial year was evaluated and a report in this regard was presented to the Accounting Officer. This evaluation process will be intensified and will also be done on all information presented for capturing in the Annual Report.</p>

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<p>that performance information reported are incorrectly in the Annual report as the accuracy and completeness thereof cannot be confirmed.</p>		
Transversal		
<p>1. Annual Financial Statements</p> <p>It is with concern that the Committee notices the high number and value of the material corrections that was made by the auditors to financial statements during the audit. Of concern is that, had these corrections not been made, it would have resulted in a qualified opinion for the affected departments. The Committee is also concerned that these material misstatements were not discovered by the departments in their normal review and internal control processes. It was also evidenced during the hearings that the internal audit function has to date not included the review of the internal control</p>	<p>a. The Committee is encouraged by the department's current initiative and commitment towards the compilation of six-monthly annual financial statements.</p> <p>b. This process should contribute towards highlighting material misstatements up front which should further contribute towards and improvements in this regard. However, the Committee wishes to recommend and urges the departments to move towards the production of quarterly and even bi-monthly financial statements, as this would not only alleviate the pressures at year-end, but will even further contribute towards financial statements that are accurate and complete. The Provincial Treasury is also requested to assist the departments towards the achievement of this goal.</p> <p>c. The internal audit and audit committees can and should play a more important role in the process of producing accurate financial statements. Internal audit must include in their annual</p>	<p>Noted</p> <p>The drive towards the compiling quarterly and even bi-monthly financial statements is guided by the Provincial Treasury. Such a drive must take account of the capacity in departments supported by adequate financial systems. The compilation of interim financial statement commenced in 2009/10, the outcome of which was assessed by the Provincial Treasury and audited by Internal Audit.</p> <p>The Chief Audit Executive at the Department of the Premier was informed on 6 May 2010 (per e-mail) that the matter must be addressed at an Audit Committee meeting, implying that it must be placed on the agenda.</p>

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<p>processes of the production of accurate statements in their audit plans. After having heard and considered evidence on this matter, the Committee wishes to recommend as follows:</p>	<p>audit plans the review of the adequacy and efficiency of the systems and internal controls around the production of financial statements. The departments are also encouraged to include these areas in their risk assessments, which will also assist in the development of meaningful audit programs to address the risks involved.</p> <p>d. The leadership of the Province (Executive) also has a role to play in this regard. Once the internal audit is regularly reporting on the controls over financial statements, it is recommended that the audit committees meet regularly with the MEC's and inform them of their findings and observations. Through this process the Executive will be able to better understand the situation and risks involved at any given time and to be able to, sooner rather than later, intervene to remedy any unsatisfactory situations.</p> <p>e. The Executive is further encouraged to meet regularly with their Head of Departments to be enlightened on what is contained in the financial statements and whether there are any issues that needs intervention.</p>	<p>The Chief Audit Executive at the Department of the Premier was informed on 6 May 2010 (per e-mail) that the matter must be addressed at an Audit Committee meeting, implying that it must be placed on the agenda.</p> <p>The Executive Authority is briefed on the Annual Financial Statements. This will be expanded to include the Interim Financial Statements. In the course of the year, through the In-year Monthly Monitoring reports, the Executive is informed of the Financial Performance, Cash Flows, and the status of the Asset and Liability accounts of the department.</p>
<p>2. Reporting of performance information</p> <p>The Committee noticed with serious</p>	<p>a. The departments must develop a turn-around strategy indicating in clear terms the actions envisaged to address the current unsatisfactory situation and to</p>	<p>1. A Monitoring and Evaluation Manual is currently under construction.</p> <p>2. The Manual will govern, amongst others, the completeness and accuracy of</p>

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<p>concern the audit findings regarding the reporting of performance information and the seriousness of the state of such reporting in some instances. Of greater concern is the fact that the situation does not appear to have improved since the previous financial years. As this information relates directly to the effectiveness of service delivery, this unsatisfactory situation can no longer be tolerated. After having heard and considered the evidence, the Committee recommends as follows:</p>	<p>move towards a clean audit report on the reporting of performance information. These plans must also be submitted to the Committee in order to be informed of the progress made in this regard.</p> <p>b. As is the case with the production of accurate financial statements, the internal audit and audit committees can and should also play a more important role in the process of producing and reporting of accurate performance information. Internal audit must include in their annual audit plans the review of the adequacy and efficiency of the systems well as the effectiveness of the internal controls around the production of performance information. The departments are also encouraged to include these areas in their risk assessments, which will also assist in the development of meaningful audit programs to address the risks involved in this regard.</p> <p>c. The leadership of the Province (Executive) also has a role to play in this regard. Once the internal audit is regularly reporting on the controls around the production of performance information, it is recommended that the audit committees also meet regularly with the MEC's and inform them of their findings, observations and concerns. Through this process the Executive will be able to better understand the situation and risks involved at any given time and to be able to timeously intervene to remedy any unsatisfactory</p>	<p>reported performance information.</p> <p>3. A process was initiated where a portfolio of evidence (POE) must be provided in respect of each performance measure when reported on. Most of the information in the POE is available electronically and filed by the relevant responsible line manager in the Enterprise Content Management system where it is accessible to all.</p> <p>4. The information provided is interrogated and evaluated to determine if the quality (accuracy and completeness) thereof can be confirmed. The result of the process in respect of 2009/10 is reflected below.</p> <table border="1" data-bbox="826 831 1187 1682"> <thead> <tr> <th>Programme</th> <th>Number of performance measures and of acceptable quality</th> </tr> </thead> <tbody> <tr> <td>1 Admin</td> <td>7</td> </tr> <tr> <td>2 Public Works</td> <td>56</td> </tr> <tr> <td>3 Roads Infrastructure</td> <td>40</td> </tr> <tr> <td>4 Public Transport</td> <td>25</td> </tr> <tr> <td>5 Traffic Management</td> <td>28</td> </tr> <tr> <td>6 Community Based Programmes</td> <td>28</td> </tr> <tr> <td>GMT</td> <td>29</td> </tr> </tbody> </table>	Programme	Number of performance measures and of acceptable quality	1 Admin	7	2 Public Works	56	3 Roads Infrastructure	40	4 Public Transport	25	5 Traffic Management	28	6 Community Based Programmes	28	GMT	29
Programme	Number of performance measures and of acceptable quality																	
1 Admin	7																	
2 Public Works	56																	
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6 Community Based Programmes	28																	
GMT	29																	

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	<p>situations and to ensure the production of complete and accurate performance information.</p> <p>d. The Executive is further encouraged to meet regularly with their Head of Departments to be enlightened on what the situation is on the ground and the challenges faced by the departments and whether there are any issues that needs their intervention.</p>	<p>5. The performance information and concomitant portfolio of evidence is continuously verified and updated to ensure accuracy and completeness.</p> <p>The Executive Authority is engaged on at least a monthly basis.</p>
<p>3. Internal audit reports</p> <p>The Committee is concerned that, in various instances, the internal audit function apparently does not highlight or discover similar findings as that raised by the Auditor-General.</p>	<p>The Committee recommends that Internal Audit must also report their findings to SCOPA at the same time they issue their reports to the departments in order for the committee to be aware upfront of possible areas of concern.</p> <p>The committee also expresses the desire to meet with the internal auditors regarding the audit report findings as well as future co-operation with internal audit. Such a meeting should be arranged at the earliest possible time.</p>	<p>The Chief Audit Executive at the Department of the Premier was informed on 6 May 2010 (per e-mail) that the matter must be addressed at an Audit Committee meeting, implying that it must be placed on the agenda.</p> <p>The Chief Audit Executive at the Department of the Premier was informed on 6 May 2010 (per e-mail) that the matter must be addressed at an Audit Committee meeting, implying that it must be placed on the agenda.</p>

13 PRIOR MODIFICATIONS TO AUDIT REPORTS

The Financial Control Division coordinates and ensures that the content of the external audit report and the supporting management letter are resolved timely. For this purpose a Financial Management Improvement Plan has been developed containing all unresolved audit communications. The said plan contains the following information: Deviation from the financial management best practice requirements-Key area and Category, Audit communication number, Action to be taken, Person responsible, Due date and Progress reporting. The plan is distributed to the officials concerned to update progress in the sense of indicating the corrective measures that have been instituted. These progress reports are evaluated and monitored. The plan which also serves as a progress report is provided to the Auditor-General, Provincial Treasury, Audit Committee, and Top Management members.

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14 EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

The Department acknowledges its responsibility towards elevating the financial management maturity levels and the allocation of resources to ensure compliance with the Public Finance Management Act, 1999 (Act 1 of 2000 as amended) and related legislation. Consequently the Department has not requested approval of exceptions or deviations.

15 OTHER

Roads Capital Account (RCA)

The AGSA reported the current accounting treatment of the RCA as an uncertainty and consequently there is an anomaly within the current reporting framework.

The Roads Capital Account (RCA), established in terms of the Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962) is accounted for separately within the Basic Accounting System and does not form part of the receipts and payables related to Appropriated funds expenditure. Neither the Ordinance nor the PFMA prescribe the accounting framework for the RCA.

The RCA accounts for plant and equipment utilised in the rehabilitation and maintenance of provincial roads. The plant and equipment is used by both the Department, and district municipalities to (on behalf of the Department in the form of an agency service) maintain the said roads. The RCA does not provide plant and equipment to other provincial departments.

The acquisition of new and disposal plant and equipment is managed through the Logis, whilst the performance of the plant and equipment is managed through the iPlant system. From a moveable asset management perspective the asset registers maintained in Logis and iPlant should reconcile. However, there is no system linkage between Logis and iPlant and assets verification needs to be performed manually. Note that the plant and equipment recorded on Logis are maintained separate from those items acquired through appropriated funds.

Whatever accounting framework is applied, the prerequisites for transformation of the RCA are in the first instance ensuring accurate asset register information and secondly amending the said Ordinance, which is administered by the Provincial Treasury.

A key element of transforming the Roads Capital Account is ensuring that the information on the moveable asset register is reliable. Given capacity constraints the resources from the ERM combined with that of the Financial Control units performed a physical verification of the plant managed through the RCA. The physical verification of the plant was done from 8 June 2009 to 17 August 2009.

On iPlant 2492 individual items are recorded whilst Logis reflects 2872 items resulting in a discrepancy of 380 items. Furthermore, a stock take between the physical asset and iPlant initially resulted in discrepancies of 303 items. Further testing between iPlant and the physical assets reduced the discrepancy from 303 to 74. The

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latter shortfall of 74 must now be treated in accordance with the relevant stock tacking procedures. The iPlant asset register will form the basis of correcting Logis.

Progress made on the transformation of the RCA is recorded in the Table 9 below.

Table 9: RCA transformation progress

Approach	Benefits	Progress
<i>Short term</i>		
Incorporate financial transaction into the books of account of the Department. Target date 2011/12 assets to be finalised in 2010/11.	Annual financial statements will present fairly in all material respects the financial position of the Department.	Compensation of employee's payments done from voted funds. Goods and services purchases done from voted funds.
	Allows the Department to position itself to meet the requirements of GRAP 17 – Property, Plant and Equipment (PPE).	Physical stock take of assets (plant and equipment performed). Discrepancies in relation to iPlant and Logis reconciliations and physical assets is work-in-progress.
<i>Medium term</i>		
Incorporate financial transaction into the books of account of the Department. Target date 2011/12.	To dissolve the RCA and to make a determination on the utilisation of the R17 657 837.96 capital in the RCA.	Responsibility of the Provincial Treasury in collaboration with the Department.
<i>Long term</i>		
Incorporate assets into an appropriate entity, e.g. Government Motor Transport after a feasibility study has been performed.	Optimal utilisation of the plant and alignment of the assets with the objectives of the Department.	

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Target date 2012/13 to 2013/14. Note that GMT is converting to a GAAP system that must be operational before any shifts can be made.		
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Table 10 is the presentation of the Roads Capital Account

Table 10: Roads Capital Account

DESCRIPTION	(R'000)
RECEIPTS	12 771
PAYMENTS	
MACHINERY AND EQUIPMENT	12 771
TOTAL	-
CURRENT ASSETS	
CAPITAL	17 658
CLAIMS RECOVERABLE	686
TOTAL	18 344
GENERAL ACCOUNT	18 344
BALANCE	-

Skills Training Account (National Skills Fund)

The Provincial Government of the Western Cape with the co-operation of the Department of Labour accessed funding from the National Skills Fund. An agreement was entered into in terms of which funds are made available towards the resourcing of the Learnership 1000 project and the Masakh'iSizwe programme for scarce skills in the built environment. The outcome of the utilisation of the resources is shown in Table 11 below.

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Table 11: Skills Training Account (National Skills Fund)

DESCRIPTION	(R'000)
DEPOSITS	9 740
PAYMENTS	2 756
BALANCE CARRIED TO 20010/11	6 984

Supply chain management (SCM)

Supply chain management (SCM) was introduced to the Department through the regulated Framework for SCM, which took effect on 5 December 2003. This governance action signifies moving away from a traditional rule-based concept of procurement to the modernised concept of SCM. In broad terms SCM is a set of inter- and intra organisational processes that produces and delivers goods and services to customers. The implementation and improvement of SCM as contemplated in the framework is a complex and ongoing process. It is recognised that the SCM System in its current form is not adequately aligned to meet the business and control objectives of the Department. A critical factor in relation to alignment is the way in which the Department conducts its business (i.e. centralised, decentralised or a hybrid structure), and institutionalisation of the concept (changing the mindset). In relation to furthering the improvement of SCM the following undertakings were initiated or continued during the year under review:

- *SCM moveable assets:* Cleansing the asset register on the Logistics Management System as it relates to data capturing, categorization, the promotion of uniformed naming conventions and provisioning maintenance was undertaken. This ultimately promotes the population of credible management information on the LOGIS system that in turn ensures a smoother reconciliation process between LOGIS and BAS.
- *SCM expenditure assessment:* An assessment of expenditure from a supply chain management perspective which includes: the development of a data file of SCM expenditure information based on transactional data; develop 30 views of SCM expenditure based on the data file; interpretation of the findings from the analysis; development of an activation plan to monitor findings together with advice on technical and or relevant system support.
- *SCM Accounting Officers System:* The Development of a conceptual design for an Accounting Officers Supply Chain Management System blue print.
- *SCM Roster system:* Development of a conceptual design for a roster system that will form part of the Accounting Officers Supply Chain Management System
- *SCM complaints forum:* Development of a standard operating procedure for the establishment and implementation of a SCM monitoring, evaluation and complaints forum

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- *SCM abuse*: Development of a standard operating procedure for the management and treatment of allegations on SCM abuse.
- *Re-engineering SCM*: From an organisational design perspective the principle of centralisation was approved and the re-engineering of supply chain activities will commence in 2010/11.
- *SCM improvement plan*: To address control gaps as identified by the Auditor-General a SCM Improvement plan has been developed and implementation began.
- *SCM limited bidding*: A (consolidated) procedure has been compiled that is scheduled for issue in June 2010.
- *SCM capacity*: To strengthen capacity in the supply chain management environment the following key initiatives were completed:
 - Training to elevate the skills level of Bid Adjudication Committees is an ongoing initiative to ensure sound decision making.
 - Training was also given internally on the implementation of the Construction Industry Development Board (CIDB) requirements.
 - A workshop was held focusing on compliance matters involving the implementation of the CIDB Act and regulations.
 - The development of a database aimed at managing the information for training in the field of Supply Chain Management was completed. The population of the said database has commenced. This would enable the SCM unit to build profiles of SCM practitioners and ensure access to management information that would ultimately be used for the structured identification of training interventions in the department.
 - A competency assessment tool in respect of the competencies required for supply chain officials at different levels of involvement in the chain was employed. The roll-out of this tool commenced and is ongoing as it identifies gaps in the skills sets of the supply chain officials that require continuous improvement and indicates the specific competency that needs to be addressed.
 - The training courses reflected in Table 12 below were facilitated and arranged for delegates of the Department is an ongoing effort to elevate the level of competencies within the Supply Chain and to create a cadre of professionally skilled and knowledgeable SCM practitioners.

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Table12: Supply chain management courses

Course	Number of Delegates
Programme in Public Procurement and Supply Management	47
Advance Programme in Public Procurement and Supply Management	2
Basic Asset Management	25
Project management	40
Bid Committee	40
Electronic Purchasing System i (EPSi)	74
TOTAL	228

Investigations

In response the following paragraphs Auditor-General's report for the year ended 31 March 2009, the following is reported:

Paragraph 25: Investigation as a result of Standing Committee on Public Accounts resolution

Refer to the paragraph below "Exceeding of contract values" with regard to the Western Cape Nurses College, Valkenberg High Care Nurses Admission Unit and schools.

Paragraph 26: Unused telephone lines

In response to the Department's request to perform the investigation, Telkom reported on 23 June 2009 that the 483 - telephone network was completed and 246 outdoor extensions were cancelled.

Paragraph 27: Purchase of the ISM Building

The Forensic Investigative Unit of the Department of the Premier reported that the investigation is finalised and the draft report is under review.

Paragraph 28: Investigation on a supplier utilised by the Department

The three officials involved were charged with alleged misconduct. After conducting a formal disciplinary hearing two of the officials were sanctioned (25 February 2009) with a final written warning, whilst the outcome (27 July 2009) of the appeal of the third official was one month's suspension without pay and a final written warning.

Paragraph 29: Possible irregularities regarding the petrol and diesel

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One official was charged with alleged misconduct and a settlement agreement was concluded during May 2009.

Exceeding of contract values

In the Accounting Officers report for the year ended 2009/10, regarding the construction of the Western Cape Nurses College, Valkenberg High Care Admission Unit and schools it was reported that in circumstances where the contractor exceeded the contract value to complete the contracts, the excess may be considered to be fruitless and wasteful expenditure. Progress on the matter is set out in the table 13 below:

Table 13: Western Cape Nurses College, Valkenberg High Care Admission Unit, Kalkfontein PS, Mfuleni PS, Delft SS, Du Noon SS

Project	Guarantee	Claim against contractor
Western Cape Nurses College	Called up and paid out.	Determination to be made on the future of claim.
Valkenberg High Care Unit	Claim with State attorney Court date 2012.	Determination to be made on the future of claims, subject to outcome of the guarantee claim.
Schools <ul style="list-style-type: none"> ▪ Kalkfontein PS ▪ Mfuleni PS ▪ Delft SS ▪ Du Noon SS 	Claims with State attorney court date 2012.	Determination to be made on the future of claims, subject to the outcome of the guarantee claim.

Similarly it was reported that in the cases of the construction of the Table View Primary, Samora Machel and Kuyasa schools it was reported that in circumstance where the contractor exceeds the contract value to complete the contracts the excess may be considered to be fruitless and wasteful expenditure. However, any fruitless and wasteful expenditure can only be determined once the final account has been verified internally. It is anticipated that the final account process will only be finalised as reflected in Table 13 below.

Table 14: Table View Primary, Samora Machel and Kuyasa schools

Activity	Table View	Samora Marcell	Kuyasa
Final Account process anticipated dates :	31 August 2010	31 July 2010	31 July 2010

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VAT overpaid

In the 2008/9 Accounting Officers Report it was reported that service providers were identified that are not VAT registered to whom VAT was paid and thus allegedly overpaid. The over payment was recovered from the service provider through a credit note.

International service provider

With regard to preparations from a public transport perspective towards the FIFA 2010 World Cup event an international service provider was contracted-in and appointed on 6 December 2007. The initial motivation and concomitant authorisation for the appointment of the service provider had been mislaid and the documents were consequently reconstructed and resigned on 27 August 2008 with the confirmation that the authorisation existed at the time of the appointment of the service provider. A submission to the Accounting Officer for the determination condonation / recovery of irregular expenditure to the value of R14 171 221.19 is in progress.

Financial management improvement

In relation to furthering the improvement of financial management (inclusive of supply chain management) the following undertakings were initiated or continued during the year under review:

- *Financial Management Improvement Plan (FMIP):* The implementation of the FMIP that focuses on the outcome of the Auditor-General's Management Letter and Report. This is a rolling plan and incorporates unfinished business of a particular year. Significant progress was made but some matters, due to complexity will be ongoing.
- *Finance microstructure development:* After obtaining approval to bring the revision of the finance microstructure forward, the review process of the financial management organisational design and microstructure began. Since then it was directed that the financial management function would be centralised under the control of the Chief Financial Officer instead of having a situation where the geographical distribution of the finance function was fragmented and certain activities vested in the department's Branches under the control of the relevant executive manager. The current status is that the conceptual design of the finance microstructure has been approved. Meanwhile the detailed design was completed as well as the concomitant job descriptions. The aforementioned prerequisites are being subjected to quality control. Note that the process initially excluded the supply chain management (SCM) function. The principle of centralisation also applies to SCM and the re-engineering of supply chain activities will commence in 2010/11.
- *Training:* The development of a training programme that aims to support the implementation of the finance microstructures. The training programme development includes: the development of an assessment tool; performing of skills assessment and development of a matrix; compilation of competency profiles; determination of the skills gap; development of training plan; development of a training database; and the determination of formal courses, formal seminars and relevant working interventions.
- *Communication and change management:* The development of a communication and change management programme that aims to support the implementation of the finance microstructures

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- *Finance support structures at District Roads Engineers Units (DRE):* DRE's are supported by finance staff under the control of the said engineer. However, the organisational structures have over time not been assessed to determine if it still meets the demand. Consequently a pilot project was launched at the Ceres (DRE) to: Determine and document current workflow processes; determine and document appropriate work flow process; perform gap and risk analysis; identify functions and tasks that could be more effectively performed at Head Office; Assess current job descriptions in accordance with appropriate workflow processes and gap analysis and review current job descriptions and align it to the appropriate workflows; develop micro organisational structure for the DRE; determine an appropriate establishment; and develop reporting and accounting lines
- *Unauthorised, irregular and fruitless and wasteful expenditure:* The aforementioned case files and reports were subjected to quality control through workshops to build skills capacity. In addition a standard operating procedure for the treatment of unauthorised fruitless and wasteful expenditure was developed as well as a matrix of control weaknesses.
- *Classification of expenditure:* During 2008/09 the configuration of the Standard Chart of Accounts changed. Whilst limited training was provided at the time due to time constraints the training effort continued in 2009/10. Intensive training through workshops was provided to pay offices at District Road Engineer Units.
- *Fraud prevention:* Development of a Fraud Prevention Plan which includes: Policy, strategies and an implementation plan. Meanwhile fraud prevention awareness sessions were held at the Department's Head and regional Offices.
- *Delegations:* Reconstruction of the existing financial delegations.
- *Debtor's policy:* Development of the following debtor's policies in relation to: cell phones, landline, and lease (out), motor vehicle licence fees, staff and bursaries.

Motor vehicle licence fees

Receivables in respect of departmental revenue in relation to motor vehicle licensing - classified as tax revenue - consist of the following components: Unpaid licence fees, i.e. licence fees that are payable in advance of which the due dates were not met. Arrear licence fees, i.e. licences that have not been paid beyond the licensing period. Licensing penalties, i.e. penalties that relate to unpaid licence fees and arrear licence fees. Registration penalties, i.e. where notification was received of re-registration but where such re-registration has not materialised. The following are examples of the root causes of the above: Ownership of vehicles "transferred" without notifying the authorities of the transaction; vehicles traded to motor vehicle dealers without notification of "transfer" of ownership; irreparably damaged, broken motor vehicles not reported to the authorities for deregistration; and no notification to authorities of vehicles repossessed by financiers. It remains a challenge to collect information to update the database. However, these unrecorded transactions are linked to identity numbers of the vehicle owners on the National Traffic Information System, preventing the issuing of licence discs until the unrecorded transactions have been rectified. A help desk serves motor vehicle owners to resolve such matters.

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16 APPROVAL

The Annual Financial Statements set out on pages 152 to 209 are hereby approved.



CJ FOURIE

*ACCOUNTING OFFICER **

31 AUGUST 2010

* Mr C.J. Fourie, in his capacity as Acting Head of Department, replaced Mr T.W. Manyathi as Accounting Officer with effect from 24 June 2009.

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**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE
FINANCIAL STATEMENTS OF VOTE NO. 10: WESTERN CAPE DEPARTMENT OF TRANSPORT AND
PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2010**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Department of Transport and Public Works, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, and the accounting officer's report as set out on pages 2 to 95.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2009 (DoRA) (Act 12 of 2009). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Transport and Public Works as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting as determined by National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA and DoRA.

Emphasis of matter

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting, described in accounting policy note 1.1 to the financial statements.

Significant uncertainties

9. Chapman's Peak

As disclosed in note 27 of the financial statements, a concession agreement was concluded for the design, construction, financing, operating and maintaining of Chapman's Peak Drive as a toll road for 30 years.

The financial impact of this agreement has resulted in the department incurring an expense of R64 754 000 (2008/09: R28 182 000 and 2007/08: R12 745 000). The Ministers for Transport and Public Works and Economic Development and Tourism were mandated by the Premier to negotiate a new contract with the concessionaire. In the absence of an amicable agreement being reached between the various stakeholders concerned, the department remains exposed to honouring the liability in the current agreement for the foreseeable future.

10. Roads Capital account

The Roads Capital Account was created in accordance with Provincial Capital Fund Ordinance No. 3 of 1962 and is managed by the department. However this ordinance did not prescribe the accounting framework for a capital account.

Consequently, income of R12 771 000 and current assets of R18 343 901 have been disclosed in the accounting officer's report.

Irregular and Fruitless and wasteful expenditure

11. As disclosed in note 23 of the financial statements, the department is awaiting condonation and recovery for irregular expenditure incurred amounting to R212 919 000. The irregular expenditure relates to non compliance with procurement regulations relating to prior years.

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12. As disclosed in note 24 of the financial statements, the department has incurred fruitless and wasteful expenditure amounting to R1 087 000. The fruitless and wasteful expenditure relates to flights and accommodation booked but not utilised.

Material underspending of the budget

13. As disclosed in the Appropriation Statement, the department has materially under spent its budget by R297 990 000. This was primarily due to under spending of the National Transport Disaster Management Grant amounting to R186 490 000. The under spending is as a result of a combination of the late approval of the rollovers and receipt of the new allocation, the magnitude thereof and design and procurement lead times. The under spending primarily affected the roads infra structure as well as the public works programmes.

Additional matter

14. I draw attention to the matters below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

15. The supplementary information set out on pages 96 to 107 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

Findings

Predetermined objectives

Reliability of information

16. The following criteria were used to assess the usefulness of the planned and reported performance:
- Validity: Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
 - Accuracy: Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.
 - Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit findings relate to the above criteria:

Reported indicators not reliable as no/inadequate supporting source information was provided

17. For Program 2, the validity, accuracy and completeness of 83% of the reported indicators could not be established as sufficient appropriate audit evidence could not be provided for audit purposes.

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Reasons for major variances between planned and actual reported targets were not supported by adequate and reliable corroborating evidence

18. Adequate and reliable corroborating evidence to support the reasons for major variances between the planned and the actual reported targets could not be obtained. 83% of the reasons for major variances could not be verified for audit purposes.

Compliance with laws and regulations

PFMA

Non adherence to requirements

19. Contrary to section 38(1)(a) of the PFMA, the accounting officer did not have and maintain effective, efficient and transparent systems of financial and risk management. The Fraud and Risk Management Committee of the department was not in operation during the year under review. Consequently, no risk assessment process was conducted for the year under review and no updated approved fraud prevention plan existed.

INTERNAL CONTROL

20. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DoRA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

Decisive action to mitigate emerging risks and implement timely corrective measures was not performed as a detailed risk assessment was not conducted.

Pertinent information was not identified and captured in a form and time frame to support performance reporting. The predetermined objectives relating to Program 2 are not sufficiently reviewed for completeness and accuracy prior to submission for audit

No proper record keeping and record management, as the documents relating to predetermined objectives were not properly filed and easily retrievable. All requested information relating to predetermined objectives for Programme 2 was not available due to insufficient guidance regarding the level at which supporting documentation should be maintained.

OTHER REPORTS

Investigations

21. Investigation as a result of a SCOPA resolution

As disclosed in paragraph 15 and table 13 of the Accounting Officer's report, the department received a report from an independent advisor who expressed views with regard to alleged fruitless and wasteful

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expenditure incurred on infrastructure projects which includes the Western Cape Nurses College, Valkenberg High Care Nurses Admission Unit and various schools.

22. Investigation of contractor exceeding contract value

As disclosed in paragraph 15 and table 14 of the Accounting Officer's report, with regard to the construction of the Table View Primary, Samora Machel and Kuyasa schools, the contractor exceeded the contract value to complete the contracts and the excess may be considered fruitless and wasteful expenditure.

Performance audits

23. A performance audit was conducted during the year under review on the department's use of consultants. The audit is currently in the reporting phase and the findings will be reported on in a separate report.

The Auditor's signature

Cape Town

31 July 2010



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

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Appropriation per programme										
2009/10							2008/09			
	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	183,870	(3,299)	(16,000)	164,571	162,457	2,114	98.7%	165,112	164,311	
Transfers and subsidies	14,345	3,265	-	17,610	17,592	18	99.9%	7,681	7,680	
Payment for capital assets	12,400	34	-	12,434	1,093	11,341	8.8%	4,681	2,168	
2. Public Works										
Current payment	435,573	(2,208)	(8,500)	424,865	412,637	12,228	97.1%	368,045	367,726	
Transfers and subsidies	268,864	430	-	269,294	250,714	18,580	93.1%	158,267	158,233	
Payment for capital assets	99,327	1,778	-	101,105	87,639	13,466	86.7%	281,723	244,647	
3. Roads Infrastructure										
Current payment	546,349	(1,645)	-	544,704	533,137	11,567	97.9%	464,666	456,727	
Transfers and subsidies	65,406	3,386	-	68,792	66,392	2,400	96.5%	43,811	38,103	
Payment for capital assets	1,543,389	(1,741)	24,500	1,566,148	1,385,039	181,109	88.4%	1,157,572	898,873	
4. Public Transport										
Current payment	116,404	(627)	-	115,777	93,681	22,096	80.9%	108,516	108,113	
Transfers and subsidies	609,627	565	-	610,192	605,057	5,135	99.2%	59,684	59,684	
Payment for capital assets	1,920	62	-	1,982	281	1,701	14.2%	1,990	1,980	
5. Traffic Management										
Current payment	225,136	(56)	-	225,080	223,595	1,485	99.3%	208,971	208,839	
Transfers and subsidies	68	15	-	83	82	1	98.8%	26	24	
Payment for capital assets	1,710	41	-	1,751	1,749	2	99.9%	2,186	2,128	
6. Expanded Public Works Programme										
Current payment	44,364	(72)	-	44,292	30,058	14,234	67.9%	46,417	46,289	
Transfers and subsidies	461	3	-	464	461	3	99.4%	302	301	
Payment for capital assets	968	69	-	1,037	527	510	50.8%	511	402	
TOTAL	4,170,181	-	-	4,170,181	3,872,191	297,990	92.9%	3,080,161	2,766,228	
							2009/10			
Reconciliation with statement of financial performance										
ADD										
Departmental receipts							113,546		89,282	
Actual amounts per statement of financial performance (total revenue)							4,283,727		3,169,443	
Actual amounts per statement of financial performance (total expenditure)									2,766,228	
							2009/10	3,872,191	2008/09	2,766,228

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Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	335,112	(14,584)	(2,000)	318,528	304,423	14,105	95.6%	261,955	260,926
Goods and services	1,216,425	6,169	(22,500)	1,200,094	1,150,568	49,526	95.9%	1,099,508	1,090,817
Interest and rent on land	2	-	-	2	2	-	100.0%	-	-
Financial transactions in assets and liabilities	157	508	-	665	572	93	86.0%	264	262
Transfers and subsidies									
Provinces & municipalities	312,910	2,749	-	315,659	289,908	25,751	91.8%	248,036	242,642
Departmental agencies & accounts	-	-	-	-	-	-	-	249	249
Public corporations & private enterprises	633,774	-	-	633,774	633,774	-	100.0%	-	-
Non-profit institutions	350	564	-	914	914	-	100.0%	10,000	10,000
Households	11,737	4,351	-	16,088	15,702	386	97.6%	11,401	11,049
Gifts & Donations	-	-	-	-	-	-	-	85	85
Payments for capital assets									
Buildings and other fixed structures	1,620,990	(40)	24,500	1,645,450	1,456,434	189,016	88.5%	1,416,713	1,127,755
Machinery and equipment	18,087	(2,175)	-	15,912	4,820	11,092	30.3%	17,509	10,318
Software and other intangible assets	16,166	636	-	16,802	8,785	8,017	52.3%	10,708	8,425
Land and subsoil assets	4,471	1,822	-	6,293	6,289	4	99.9%	3,733	3,700
Total	4,170,181	-	-	4,170,181	3,872,191	297,990	92.9%	3,080,161	2,766,228

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Programme 1: Administration	2009/10						2008/09		
	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 Provincial Minister Transport & Public Works									
Current payment	5,042	(34)	-	5,008	4,798	210	95.8%	6,043	6,041
Transfers & subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	20	34	-	54	54	-	100.0%	100	72
1.2 Head Of Department									
Current payment	4,136	-	-	4,136	3,894	242	94.1%	3,874	3,397
Transfers and subsidies	20	-	-	20	2	18	10.0%	1	1
Payment for capital assets	268	-	-	268	32	236	11.9%	34	33
1.3 Corporate support									
Current payment	174,692	(3,265)	(16,000)	155,427	153,765	1,662	98.9%	155,195	154,873
Transfers and subsidies	14,325	3,265	-	17,590	17,590	-	100.0%	7,680	7,679
Payment for capital assets	12,112	-	-	12,112	1,007	11,105	8.3%	4,547	2,063
Total	210,615	-	(16,000)	194,615	181,142	13,473	93.1%	177,474	174,159

Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	60,836	(2,913)	(2,000)	55,923	54,936	987	98.2%	44,900	44,577
Goods and services	123,025	(699)	(14,000)	108,326	107,200	1,126	99.0%	120,212	119,734
Financial transactions in assets and liabilities	9	313	-	322	321	1	99.7%	-	-
Transfers & subsidies									
Provinces & municipalities	4,500	-	-	4,500	4,500	-	100.0%	-	-
Households	9,845	3,265	-	13,110	13,092	18	99.9%	7,675	7,674
Gifts & donations	-	-	-	-	-	-	-	6	6
Payment for capital assets									
Machinery & equipment	4,384	34	-	4,418	1,093	3,325	24.7%	2,805	2,168
Software & other intangible assets	8,016	-	-	8,016	-	8,016	-	1,876	-
Total	210,615	-	(16,000)	194,615	181,142	13,473	93.1%	177,474	174,159

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Programme 2: Works	2009/10						2008/09		
	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	168,671	(9,283)	(8,500)	150,888	138,707	12,181	91.9%	131,152	130,849
Transfers and subsidies	-	430	-	430	429	1	99.8%	1,140	1,139
Payment for capital assets	7,000	-	-	7,000	1,589	5,411	22.7%	9,500	3,434
2.2 Construction									
Current payments	-	3	-	3	3	-	100.0%	566	565
Payment for capital assets	92,056	-	-	92,056	84,002	8,054	91.3%	187,642	156,633
2.3 Maintenance									
Current payment	67,612	8,850	-	76,462	76,461	1	100.0%	55,863	55,850
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.4 Property Management									
Current payment	199,290	(1,778)	-	197,512	197,466	46	100.0%	180,463	180,462
Transfers and subsidies	268,864	-	-	268,864	250,285	18,579	93.1%	157,127	157,094
Payment for capital assets	271	1,778	-	2,049	2,048	1	100.0%	84,581	84,580
2.5 Design									
Current payment	-	-	-	-	-	-	-	1	-
Total	803,764	-	(8,500)	795,264	750,990	44,274	94.4%	808,035	770,606

Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	96,426	-	-	96,426	96,251	175	99.8%	82,577	82,359
Goods and services	339,147	(2,263)	(8,500)	328,384	316,331	12,053	96.3%	285,468	285,367
Financial transactions in assets and liabilities	-	55	-	55	55	-	100.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	268,864	-	-	268,864	250,285	18,579	93.1%	147,127	147,094
Non-profit institutions	-	-	-	-	-	-	-	10,000	10,000
Households	-	430	-	430	429	1	99.8%	1,138	1,137
Gifts & Donations	-	-	-	-	-	-	-	2	2
Payment for capital assets									
Buildings & other fixed structures	91,933	-	-	91,933	84,002	7,931	91.4%	269,368	238,359
Machinery & equipment	7,123	(44)	-	7,079	1,546	5,533	21.8%	9,500	3,434
Land & Subsoil assets	271	1,822	-	2,093	2,091	2	99.9%	2,855	2,854
Total	803,764	-	(8,500)	795,264	750,990	44,274	94.4%	808,035	770,606

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Programme 3: Roads Infrastructure	2009/10						2008/09		
	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									
Transfers and subsidies	22,475	(69)	-	22,406	20,252	2,154	90.4%	16,940	16,890
Payment for capital assets	14	69	-	83	83	-	100.0%	1,304	1,304
3.2 Planning	1,300	(974)	-	326	325	1	99.7%	447	238
Current payment									
Transfers and subsidies	7,496	(194)	-	7,302	5,081	2,221	69.6%	4,405	4,232
Payment for capital assets	3,100	-	-	3,100	2,800	300	90.3%	3,090	2,802
	32,082	(4,318)	-	27,764	27,762	2	100.0%	24,925	24,076
3.3 Design									
Current payment									
Transfers and subsidies	24,355	(568)	-	23,787	23,045	742	96.9%	19,260	19,189
Payment for capital assets	80	568	-	648	647	1	99.8%	80	21
	93,001	(11,125)	-	81,876	81,873	3	100.0%	98,980	98,857
3.4 Construction									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	50,579	-	-	50,579	50,579	-	100.0%	24,000	19,920
Payment for capital assets	990,905	55,989	24,500	1,071,394	1,071,394	-	100.0%	585,147	585,147
3.5 Maintenance									
Current payment	492,023	(814)	-	491,209	484,759	6,450	98.7%	424,061	416,416
Transfers and subsidies	11,633	2,749	-	14,382	12,283	2,099	85.4%	15,337	14,056
Payment for capital assets	426,101	(41,313)	-	384,788	203,685	181,103	52.9%	448,073	190,555
Total	2,155,144	-	24,500	2,179,644	1,984,568	195,076	91.1%	1,666,049	1,393,703

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Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	112,470	(5,719)	-	106,751	101,377	5,374	95.0%	87,193	87,097
Goods and services	433,820	4,038	-	437,858	431,665	6,193	98.6%	377,323	369,481
Interest and rent on land	2	-	-	2	2	-	100.0%	-	-
Financial transactions in assets and liabilities	57	36	-	93	93	-	100.0%	150	149
Transfers & subsidies									
Provinces & municipalities	24,046	2,749	-	26,795	24,757	2,038	92.4%	41,226	35,865
Public corporations & private enterprises	40,000	-	-	40,000	40,000	-	100.0%	-	-
Households	1,360	637	-	1,997	1,635	362	81.9%	2,533	2,186
Gifts & Donations	-	-	-	-	-	-	-	52	52
Payment for capital assets	1,529,057	(40)	24,500	1,553,517	1,372,432	181,085	88.3%	1,147,345	889,396
Buildings and other fixed structures	7	(1,876)	-	1,256	1,234	22	98.2%	2,229	1,876
Machinery and equipment	3,132	(1,876)	-	1,256	1,234	22	98.2%	2,229	1,876
Software and other intangible assets	7,000	175	-	7,175	7,175	-	100.0%	7,120	6,755
Land and subsoil assets	4,200	-	-	4,200	4,198	2	100.0%	878	846
Total	2,155,144	-	24,500	2,179,644	1,984,568	195,076	91.1%	1,666,049	1,393,703

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Programme 4: Public Transport	2009/10						2008/09		
	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	3,548	1,659	-	5,207	4,521	686	86.8%	2,785	2,744
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	100	-	-	100	22	78	22.0%	90	87
4.2 Public and Freight Planning									
Current payment	50,325	(4,613)	-	45,712	31,233	14,479	68.3%	30,975	30,883
Transfers and subsidies	606,777	565	-	607,342	602,207	5,135	99.2%	9,733	9,733
Payment for capital assets	1,700	-	-	1,700	79	1,621	4.6%	76	71
4.3 Public and Freight Infrastructure									
Current payment	2,497	2,389	-	4,886	4,789	97	98.0%	2,957	2,769
Transfers and subsidies	500	-	-	500	500	-	100%	49,950	49,950
Payments for capital assets	-	-	-	-	-	-	-	10	9
4.4 Institutional Management									
Current payment	19,363	547	-	19,910	19,796	114	99.4%	36,171	36,169
Transfers and Subsidies	350	-	-	350	350	-	100.0%	-	-
Payment for capital assets	22	1	-	23	22	1	95.7%	111	111
4.5 Operator Safety and Compliance									
Current payment	15,470	(2,639)	-	12,831	6,113	6,718	47.6	8,920	8,917
Transfers and Subsidies	2,000	-	-	2,000	2,000	-	100.0%	-	-
Payment for capital assets	30	39	-	69	69	-	100.0%	659	659
4.6 Regulation and Control									
Current payment	25,201	2,030	-	27,231	27,229	2	100.0%	26,708	26,631
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	68	22	-	90	89	1	98.9%	1,044	1,043
Total	727,951	-	-	727,951	699,019	28,932	96.0%	170,190	169,777

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Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	27,487	(582)	-	26,905	24,883	2,022	92.5%	23,005	22,734
Goods and services	88,917	(54)	-	88,863	68,792	20,071	77.4%	85,432	85,301
Financial transactions in assets and liabilities	-	9	-	9	6	3	66.7%	79	78
Transfers & subsidies									
Provinces & municipalities	15,500	-	-	15,500	10,366	5,134	66.9%	59,683	59,683
Public corporations & private enterprises	593,774	-	-	593,774	593,774	-	100.0%	-	-
Non-profit institutions	350	564	-	914	914	-	100.0%	-	-
Households	3	1	-	4	3	1	75.0%	1	1
Gifts & Donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery and equipment	1,920	62	-	1,982	281	1,701	14.2%	1,990	1,980
Total	727,951	-	-	727,951	699,019	28,932	96.0%	170,190	169,777

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

Programme 5: Traffic Management	2009/10						2008/09		
	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	3,119	(2,438)	-	681	680	1	99.9%	880	823
Transfers and subsidies	-	-	-	-	-	-	-	7	6
Payment for capital assets	452	(309)	-	143	142	1	99.3%	287	245
5.2 Safety Engineering									
Current payment	1,392	97	-	1,489	1,486	3	99.8%	1,632	1,566
Transfers and subsidies	-	10	-	10	10	-	100.0%	-	-
Payment for capital assets	58	(2)	-	56	56	-	100.0%	15	-
5.3 Transport Administration and Licensing									
Current payment	201,530	2,734	-	204,264	202,784	1,480	99.3%	187,402	187,393
Transfers and subsidies	68	5	-	73	72	1	98.6%	19	18
Payment for capital assets	1,200	352	-	1,552	1,551	1	99.9%	1,884	1,883
5.4 Overload Control									
Current payment	19,095	(449)	-	18,646	18,645	1	100.0%	19,057	19,057
Total	226,914	-	-	226,914	225,426	1,488	99.3%	211,183	210,991

Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	20,580	(5,370)	-	15,210	15,209	1	100.0%	13,414	13,333
Goods and services	204,554	5,313	-	209,867	208,384	1,483	99.3%	195,557	195,506
Financial transactions in assets and liabilities	2	1	-	3	2	1	66.7%	-	-
Transfers and subsidies to:									
Households	68	15	-	83	82	1	98.8%	2	-
Gifts & donations	-	-	-	-	-	-	-	24	24
Payment for capital assets									
Machinery and equipment	560	(420)	-	140	139	1	99.3%	474	458
Software and other intangible assets	1,150	461	-	1,611	1,610	1	99.9%	1,712	1,670
Total	226,914	-	-	226,914	225,426	1,488	99.3%	211,183	210,991

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Programme 6: Expanded Public Works Programme	2009/10						2008/09		
	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	7,198	-	-	7,198	6,049	1,149	84.0%	4,784	4,781
Transfers and subsidies	-	461	-	461	459	2	99.6%	250	250
Payment for capital assets	530	-	-	530	105	425	19.8%	186	186
6.2 Construction Industry									
Innovation and Empowerment									
Current payment	25,182	(72)	-	25,110	17,353	7,757	69.1%	35,974	35,889
Transfers and subsidies	-	3	-	3	2	1	66.7%	52	51
Payment for capital assets	250	69	-	319	319	-	100.0%	319	216
6.3 Sector Coordination and Monitoring									
Current payment	11,984	-	-	11,984	6,656	5,328	55.5%	5,659	5,619
Transfer and subsidies	461	(461)	-	-	-	-	-	-	-
Payment for capital assets	188	-	-	188	103	85	54.8%	6	-
Total	45,793	-	-	45,793	31,046	14,747	67.8%	47,230	46,992

Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17,313	-	-	17,313	11,767	5,546	68.0%	10,866	10,826
Goods and services	26,962	(166)	-	26,796	18,196	8,600	67.9%	35,516	35,428
Financial transactions in assets and liabilities	89	94	-	183	95	88	51.9%	35	35
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	249	249
Households	461	3	-	464	461	3	99.4%	53	52
Payments for capital assets									
Machinery and equipment	968	69	-	1,037	527	510	50.8%	511	402
Total	45,793	-	-	45,793	31,046	14,747	67.8%	47,230	46,992

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (B-E) to the Annual Financial Statements.

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

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

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

Detail of these transactions per programme can be viewed in the note on 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	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	194,615	181,142	13,473	6.9%

Explanation of variance - Overestimation of the capital requirements for the Enterprise Content Management and Rational Portfolio Management systems.

Public Works	795,264	750,990	44,274	5.6%
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Explanation of variance - Under-expenditure on National Conditional Grant: Devolution of Property Rates Fund Grant mainly due to accounts received after financial year-end as well as delays in the transfer of new sites for the Departments of Education and Health. Under- expenditure on National Conditional Grant: Transport Disaster Management Grant due to delays on the Grootwinterhoek project in getting the contractor on site and functional. Underspending on cleaning services, telephone and other equipment due to projects such as the Shared Services Centre and Alexandra Hospital finalising slower than expected.

Roads Infrastructure	2,179,644	1,984,568	195,076	8.9%
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Explanation of variance - Under- expenditure on National Conditional Grant: Transport Disaster Management Grant for flood damage repairs due to the lead time involved in planning, design and acquiring the services. If the unspent portion of the conditional grant is excluded from the allocation the variance is less than 1 percent.

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

Public and Freight Transport	727,951	699,019	28,932	4.0%
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<p>Explanation of variance - Underspending on the provision for the management of the Public Transport Operations Grant allocated in the Adjustments Estimate for 2009 due to lead time in acquiring the services. Underspending on a transfer payment for the dial-a-ride project as the timeline on the original agreement indicated that the amount of R5,133m would be payable to the municipality in July 2010 and it was decided that making the payment at the end of March would result in the City unduly benefitting on interest. Therefore the decision was made to apply for rollover of the amount to the next financial year.</p>

Community Based Programmes	45,793	31,046	14,747	32.2%
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<p>Explanation of variance - Underspending due to projects being placed under review.</p>

4.2 Per Economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current payments:				
Compensation of employees	318,528	304,423	14,105	4.4%
Goods and services	1,200,094	1,150,568	49,526	4.1%
Interest and rent on land	2	2	0	0.0%
Financial transactions in assets and liabilities	665	572	93	14.0%
Transfers and subsidies:				
Provinces and municipalities	315,659	289,908	25,751	8.2%
Public Corporations and Private Enterprises	633,774	633,774	0	0.0%
Non-profit institutions	914	914	0	0.0%
Households	16,088	15,702	386	2.4%
Payments for capital assets:				
Buildings and other fixed structures	1,645,450	1,456,434	189,016	11.5%
Machinery and equipment	15,912	4,820	11,092	69.7%
Software and other intangible assets	16,802	8,785	8,017	47.7%
Land and subsoil assets	6,293	6,289	4	0.1%

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	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	4,170,181	3,080,161
Departmental revenue	2	113,546	89,282
TOTAL REVENUE		4,283,727	3,169,443
EXPENDITURE			
Current expenditure			
Compensation of employees	3	304,423	260,926
Goods and services	4	1,150,568	1,090,817
Interest and rent on land	5	2	-
Financial transactions in assets and liabilities	6	572	262
Total current expenditure		1,455,565	1,352,005
Transfers and subsidies			
Transfers and subsidies	7	940,298	264,025
Expenditure for capital assets			
Tangible capital assets	8	1,467,543	1,141,773
Software and other intangible assets	8	8,785	8,425
Total expenditure for capital assets		1,476,328	1,150,198
TOTAL EXPENDITURE		3,872,191	2,766,228
SURPLUS/(DEFICIT) FOR THE YEAR		411,536	403,215
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		297,990	313,933
Annual appropriation		92,421	40,249
Conditional grants		205,569	273,684
Departmental revenue	12	113,546	89,282
SURPLUS/(DEFICIT) FOR THE YEAR		411,536	403,215

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

	<i>Note</i>	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets		653,744	537,999
Cash and cash equivalents	9	643,370	521,745
Prepayments and advances	10	281	358
Receivables	11	10,093	15,896
TOTAL ASSETS		653,744	537,999
LIABILITIES			
Current liabilities		653,744	537,999
Voted funds to be surrendered to the Revenue Fund	12	297,990	313,933
Departmental revenue to be surrendered to the Revenue Fund	13	11,750	24,962
Payables	14	344,004	199,104
TOTAL LIABILITIES		653,744	537,999

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

	<i>Note</i>	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		5,150,440	4,031,429
Annual appropriated funds received	<i>1.1</i>	4,170,181	3,080,161
Departmental revenue received	<i>2</i>	980,259	951,268
Net (increase)/decrease in working capital		150,780	14,190
Surrendered to Revenue Fund		(1,308,204)	(1,016,531)
Current payments		(1,455,565)	(1,352,005)
Transfers and subsidies paid		(940,298)	(264,025)
Net cash flow available from operating activities	<i>15</i>	1,597,153	1,413,058
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(1,476,328)	(1,150,198)
Sale of capital assets	<i>2.3</i>	800	17,018
Net cash flows from investing activities		(1,475,528)	(1,133,180)
Net increase/(decrease) in cash and cash equivalents		121,625	279,878
Cash and cash equivalents at beginning of period		521,745	241,867
Cash and cash equivalents at end of period	<i>16</i>	643,370	521,745

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010

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 12 of 2009.

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.

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

The total appropriated funds received during the year are presented in the statement of financial performance. Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

2.2 Departmental revenue

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

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

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Post retirement benefits

Employer contributions (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 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 National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 Goods and services

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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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

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. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

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 an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 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).

3.6 Unauthorised expenditure

When confirmed 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 final

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 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.

4. Assets

4.1 Cash and cash equivalents

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for the year ended 31 March 2010

Cash and cash equivalents are carried in the statement of financial position at cost.
Bank overdrafts are shown separately on the face of the statement of financial position.
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

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.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

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for the year ended 31 March 2010

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010

5.4 Commitments

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.

5.5 Accruals

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.

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

10. Public private partnerships

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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**REPORT OF THE ACCOUNTING OFFICER
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1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2008/09 R'000
Administration	194,615	194,615	-	177,474
Public Works	795,264	795,264	-	808,035
Roads Infrastructure	2,179,644	2,179,644	-	1,666,049
Public and Freight Transport Traffic Management Community Based Programmes	727,951	727,951	-	170,190
	226,914	226,914	-	211,183
	45,793	45,793	-	47,230
Total	4,170,181	4,170,181	-	3,080,161

1.2 Conditional grants

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Total grants received	32	1,618,333	864,829

2. Departmental Revenue

	2009/10 R'000	2008/09 R'000
Tax revenue	894,986	865,162
Sales of goods and services other than capital assets	57,259	85,009
Interest, dividends and rent on land	118	822
Sales of capital assets	800	17,018
Financial transactions in assets and liabilities	27,896	275
Total revenue collected	981,059	968,286
Less: Own revenue included in appropriation	867,513	879,004
Departmental revenue collected	113,546	89,282

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

2.1 Sales of goods and services other than capital assets

	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department	57,242	85,004
Sales by market establishment	40,491	66,534
Administrative fees	15,651	17,819
Other sales	1,100	651
Sales of scrap, waste and other used current goods	17	5
Total	57,259	85,009

2.2 Interest, dividends and rent on land

	2009/10 R'000	2008/09 R'000
Interest	118	822
Total	118	822

2.3 Sale of capital assets

	2009/10 R'000	2008/09 R'000
Tangible capital assets	800	17,018
Machinery and equipment	-	2,494
Land and subsoil assets	800	14,524
Total	800	17,018

2.4 Financial transactions in assets and liabilities

	2009/10 R'000	2008/09 R'000
Receivables	50	54
Stale cheques written back	5	-
Other Receipts including Recoverable Revenue	27,841	221
Total	27,896	275

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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3. Compensation of Employees

3.1 Salaries and Wages

	2009/10 R'000	2008/09 R'000
Basic salary	207,489	178,585
Performance award	3,913	3,550
Service Based	1,156	656
Compensative/circumstantial	6,816	7,027
Periodic payments	2,087	999
Other non-pensionable allowances	44,576	37,136
Total	<u>266,037</u>	<u>227,953</u>

3.2 Social contributions

	2009/10 R'000	2008/09 R'000
Employer contributions		
Pension	23,601	20,643
Medical	14,729	12,276
Bargaining council	50	49
Insurance	6	5
Total	<u>38,386</u>	<u>32,973</u>
Total compensation of employees	<u>304,423</u>	<u>260,926</u>
Average number of employees	<u>1,657</u>	<u>1,602</u>

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4. Goods and Services

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Administrative fees		181,045	162,171
Advertising		1,912	6,322
Assets less than R5,000	<u>4.1</u>	3,484	4,307
Bursaries (employees)		634	558
Catering		2,309	3,154
Communication		12,229	13,089
Computer services	<u>4.2</u>	40,966	33,743
Consultants, contractors and agency/outsourced services	<u>4.3</u>	518,597	478,491
Entertainment		42	119
Audit cost – external	<u>4.4</u>	8,859	8,690
Government motor transport		-	6
Inventory	<u>4.5</u>	36,697	49,905
Operating leases		147,521	150,536
Owned and leasehold property expenditure	<u>4.6</u>	157,542	121,377
Transport provided as part of the departmental activities		3	4
Travel and subsistence	<u>4.7</u>	22,515	27,321
Venues and facilities		1,744	3,819
Training and staff development		7,866	10,767
Other operating expenditure	<u>4.8</u>	6,603	16,438
Total		<u>1,150,568</u>	<u>1,090,817</u>

4.1 Assets less than R5,000

	2009/10 R'000	2008/09 R'000
Tangible assets		
Machinery and equipment	3,484	4,307
Total	<u>3,484</u>	<u>4,307</u>

4.2 Computer services

	2009/10 R'000	2008/09 R'000
SITA computer services	1,163	3,292
External computer service providers	39,803	30,451
Total	<u>40,966</u>	<u>33,743</u>

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4.3 Consultants, contractors and agency/outsourced services

	2009/10 R'000	2008/09 R'000
Business and advisory services	112,047	153,747
Infrastructure and planning	24,601	18,825
Laboratory services	-	90
Legal costs	9,334	4,362
Contractors	352,755	281,652
Agency and support/outsourced services	19,860	19,815
Total	<u>518,597</u>	<u>478,491</u>

4.4 Audit cost – External

	2009/10 R'000	2008/09 R'000
Regularity audits	7,696	8,419
Performance audits	1,103	271
Other audits	60	-
Total	<u>8,859</u>	<u>8,690</u>

4.5 Inventory

	2009/10 R'000	2008/09 R'000
Fuel, oil and gas	7,172	9,286
Other consumable materials	13,072	27,095
Maintenance material	4,824	4,113
Stationery and printing	11,618	9,399
Medical supplies	11	12
Total	<u>36,697</u>	<u>49,905</u>

4.6 Owned and leasehold property expenditure

	2009/10 R'000	2008/09 R'000
Municipal services	53,969	46,737
Other	103,573	74,640
Total	<u>157,542</u>	<u>121,377</u>

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4.7 Travel and subsistence

	2009/10	2008/09
Local	22,271	22,548
Foreign	244	4,773
Total	22,515	27,321

4.8 Other operating expenditure

	2009/10 R'000	2008/09 R'000
Learnerships	4,259	12,972
Professional bodies, membership and subscription fees	108	48
Resettlement costs	146	420
Other	2,090	2,998
Total	6,603	16,438

5. Interest and Rent on Land

	2009/10 R'000	2008/09 R'000
Interest paid	2	-
Total	2	-

6. Financial Transactions in Assets and Liabilities

	2009/10 R'000	2008/09 R'000
Material losses through criminal conduct	5	8
Theft	5	8
Other material losses written off	247	177
Debts written off	320	77
Total	572	262

6.1 Other material losses written off

	2009/10 R'000	2008/09 R'000
Nature of losses		
Accidents Government motor transport vehicles (49 cases)	236	37
Damage to PA vehicles (15 cases)	-	135
Other losses (4 cases)	5	5
Damage to hired vehicles (2 cases)	6	-
Total	247	177

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6.2 Debts written off

	<i>Note 6</i>	2009/10 R'000	2008/09 R'000
Nature of debts written off			
Other debts (4 cases)		22	77
Dishonoured cheques (3 cases)		1	-
Debts: Ex-employees (91 cases)		297	-
Total		<u>320</u>	<u>77</u>

6.3 Detail of theft

	<i>Note 6</i>	2009/10 R'000	2008/09 R'000
Nature of theft			
Theft (14 cases)		5	8
Total		<u>5</u>	<u>8</u>

7. Transfers and Subsidies

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Provinces and municipalities	<i>Annex 1A</i>	289,908	242,642
Departmental agencies and accounts	<i>Annex 1B</i>	-	249
Public corporations and private enterprises	<i>Annex 1C</i>	633,774	-
Non-profit institutions	<i>Annex 1D</i>	914	10,000
Households	<i>Annex 1E</i>	15,702	11,134
Total		<u>940,298</u>	<u>264,025</u>

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8. Expenditure for Capital Assets

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Tangible assets		1,467,543	1,141,733
Buildings and other fixed structures		1,456,434	1,127,755
Machinery and equipment	29	4,820	10,318
Land and subsoil assets	31	6,289	3,700
Software and other intangible assets		8,785	8,425
Capitalised development costs	30	8,785	8,402
Computer software	30	-	23
Total		1,476,328	1,150,198

8.1 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistan ce R'000	Total R'000
Tangible assets	1,467,543	-	1,467,543
Buildings and other fixed structures	1,456,434	-	1,456,434
Machinery and equipment	4,820	-	4,820
Land and subsoil assets	6,289	-	6,289
Software and other intangible assets	8,785	-	8,785
Capitalised development costs	8,785	-	8,785
Total	1,476,328	-	1,476,328

8.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds R'000	Aid assistan ce R'000	Total R'000
Tangible assets	1,141,773	-	1,141,773
Buildings and other fixed structures	1,127,755	-	1,127,755
Machinery and equipment	10,318	-	10,318
Land and subsoil assets	3,700	-	3,700
Software and other intangible assets	8,425	-	8,425
Capitalised development costs	8,402	-	8,402
Computer software	23	-	23
Total	1,150,198	-	1,150,198

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9. Cash and Cash Equivalents

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Consolidated Paymaster General Account		4,175	11,311
Cash on hand		9	9
Cash with commercial banks (Local)		639,186	510,425
Total		643,370	521,745

**Cash with commercial banks represents cash not required by the departments for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the Provincial Revenue Fund

10. Prepayments And Advances

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Travel and subsistence		55	196
Advances paid to District Municipalities		226	162
Total		281	358

11. Receivables

	<i>Note</i>	R'000 Less than one year	R'000 One to three years	R'000 Older than three years	2009/10 R'000 Total	2008/09 R'000 Total
Claims recoverable	<u>11.1</u>	6,024	592	175	6,791	13,651
Recoverable expenditure	<u>11.2</u>	820	360	359	1,539	1,180
Staff debt	<u>11.3</u>	1,232	314	217	1,763	1,065
Total		8,076	1,266	751	10,093	15,896

11.1 Claims recoverable

	<i>Note</i>	2009/10 R'000	2008/09 R'000
National departments	<i>Annex 3</i>	17	4
Provincial departments	<i>Annex 3</i>	5,213	12,221
Households and non-profit institutions		865	1,094
Local governments		696	332
Total		6,791	13,651

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Disallowance: Miscellaneous	<i>11</i>	993	535
Disallowance: Damages & Losses		459	541
Disallowance: Dishonoured cheques		87	87
Salary: Tax Debt		-	17

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Total	1,539	1,180
11.3 Staff and ex-employee debt		
	<i>Note</i>	
	2009/10	2008/09
	R'000	R'000
Debt Account	1,763	1,065
Total	1,763	1,065
12. Voted Funds to be Surrendered to the Revenue Fund		
	<i>Note</i>	
	2009/10	2008/09
	R'000	R'000
Opening balance	313,933	43,706
Transfer from statement of financial performance	297,990	313,933
Paid during the year	(313,933)	(43,706)
Closing balance	297,990	313,933
13. Departmental Revenue to be Surrendered to the Revenue Fund		
	<i>Note</i>	
	2009/10	2008/09
	R'000	R'000
Opening balance	24,962	29,501
Transfer from Statement of Financial Performance	113,546	89,282
Own revenue included in appropriation	867,513	879,004
Paid during the year	(994,271)	(972,825)
Closing balance	11,750	24,962
14. Payables – Current		
	<i>Note</i>	
	2009/10	2008/09
	Total	Total
Clearing accounts	<u>14.1</u> 1,605	70
Other payables	<u>14.2</u> 342,399	199,034
Total	344,004	199,104

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14.1	Clearing accounts			
		<i>Note</i>	2009/10	2008/09
		14	R'000	R'000
	Salary income tax deductions		1,556	60
	Salary Pension Fund		49	8
	Salary Reversal		-	2
	Total		<u>1,605</u>	<u>70</u>

14.2	Other payables			
		<i>Note</i>	2009/10	2008/09
		14	R'000	R'000
	Debt receivable interest		159	236
	Government Motor Transport		323,593	180,522
	National Skills Fund Training		6,984	9,373
	Tender Deposits		100	100
	Guarantees for rehabilitation		5,800	3,549
	Debt receivable income		2	35
	Bus Subsidies		-	406
	Roads Capital Accounts		686	686
	E-Natis		5,075	3,599
	Agency Service Control Account		-	528
	Total		<u>342,399</u>	<u>199,034</u>

15. Net Cash Flow Available from Operating Activities

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		411,536	403,215
Add back non cash/cash movements not deemed operating activities		1,185,617	1,009,843
(Increase)/decrease in receivables – current		5,803	(8,084)
(Increase)/decrease in prepayments and advances		77	(68)
Increase/(decrease) in payables – current		144,900	22,342
Proceeds from sale of capital assets		(800)	(17,018)
Expenditure on capital assets		1,476,328	1,150,198
Surrenders to Revenue Fund		(1,308,204)	(1,016,531)
Other non-cash items		867,513	879,004
Net cash flow generated by operating activities		<u>1,597,153</u>	<u>1,413,058</u>

16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
Consolidated Paymaster General account		4,175	11,311
Cash on hand		9	9
Cash with commercial banks (Local)		639,186	510,425
Total		<u>643,370</u>	<u>521,745</u>

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

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17. Contingent liabilities

Liable to	Nature	<i>Note</i>	2009/10 R'000	2008/09 R'000
Housing loan guarantees	Employees	<i>Annex 2A</i>	84	266
Claims against the department		<i>Annex 2B</i>	26,180	28,946
Other departments (interdepartmental unconfirmed balances)		<i>Annex 4</i>	113	1,791
Total			<u>26,377</u>	<u>31,003</u>

18. Commitments

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Current expenditure			
Approved and contracted		117,299	224,168
Approved but not yet contracted		<u>86,943</u>	<u>1,717</u>
		204,242	225,885
Capital expenditure			
Approved and contracted		481,992	1,487,884
Approved but not yet contracted		<u>492,132</u>	<u>119</u>
		974,124	1,488,003
Total Commitments		<u>1,178,366</u>	<u>1,713,888</u>

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19. Accruals

Listed by economic classification			2009/ 10	2008/ 09
	30 Days	30+ Days	R'000	R'000
Goods and services	23,811	3,34	27,154	56,08
Transfers and subsidies	241	5,361	5,602	38,384
Buildings and other fixed structures	50,762	43,011	93,773	141,782
Machinery and equipment	1,160	-	1,160	487
Land and subsoil assets	86	-	86	25
Software and other intangible assets	1,329	-	1,329	141
Total	77,389	51,715	129,104	236,900

Accruals amount in respect of Compensation of employees for the 2008/09 is included in Section 20: Employee benefits - Other

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Programme 1: Administration		4,834	9,382
Programme 2: Public Works		10,826	46,692
Programme 3: Roads Infrastructure		106,166	165,857
Programme 4: Public Transport		3,981	9,834
Programme 5: Traffic Management		3,040	3,638
Programme 6: Expanded Public Works Programme		257	1,497
		129,104	236,900

		2009/10 R'000	2008/ 09 R'000
Confirmed balances with other departments	<i>Annex 4</i>	69	899
Total		69	899

20. Employee benefits

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Leave entitlement*		3,979	6,958
Service bonus (Thirteenth cheque)		8,484	5,797
Performance awards		-	285
Capped leave commitments		19,746	20,867
Other		322	328
Total		32,531	34,235

*This amount represents the positive balance of leave entitlement. Not included is the negative amount of R1,189m being the future leave amount taken.

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21. Lease commitments

21.1 Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
2009/10			
Not later than 1 year	75,117	1,266	76,383
Later than 1 year and not later than 5 years	184,982	1,304	186,286
Later than five years	126,763	-	126,763
Total lease commitments	386,862	2,570	389,432

	Buildings and other fixed structures	Machinery and equipment	Total
2008/09			
Not later than 1 year	78,306	1,074	79,380
Later than 1 year and not later than 5 years	84,876	694	85,570
Later than five years	17,301	-	17,301
Total lease commitments	180,483	1,768	182,251

Where escalations were based on the CPI, in terms of the lease agreement, the estimate of commitments (and therefore future escalations), had to be based on an estimate of the CPI, only up to the date available. The CPI used for calculations of future escalations was based on the CPI Forecast table. The Consumer Price Index (including interest rates on mortgage bonds) was used, and not the CPI (excluding interest rates on mortgage bonds).

22. Receivables for departmental revenue

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Tax revenue		377,139	275,148
Licence fees		138,276	64,165
Licence arrears		99,658	94,973
Licence penalties		126,579	109,920
Registration fees		2,281	2,360
Registration penalties		2,113	2,095
Other		8,232	1,635
Outstanding property rentals		57,715	45,177
Total		434,854	320,325

Outstanding Licence amount on E-Natis of R282,854 million may not be recoverable.

Previous Year outstanding Tax Revenue amounts have been restated to include 5 year detail (previously 4 year detail)

Outstanding Property Rentals amount of R14, 964 million may not be recoverable

The lease book reflects arrear leases receivable of R 57,715 million of which R33 million is owed by one tenant.

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It should further be noted that the non signing of lease agreements by tenants, the department is at risk of losing R1, 978 million rental income per year.

The department has sold 2 properties during the financial year and will receive R7, 200 million in respect of this

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	2009/10	2008/09
	R'000	R'000
Opening balance	14,439	-
Add: Irregular expenditure – relating to prior year	210,090	2,870
Add: Irregular expenditure – relating to current year	-	11,569
Less: Amounts condoned	<u>(11,610)</u>	<u>-</u>
Irregular expenditure awaiting condonation	<u>212,919</u>	<u>14,439</u>

Included in the R210, 090m is an amount of R31, 599m, which does not necessarily agree to the definition of irregular expenditure but, for completeness is included until final clarification is obtained.

23.2 Details of *irregular expenditure condoned

		2009/10
		R'000
Incident	Condoned by	
Non compliance with legislation (13 cases)	Accounting Officer	11,610
Total		<u>11,610</u>

*Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

(a) Public Finance Management Act 1 of 1999 updated 2009, including any regulations and instructions in terms of section 69 (borrowings by public entities; 76 (General Treasury matters applicable to the Departments); 85 (Finance Misconduct Procedures) or 91 (accounting standards)

(b) The State Tender Board Act, 1968 (Act no. 86 of 1968) or any regulations made in terms of that Act; or

(c) Any provincial legislation providing for procurement procedures in that provincial government.

23.3 Details of irregular expenditures under investigation

	2009/10
	R'000
Incident	
Alleged non compliance with any applicable legislation (34 cases)	212,919
Total	<u>212,919</u>

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24. ****Fruitless and wasteful expenditure**
Reconciliation of fruitless and wasteful expenditure

	R'000	2009/10 R'000
Incident		R'000
Fruitless and wasteful expenditure – relating to prior year		1,179
Less: Amounts condoned		(86)
Less: Amounts transferred to receivables for recovery		(6)
Total		<u><u>1,087</u></u>

****Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised**

25. **Related party transactions**

During the year the department rendered services to related parties that are related to the department. The department provided accommodation free of charge to the departments:

- 1) Department of the Premier
- 2) Provincial Parliament
- 3) Provincial Treasury
- 4) Community Safety
- 5) Education
- 6) Health
- 7) Social Development
- 8) Local Government & Housing
- 9) Environmental Affairs & Development Planning
- 10) Agriculture
- 11) Economic Development & Tourism
- 12) Culture Affairs & Sport

During the year the department received services from the following related parties department:
The department used IT related infrastructure provided by the Department of the Premier.

26. **Key management personnel**

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers	2	1,316	1,351
Officials:			
Level 15 to 16	5	5,196	3,782
Level 14 (Minister of Transport and Public Works)	7	4,614	5,439
Total		<u><u>11,126</u></u>	<u><u>10,572</u></u>

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27. **Public Private Partnership**

A concession agreement was concluded 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. In terms of section 21.1.2 of the concession agreement a designated event has been in place since the opening of the toll road. In terms of the designated event all toll revenue accrues to the Province; the Concessionaire is paid a fixed sum monthly on a financial base case; the Province is responsible for construction and escalation costs in relation to the permanent toll plaza.

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Capital		41,651	-
Other		23,103	28,182
		<u>64,754</u>	<u>28,182</u>

28. **Provisions**

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Ex- Employees		325	540
Total		<u>325</u>	<u>540</u>

29. **Movable Tangible Capital Assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	-	4,906	-	-	4,906
Heritage Assets	-	4,906	-	-	4,906
MACHINERY AND EQUIPMENT	72,865	(237)	5,216	518	77,326
Transport assets	34	-	-	-	34
Computer equipment	36,441	(37)	3,600	308	39,696
Furniture and office equipment	22,582	(36)	379	11	22,914
Other machinery and equipment	13,808	(164)	1,237	199	14,682
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	<u>72,865</u>	<u>4,669</u>	<u>5,216</u>	<u>518</u>	<u>82,232</u>

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	4,820	288	-	108	5,216
Computer equipment	3,576	24	-	-	3,600
Furniture and office equipment	319	60	-	-	379
Other machinery and equipment	925	204	-	108	1,237
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4,820	288	-	108	5,216

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	35	483	518	35
Computer equipment	29	279	308	29
Furniture and office equipment		11	11	
Other machinery and equipment	6	193	199	6
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	35	483	518	35

29.3 Movement for 2008/09

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	66,754	10,502	4,391	72,865
Transport assets	(8)	1,754	1,712	34
Computer equipment	30,637	5,989	185	36,441
Furniture and office equipment	20,738	1,844	-	22,582
Other machinery and equipment	15,387	915	2,494	13,808
TOTAL ADDITIONS OF MOVABLE TANGIBLE CAPITAL ASSETS	66,754	10,502	4,391	72,865

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

29.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	7	616	27,498	-	28,121
TOTAL	7	616	27,498	-	28,121

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	3	265	23,406	-	23,674
TOTAL NUMBER OF MINOR ASSETS	3	265	23,406	-	23,674

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	7	79	24,728	-	24,814
TOTAL	7	79	24,728	-	24,814

	Intangible assets	Heritag e assets	Machiner y and equipme nt	Biologic al assets	Total
Number of R1 minor assets	3	850	38,018	-	38,871
TOTAL NUMBER OF MINOR ASSETS	3	850	38,018	-	38,871

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
CAPITALISED DEVELOPMENT COSTS	64,8	-	8,78	-	73,6
	45		5		30
COMPUTER SOFTWARE	646	-	-	-	646
TOTAL INTANGIBLE CAPITAL ASSETS	65,4	-	8,78	-	74,2
	91		5		76

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash R'000	Non-Cash R'000	(Development work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
CAPITALISED DEVELOPMENT COSTS	8,785	-	-	-	8,785
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	8,785	-	-	-	8,785

30.2 Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
CAPITALISED DEVELOPMENT COSTS	56,443	8,402	-	64,845
COMPUTER SOFTWARE	623	23	-	646
TOTAL INTANGIBLE CAPITAL ASSETS	57,066	8,425	-	65,491

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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for the year ended 31 March 2010**

31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	50,650,806	4,184,847	422,189	5,610	55,252,232
Non-residential buildings	20,888,643	(2,896,607)	261,471	5,610	18,247,897
Other fixed structures	29,762,163	7,081,454	160,718	-	37,004,335
HERITAGE ASSETS	69,029	(13,201)	-	-	55,828
Heritage assets	69,029	(13,201)	-	-	55,828
LAND AND SUBSOIL ASSETS	69,236	(20,245)	1,424	-	50,415
Land	69,236	(20,245)	1,424	-	50,415
INVESTMENT PROPERTY	646,162	(197,152)	649	-	449,659
Investment property	646,162	(197,152)	649	-	449,659
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	51,435,233	3,954,249	424,262	5,610	55,808,134

The adjustment of immovable assets to the prior year opening balance can be contributed to the removal of properties not registered in the department's name and reclassification between the different categories of assets. The unit cost for calculating other fixed structures current asset value is linked to the price of a heavy rehabilitation. This value is used as the total value of the structural layers. Furthermore the value of the structural layers is assumed as 60% to 68% of the total asset value. The total asset value includes the structural layers and the foundation and preparation works. The cost for building this is known as the reconstruction cost.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	1,457,460	260,445	(1,295,716)	-	422,189
Non-residential buildings	1,026	260,445			261,471
Other fixed structures	1,456,434	-	(1,295,716)	-	160,718
LAND AND SUBSOIL ASSETS	5,263	2,073	-	-	7,336
Land	5,263	2,073	-	-	7,336
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1,462,723	262,518	(1,295,716)	-	429,525

Additions total reflected in note 8 for land and subsoil assets amounts to R6,289 m of which R1,026 m refers to purchase of a non-residual building. Additions of R5,263 m is in respect of expropriation of land of which is not yet vested in the Departments name.

31.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	800	4,810	5,610	800
Non-residential buildings	800	4,810	5,610	800
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	800	4,810	5,610	800

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

31.3 Movement for 2008/09

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	50,334,190	316,973	357	50,650,806
Dwellings	357	-	357	-
Non-residential buildings	20,700,589	188,054	-	20,888,643
Other fixed structures	29,633,244	128,919	-	29,762,163
HERITAGE ASSETS	69,029	-	-	69,029
Heritage assets	69,029	-	-	69,029
LAND AND SUBSOIL ASSETS	93,532	2,834	27,130	69,236
Land	93,532	2,834	27,130	69,236
Mineral and similar non- regenerative resources	-	-	-	-
INVESTMENT PROPERTY	646,162	-	-	646,162
Investment property	646,162	-	-	646,162
TOTAL IMMOVABLE TANGIBLE ASSETS	51,142,913	319,807	27,487	51,435,233

31.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2010

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	9,032	161	163	263	9,619
TOTAL	9,032	161	163	263	9,619

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2009

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	3,097	140	109	66	3,412
TOTAL	3,097	140	109	66	3,412

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

32 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2008/09	
	Division of Revenue Act/ Provincial Grants	Roll Over	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Treasury/ Infrastructure Grant to Provinces	364,644	-	-	-	364,644	364,644	364,644	100%	299,002	299,002
Public works/ Devolution of Property Rates Fund Grant	164,865	33	103,966	-	268,864	268,864	250,285	93%	147,127	147,094
Transport/Transport Disaster Management Grant	-	273,651	116,900	-	390,551	390,551	204,061	52%	418,700	145,049
Expanded Public Works Programme Incentive Grant	500	-	-	-	500	500	-	-	-	-
Public Transport Operations Grant	593,774	-	-	-	593,774	593,774	593,774	100%	-	-
	74	-	-	-	74	-	-	-	-	-
Total	1,123,783	273,684	220,866	-	1,618,333	1,618,333	1,412,764		864,829	591,145

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	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	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Municipalities: Western Cape	40,300	10,852	(7,106)	44,046	36,875	84%	36,875	10,890	29%	100,909
Municipal Rates & Accounts	164,865	33	103,966	268,864	250,285	93%	250,285	250,285	100%	147,127
PD Vehicles Licences	-	-	2,748	2,748	2,748	100%	2,748	2,748	100%	-
	205,165	10,885	99,608	315,658	289,908		289,908	263,923		248,036

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2008/09
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Government Motor Transport	-	-	-	-	-	-	249
	-	-	-	-	-	-	249

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

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

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
Airports company of SA	-	-	40,000	40,000	40,000	100%	40,000	-	-
Golden Arrow Bus Services Pty Ltd	593,774	-	-	593,774	593,774	100%	-	593,774	-
Total	593,774	-	40,000	633,774	633,774		40,000	593,774	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2008/ 09
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
Mandela Rhodes Foundation	-	-	-	-	-	-	10,000
George Mobility Strategy Trust	-	-	350	350	350	100%	-
Metrorail (PRASA)	-	-	564	564	564	100%	-
Total	-	-	914	914	914		10,000

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2008/ 09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'00 0	R'00 0	R'0 00	R'000	R'00 0	%	R'000
HOUSEHOLDS							
Transfers							
*Social Benefits	881	-	2,267	3,148	2,773	88%	4,011
Bursaries (non-employees)	9,000	-	3,268	12,268	12,268	100%	7,216
Claims against the State	20	-	600	620	620	100%	174
Donations and Gifts	33	-	19	52	41	79%	85
Total	9,934	-	6,154	16,088	15,702		11,486
*Injury on duty	153	-	274	427	378	-	120
*Leave gratuity	728	-	1,993	2,721	2,395	-	3,891
Total	881	-	2,267	3,148	2,773		4,011

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
	R'000	R'000
Paid in cash	20	63
French Delegation	-	16
Gifts other	1	6
Special needs Passengers	20	-
TOTAL	41	85

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	-	16	16	20	-	12	-	-
First Rand:	Housing	-	78	12	51	-	39	-	-
FNB	Housing	-	42	-	42	-	-	-	-
ABSA	Housing	-	100	-	82	-	18	-	-
Nedbank	Housing	-							
Old Mutual Bank	Housing	-	30	-	15	-	15	-	-
	TOTAL	-	266	28	210	-	84	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/re duced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2009 R'000				R'000
Claims against the department	28,946	7,228	9,994	-	26,180
TOTAL	28,946	7,228	9,994	-	26,180

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Provincial Government Western Cape						
Education	-	-	2,179	9,719	2,179	9,719
Premiers Office	-	747	1,578	-	1,578	747
Health	1,088	1,242	-	-	1,088	1,242
Housing	-	357	357	-	357	357
Community Safety	-	156	-	-	-	156
Local Government	11	-	-	-	11	-
National Departments						
Police Services	-	4	3	-	3	4
Defence	-	-	14	-	14	-
TOTAL	1,099	2,506	4,131	9,719	5,230	12,225

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Provincial Government Western Cape						
Education	-	301	96	-	96	301
Premiers Office	19	39		1,414	19	1,453
Culture Affairs	11	-	-	-	11	-
Housing	1	-	-	-	1	-
National Departments						
Justice & Constitutional Development	21	396	17	340	38	736
PALAMA	-	163	-	37	-	200
South African Police	17	-	-	-	17	-
TOTAL	69	899	113	1,791	182	2,690

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 5
INVENTORY

	<i>Note</i>	Quantity	2009/10 R'000
Inventory			
Opening balance		218,066	6,560
Add: Additions/Purchases - Cash		1,518,913	29,799
Add: Additions - Non-cash		35,211	279
(Less): Disposals		(82)	-
(Less): Issues		(1,485,593)	(29,679)
Add/(Less): Adjustments		(462)	(43)
Closing balance		286,053	6,916

**DEPARTMENT OF TRANSPORT AND PUBLIC WORKS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 6
UNAUDITED IMMOVABLE PROPERTIES

	Quantity
Uncertain properties taken out of Departmental asset register	<u>1,440</u>
TOTAL	<u><u>1,440</u></u>

Immovable assets that are not registered in the name of the Province or transferred in terms of section 28 must be disclosed in a separate unaudited schedule.
(As per financial reporting clarity on immovable assets received from Provincial Treasury, reference T8/1/10/2, dated 14 June 2010)

PART FIVE:

**HUMAN
RESOURCE
MANAGEMENT
OVERSIGHT
REPORT**

PART FIVE: HUMAN RESOURCE MANAGEMENT OVERSIGHT REPORT

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).

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 49: Main Services Provided and Standards

Main Services	Recipients of Service	Proposed Service Standard	Actual achievement against standards
TRAFFIC MANAGEMENT			
Motor Vehicle Administration	Motoring public; Local Authorities; Motoring Industry	Licence fee collection; Special vehicle registration numbers; Audits of Registering Authorities	17,040 Cases of arrear licence fees were followed up. R2.8m was collected in the process. 20 759 Additional vehicles were registered and licensed in the Province during the report year. 5 444 New personalised licence numbers were sold, resulting in revenue amounting to R8 577m. 75 Audits performed at RA's.
Road Traffic Law Administration	Driving licence holders; Public transport service providers; Goods conveyors; Sports and events organisers; Filming entrepreneurs; Municipalities; Public	Issuance of permits and licences; Audits and inspections at DLTC's and VTS's	Combating fraud and corruption in this sector remains a top priority. In the past year, about 313 learner's and driving licenses were cancelled. The registration of two Examiners for Driving Licenses and of vehicles for their involvement in corrupt or fraudulent transactions were investigated. 103 Audits and inspections performed at DLTC's. 110 Audits and inspections performed at VTS's.
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)			
<i>Construction Innovation</i>			
Development of Exit Strategy Tracking System	EPWP Champions	Beneficiary Database	Target of one System was achieved
Beneficiary Surveys	EPWP Champions	Research	No Target but sample size of 800 was achieved
Case Studies	EPWP Champions	Research	No Target but 3 case studies completed
Implementation Plans	EPWP Champions	Implementation Plan	No Target but 4 were completed
<i>Empowerment Impact Assessment (EmpIA)</i>			
Evaluation of regional infrastructure opportunities and the empowerment impact of infrastructure projects in excess of R5million to maximise economic empowerment opportunities for designated groups and individuals.	Designated groups and individuals.	Prescription of empowerment targets (Empowerment Impact Assessment Reports) in contractual documents.	24 Empowerment Impact Assessments completed of a target of 30.
<i>Construction Development Programme (CDP)</i>			
Develop and implement construction training and mentoring programmes.	Small and medium construction businesses.	Establish contractor development programme for emerging contractors.	58 training sessions for Small and medium construction businesses against an annual target of 12.
<i>National Youth Service</i>			
Skills Development Training Programme.	Unemployed youth 18 – 34 years old and in Construction Trades.	Accredited Training.	261

Table 50: Consultation Arrangements with Customers

Type of Arrangement	Recipients of Service	Actual Achievements
TRAFFIC MANAGEMENT		
<i>Motor Vehicle Administration</i>		
Issuing of Circulars	Municipal Agents / Motor Dealers / Motoring industry	4 Circulars issued relating to Motor Vehicle Administration functions 3 Circulars issued relating to transversal Traffic Law Administration functions*
Quarterly User Group Meetings	Municipal Agents	4 User Group Meetings were held during 2009/10
<i>Road Traffic Law Administration</i>		
Issuing of Circulars	Municipal Agents / Private VTS's	5 Circulars issued relating to Road Traffic Law Administration functions 3 Circulars issued relating to transversal Traffic Law Administration functions
Quarterly Committee meetings / Forums	Municipal Agents / Private VTS's	4 Provincial Road Traffic Management Coordinating Committee (RTMCC) meetings 20 Regional RTMCC meetings 20 Regional K54 and Examiner of Vehicles Forum meetings
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)		
<i>Construction Innovation</i>		
Briefing and Report Back Sessions	EPWP Implementing Agents	7 Briefing Sessions held
<i>Empowerment Impact Assessment (EmplA)</i>		
Quarterly meetings with Implementing Agents, including Public Works, Roads Infrastructure	Implementing Agents, including Public Works, Roads Infrastructure & Municipalities	24 Municipality Sessions held. Quarterly meetings with Public Works & Roads Infrastructure
<i>Contractor Development Programme</i>		
Liaison and co-ordination with Municipalities & Economic Development (Red Doors)	Small and medium construction businesses	14 Regional Sessions held with municipalities & Red Doors
<i>National Youth Service</i>		
NYS Beneficiary contact through Database listing	Unemployed Youth Beneficiaries	261 Learners appointed to NYS Phase II.
Newspaper advertisements to attract public participation and comments on proposed policies and trends	Suppliers; Job seekers; Developers; Students	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	Regular meetings between Management and employee representatives at the Departmental IMLC.
Newsletters, circulars, imbizo's and road shows	Employees within the Department	The Department participated in various imbizo's where public input on departmental activities was obtained. New policies, procedures and processes with an internal focus were communicated with staff members through road shows, newsletters and circulars (electronic as well as paper based).
Committees, forums and meetings	Employees within the Department; Contractors; Developers; Communities	Various forums were established to facilitate buy-in and decision making on appropriate levels.

Table 51: Service Delivery Access Strategy

What strategies have been developed to promote access to the department's services	Actual Achievements
TRAFFIC MANAGEMENT	
<i>Motor Vehicle Administration</i>	
Provincial Helpdesk on the 2nd floor, 9 Dorp Street	Helpdesk Counter open from 08:00 – 12:15 and from 13:15 – 15:00 15,269 persons assisted at the Provincial Helpdesk Counter Cape Gateway Call Centre handled 10,414 calls Provincial Call Centre handled 47,068 calls
Registering Authorities	75 Registering Authorities in the Western Cape
<i>Road Traffic Law Administration</i>	

What strategies have been developed to promote access to the department's services	Actual Achievements
Provincial Helpdesk on the 1st floor, 9 Dorp Street	Helpdesk Counter open from 08:00 – 12:15 1,405 persons assisted at the Provincial Helpdesk Counter Provincial Call Centre handled 28,409 calls
Driving Licence Testing Centres	54 Driving Licence Testing Centres in the Western Cape
Vehicle Testing Stations	37 Public Vehicle Testing Stations in the Western Cape 44 Private Vehicle Testing Stations in the Western Cape
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	
<i>Construction Innovation</i>	
Requests to EPWP Co-ordination & Implementers on Exit Strategy Surveys	Sample of 750 respondents partook in survey
<i>Empowerment Impact Assessment</i>	
Responsibility and authority throughout the Department is devolved 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.
<i>Contractor Development Programme</i>	
Promote participation in WIC Support Programme through Forum Promotion.	7 Regional forums in the Western Cape sustained.
<i>National Youth Service</i>	
Use existing Skills Development Database lists	Used L1000 Applications & Municipal Databases for NYS Beneficiaries in NYS II.

Table 52: Service Information Tool

Tools utilized to convey information of services	Actual Achievements
TRAFFIC MANAGEMENT	
<i>Motor Vehicle Administration</i>	
Motor Vehicle Licence renewal notices	Approximately 1.5 million motor vehicle licence renewal notices issued
Special Licence Number website	Operational since 2003
<i>Road Traffic Law Administration</i>	
Driving Licence renewal notices	Approximately 240,000 driving licence renewal notices issued
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	
<i>Construction Innovation</i>	
Workshops with EPWP implementing agents	5 August 2009, 15 - 18 March 2010
<i>Empowerment Impact Assessment</i>	
Presentations to Project Implementing Agents	Revised Empowerment Impact Assessment Guideline completed.
	Quarterly Meetings with Public Works and Roads Infrastructure; Municipal Presentations to Municipal Officials
<i>Contractor Development Programme</i>	
None	
<i>National Youth Service</i>	
Visits to Municipalities	24 Municipalities visited during the reporting period to inform about available EPWP services.
Use of Community Development Workers for informing potential beneficiaries	CDWs are distributing information in all regions on a ongoing basis.
Several reports, newsletters and brochures were published as a tool to communicate with employees and customers of the Department	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 and other expos were held to promote functional activities and career opportunities.
Publications in general media (print, TV, etc)	Radio talks and media interviews are scheduled from time to time. 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 career opportunities and skills development initiatives, public transport and road safety.

Table 53: Complaints Mechanism

Complaints Mechanism	Actual Achievements
TRAFFIC MANAGEMENT	
<i>Motor Vehicle Administration</i>	
Face-to-face, post, fax, telephonically or e-mail complaints received	Addressed to Section Supervisors, Divisional Manager and if necessary to Senior Manager: Traffic Law Administration Acknowledgement of receipt immediately Feedback within three (3) working days
Appeals procedures in place	The appeals procedure entails a written appeal, in some instances to the manager and some to the Senior Manager. Asst Exec Manager or the HOB.
Provincial User Group Meeting to discuss matters of concern of agents	Quarterly User Group meetings held between Department and municipal agents
<i>Road Traffic Law Administration</i>	
Face-to-face, post, fax, telephonically or e-mail complaints received	Addressed to Section Supervisors, Divisional Manager and if necessary to Senior Manager: Traffic Law Administration Acknowledgement of receipt immediately Feedback within three (3) working days
Appeals procedures in place	The appeals procedure entails a written appeal to the MEC.
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	
<i>Construction Innovation</i>	
Mechanisms in place to deal with complaints received	Generic summary of complaints received in each instance including totals and percentage remaining unresolved
Report dissemination through workshop process	Input of beneficiaries considered and incorporated in final reports.
<i>Empowerment Impact Assessment</i>	
Formalised complaints submitted to Programme Managers for resolution.	Concerns are taken into consideration and EmplA reports amended accordingly.
<i>Contractor Development Programme</i>	
Quarterly WIC Regional Forum reports submitted to CDP.	Where necessary, direct meeting with CDP/Senior Manager of CIIE.
<i>National Youth Service</i>	
Through Regional Training Liaison Officers and Assistant NYS Manager or direct communication with Executive Authority.	Written complaints are responded via Executive Authority or directly by Regional Training Liaison Officer.
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	Maintenance of the following mechanisms: - Electronic Helpdesk - Telephone Helpdesk - Nodal point to facilitate requests to access information - Imbizo's and Matsema to outlying district offices
System of performance management was utilised to measure the actual performance and service delivery of staff on all levels	- The evaluation of performance outputs through Moderating Committees - IPDPs were reviewed and changes effected for the new reporting year - Excellent performance was rewarded, and poor performers identified for redress
A dedicated 7/24/365 telephone report line is available to the public to report any alleged misuse of Government vehicles	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

EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme and by salary bands. 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 54: Personnel Costs by Programme, 2009/10

Programme	Total Expenditure (R'000)	Compensation of Employees / Social Contributions (R'000)	Training Expenditure (R'000)	Goods and Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
1: Administration	181 142	54 936	5 024	102 176	30.3%	262	210
2: Public Works	750 990	96 251	9	316 322	12.8%	230	419
3: Roads Infrastructure	1 984 568	101 377	914	430 751	5.1%	131	773
4: Public Transport	699 019	24 883	1 212	67 580	3.6%	199	125
5: Traffic Management	225 426	15 209	1	208 383	6.7%	186	82
6: EPWP	31 046	11 767	710	17 486	37.9%	245	48
Total	3 872 191	304 423	7 870	1 142 698	7.8%	184	1 657

Note: Training expenditure figures excludes expenditure on bursaries.

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

Table 55: Personnel Costs by Salary Bands, 2009/10

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R'000)	Total Number of Employees
Lower skilled (Levels 1-2)	24 556	8.1%	75	324
Skilled (Levels 3-5)	63 059	20.7%	99	631
Highly skilled production (Levels 6-8)	85 607	28.1%	220	389
Highly skilled supervision (Levels 9-12)	101 565	33.4%	369	275
Senior Management (Levels 13-16)	29 636	9.7%	779	38
Total	304 423	100%	183	1 657

The following tables provide a summary per programme (Table 56) and salary bands (Table 57), of expenditure incurred as a result of salaries, overtime and 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 56: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 2009/10

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1: Administration	34 976	63.7%	665	1.2%	870	1.6%	2 151	3.9%
2: Public Works	66 781	69.4%	1 313	1.4%	1 367	1.4%	4 246	4.4%
3: Roads Infrastructure	70 065	69.1%	608	0.6%	3 958	3.9%	5 844	5.7%
4: Public Transport	17 094	68.8%	215	0.9%	473	1.9%	1 383	5.5%
5: Traffic Management	10 656	70.1%	113	0.7%	298	1.9%	828	5.4%
6: EPWP	7 916	67.3%	55	0.5%	87	0.7%	276	2.3%
Total	207 488	68.1%	2 969	0.07%	7 053	0.1%	14 728	0.3%

Table 57: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Salary bands, 2009/10

Salary Band	Salaries		Overtime		Home Owners Allowance (HOA)		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)	16 702	68%	200	0.8%	1 685	6.8%	2 205	8.9%
Skilled (Levels 3-5)	43 736	69.4%	630	0.9%	2 719	4.3%	4 651	7.4%
Highly skilled production (Levels 6-8)	61 275	71.6%	1 482	1.7%	1 899	2.2%	4 525	5.3%
Highly skilled supervision (Levels 9-12)	69 316	68.2%	657	0.6%	750	0.7%	2 961	2.9%
Senior Management (Levels 13-16)	16 459	55.5%	0	0	0	0	386	1.3%
Total	207 488	68.2%	2 969	0.9%	7 053	2.3%	14 728	4.8%

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.

Table 58: Employment and Vacancies by Programme, 31 March 2010

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
1: Administration	258	185	28.2%	25
2: Public Works	395	354	10.3%	65
3: Roads Infrastructure	954	742	22.2%	31
4: Public Transport	151	118	22%	7
5: Traffic Management	93	77	17%	5
6: EPWP	82	43	48%	5
Total	1 933	1 519	21.4	138

Note: The vacancy rate reflects the percentage of posts that are not filled as per the approved post establishment

Table 59: Employment and Vacancies by Salary Bands, 31 March 2010

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	376	324	14%	0
Skilled (Levels 3-5)	696	586	16%	45
Highly skilled production (Levels 6-8)	473	350	26%	39
Highly skilled supervision (Levels 9-12)	338	222	34.3%	53
Senior Management (Levels 13-16)	50	37	26%	1
Total	1 933	1 519	21.4%	138

Table 60: Employment and Vacancies by Critical Occupation, 31 March 2010

Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
QS Technicians	1	1	0%	0
Quantity Surveyors	14	10	29%	2
Engineers	68	21	69%	22
Architects	13	12	8%	6
Senior Management Service	50	37	26%	1
Total	146	81	45%	31

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

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 remunerated equally.

The following table 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 61: Job Evaluation, 1 April 2009 to 31 March 2010

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)	376	0	0	0	0	0	0
Skilled (Levels 3-5)	696	8	1.1%	0	0	0	0
Highly skilled production (Levels 6-8)	473	29	6.1%	0	0	0	0
Highly skilled supervision (Levels 9-12)	338	37	10.9%	5	13.5%	0	0
Senior Management Service (Band A)	36	0	0	0	0	0	0
Senior Management Service (Band B)	9	0	0	0	0	0	0
Senior Management Service (Band C)	3	0	0	0	0	0	0
Senior Management Service (Band D)	2	0	0	0	0	0	0
Total	1 933	74	3.8%	5	13.5%	0	0

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 62: Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded, 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	2	2	4
Total	0	0	2	2	4

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 63: Employees whose salary Level Exceed the Grade Determined by Job Evaluation, 1 April 2009 to 31 March 2010 (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 2009/10				0
Percentage of total employment				0

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 and by critical occupations.

Table 64: Annual Turnover Rates by Salary Band for the Period 1 April 2009 to 31 March 2010

Salary Band	Number of Employees per Band as on 1 April 2009	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1-2)	324	42	17	5.2%
Skilled (Levels 3-5)	586	49	47	8%
Highly skilled production (Levels 6-8)	350	28	27	7.7%
Highly skilled supervision (Levels 9-12)	222	11	22	9.9%
Senior Management Service (Band A)	27	4	2	7.4%
Senior Management Service (Band B)	6	1	0	0
Senior Management Service (Band C)	3	0	0	0
Senior Management Service (Band D)	1	0	0	0
Total	1 519	135	115	7.6%

Note: The above table excludes contract terminations.

Table 65: Annual Turnover Rates by Critical Occupation for the Period 1 April 2009 to 31 March 2010

Occupation	Number of Employees per Band as on 1 April 2009	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
QS Technicians	1	0	0	0
Quantity Surveyors	10	0	1	10%
Engineers	21	2	3	14.2%
Architects	12	2	1	8.3%
Senior Management Service	37	4	2	5.4%
Total	81	8	7	8.6%

Table 66: Reasons Why Staff are Leaving the Employ of the Department

Termination Type	Number	% of Total
Death	11	3%
Resignation	58	16.1%
Expiry of contract	260	72%
Dismissal – operational changes	0	0
Dismissal – misconduct	4	1.1%
Dismissal - inefficiency	0	0
Discharged due to ill-health	6	1.7%
Retirement	21	5.8%
Transfers to other Public Service Departments	1	0.3%
Total	361	100%
Total number of employees who left as a % of the total employment		20.4%

Table 67: Promotions by Critical Occupation

Occupation	Employees as at 1 April 2009	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	1	1	100%	0	0%
Quantity Surveyors	10	0	0%	5	50%
Engineers	21	0	0%	4	19%
Architects	12	2	16.7%	1	8.3%
Senior Management Service	37	6	16.2%	0	0%
Total	81	9	11.1%	10	12.3%

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

Table 68: Promotions by Salary Band

Salary Band	Employees as at 1 April 2010	Promotions to Another Salary Level*	Salary Band 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	OSDs	OSDs as a % of Employee Salary Band
Lower skilled (Levels 1-2)	313	4	1.2%	214	68%	-	-
Skilled (Levels 3-5)	558	175	31.4%	342	61%	-	-
Highly skilled production (Levels 6-8)	389	20	5.1%	269	69%	82	21%
Highly skilled supervision (Levels 9-12)	222	16	7.2%	142	64%	107	48%
Senior Management (Levels 13-16)	37	3	8.1%	0	-	-	-
Total	1 519	218	14.4%	967	64%	189	12.4%

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

EMPLOYMENT EQUITY

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

Table 69: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Categories of South African Standard Classification of Occupations (SASCO) as on 31 March 2010

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	12	0	7	3	4	0	3	39
SMS Professionals	0	0	0	0	0	0	0	0	0
Professionals	8	23	1	34	7	10	0	9	92
Technicians and associate professionals	34	65	2	43	29	67	1	34	275
Clerks	33	63	0	15	52	124	3	49	339
Service and sales workers	1	7	0	4	0	2	0	2	16
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trade workers	18	100	2	44	5	3	0	1	173
Plant and machine operators and assemblers	15	23	0	1	1	0	0	1	41
Elementary occupations	200	176	0	5	49	93	0	3	526
Total	319	469	5	153	146	303	4	102	1 501

Employees with disabilities	3	8	0	5	1	1	0	0	18
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Table 70: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Bands as on 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	1	0	0	1	0	0	0	0	2
Senior Management	8	11	0	7	3	3	0	3	35
Professionally qualified	20	82	5	69	11	17	0	12	216
Skilled technical	32	77	0	56	41	91	2	48	347
Semi skilled	178	195	0	15	43	111	2	35	579
Unskilled	80	104	0	5	48	81	0	4	322
Total	319	469	5	153	146	303	4	102	1 501

Employees with disabilities	3	8	0	5	1	1	0	0	18
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Table 71: Recruitment for the Period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	1	0	1	0	0	4
Professionally qualified	3	0	1	2	0	0	0	1	7
Skilled technical	4	10	1	1	9	3	0	3	31
Semi skilled	4	9	0	0	11	14	0	2	40
Unskilled	9	6	0	2	8	8	0	1	34
Total	22	25	2	6	28	26	0	7	116

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 72: Promotions for the Period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	1	0	0	0	1	3
Professionally qualified	1	0	0	5	0	0	0	1	7
Skilled technical	1	5	0	3	2	8	0	4	23
Semi skilled	25	49	0	7	31	53	2	9	176
Unskilled	1	6	0	0	1	1	0	0	9
Total	28	61	0	16	34	62	2	15	218

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 73: Terminations for the Period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified	6	5	0	4	0	2	0	0	17
Skilled technical	1	4	0	3	1	2	0	0	11
Semi skilled	7	14	0	1	1	3	0	1	27
Unskilled	7	7	0	1	0	1	0	0	16
Total	22	30	0	10	2	8	0	1	73

Employees with disabilities	0	0	0	1	0	0	0	0	1
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Table 74: Disciplinary Action for the Period 1 April 2009 to 31 March 2010

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional Counselling	0	0	0	0	0	0	0	0	0
Verbal warning	0	4	0	0	0	1	0	0	5
Written warning	3	7	0	2	1	2	0	0	15
Final written warning	4	6	0	0	0	3	0	1	14
Suspension without pay	0	1	0	0	0	1	0	1	3
Demotion	0	0	0	0	0	0	0	0	0
Dismissal / Desertion	1	2	0	0	1	0	0	0	4
Not guilty	0	1	0	0	0	0	0	0	1
Case withdrawn	0	0	0	0	0	0	0	0	0
Other – Employee Voluntary Resignation	0	0	0	0	0	1	0	0	1
Total	8	21	0	2	2	8	0	2	43

Table 75: Skills Development for the Period 1 April 2009 to 31 March 2010

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators and senior officials and managers	10	12	0	7	3	4	0	3	39
Professionals	8	23	1	34	7	10	0	9	92
Technicians and associate professionals	34	65	2	43	29	67	1	34	275
Clerks	33	63	0	15	52	124	3	49	339
Service and sales workers	1	7	0	4	0	2	0	2	16
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	18	100	2	44	5	3	0	1	173
Plant and machine operators and assemblers	15	23	0	1	1	0	0	1	41
Elementary occupations	200	176	0	5	49	93	0	3	526
Total	319	469	5	153	146	303	4	102	1 501

Employees with disabilities	3	8	0	5	14	1	0	0	31
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SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 76: Signing of Performance Agreements by SMS Members as at 30 September 2009

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level	Number of SMS who received Performance Bonuses
Director General / Head of Department	1	1	0	0%	0
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	2	2	2	100%	0
Salary Level 14	6	5	5	100%	0
Salary Level 13	28	20	19	95%	0
Total	37	28	26	93%	0

Table 77: Reasons for not having concluded Performance Agreements with all SMS Members as at 30 September 2009

Reason for not concluding Performance Agreement
Head of Department – Placed on precautionary suspension with effect from 1 September 2009

FILLING OF SMS POSTS

Table 78: SMS Posts information as at 31 March 2010

SMS Level	Number of SMS posts per Level		Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
	Funded	Unfunded				
Director General / Head of Department	1	0	1	100%	0	0
Salary Level 16, but not HOD	0	0	0	0	0	0
Salary Level 15	4	0	3	75%	1	25%
Salary Level 14	8	0	6	75%	2	25%
Salary Level 13	38	0	27	71%	11	29%
Total	51	0	37	73%	14	27%

Table 79: SMS Posts information as at 30 September 2009

SMS Level	Number of funded SMS posts per Level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director General / Head of Department	1	1	100%	0	0
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	4	3	75%	1	25%
Salary Level 14	8	6	75%	2	25%
Salary Level 13	38	27	71%	11	29%
Total	51	37	73%	14	27%

Table 80: Advertising and Filling of SMS posts as at 31 March 2010

SMS Level	Number of funded SMS posts per Level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director General / Head of Department	1	1	100%	0	0
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	4	3	75%	1	25%
Salary Level 14	8	6	75%	2	25%
Salary Level 13	38	27	71%	11	29%
Total	51	37	73%	14	27%

* Note: Six vacant SMS posts were advertised and are currently in the process of being filled.

Table 81: Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 month after becoming vacant

Post	Reasons for non-compliance
Executive Manager: Provincial Public Works	Advertised and in the process of being filled
Assistant Executive Manager: Provincial Road Network Management	Holder of this post was promoted. Advertised and in the process of being filled
Asst Exe Manager: Public Transport and Traffic Management	Advertised and in the process of being filled
Senior Manager: Traffic Law Administration	Advertised and in the process of being filled
Senior Manager: Knowledge Management	Advertised and in the process of being filled
Senior Manager: Financial Accounting	Advertised and in the process of being filled

* Note: The Macro structure of the department was approved during July 2008. Twenty (20) vacant SMS posts were advertised during December 2008 - within six months after approval of the macro structure. Of the twenty (20) vacant posts that were advertised, interviews were conducted for seventeen (17) posts. Eleven (11) posts were filled through this process up and until April 2009 - within twelve (12) months of becoming vacant. With the advent of the taking of office of a new political head, the filling of all the vacant SMS posts were temporary deferred/suspended due to the realignment of the macro structure. Once this was completed, six (6) of the fourteen (14) vacant SMS posts were advertised and is in the process of being filled.

Table 82: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken	None
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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; salary bands; and critical occupations.

Table 83: Performance Rewards by Race, Gender and Disability, 1 April 2009 to 31 March 2010 (Senior Management included)

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries (A)	Total Number of Employees in Group (B)	% of Total Within Group (C)	Cost (R'000) (D)	Average Cost per Employee (R's) (E)=D/A
African	191	465	41%	594	3 110
Male	156	319	48%	444	2 847
Female	35	146	24%	150	4 286
Indian	2	9	22%	11	5 500
Male	0	5	0%	0	0
Female	2	4	50%	11	5 500
Coloured	358	772	46%	1 627	4 545
Male	232	469	49%	1 074	4 629
Female	126	303	41%	553	4 388
White	161	255	63%	1 371	8 516
Male	95	153	62%	896	9 431
Female	66	102	64%	475	7 197
Total	712	1 501	47%	3 603	5 060
Employees with a disability	9	18	50%	45	5 000

Table 84: Performance Rewards by Salary Bands for Personnel below Senior Management Service, 1 April 2009 to 31 March 2010

Salary Band	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of Employees	% of Total Within Salary Bands	Total Cost (R'000)	Average Cost per Employee (R's)	Total Cost as a % of the Total Personnel Expenditure
Lower skilled (Levels 1-2)	172	334	51%	346	2 011	1.4%
Skilled (Levels 3-5)	218	612	35%	643	2 950	1%
Highly skilled production (Levels 6-8)	202	346	58%	1 200	5 941	1.4%
Highly skilled supervision (Levels 9-12)	69	227	30%	1 346	19 507	1.3%
Total	661	1 519	43%	3 535	30 409	1.3%

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.

Table 85: Performance rewards by Critical Occupations, 1 April 2009 to 31 March 2010

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total Within Occupation	Total Cost (R'000)	Average Cost per Employee (R's)
QS Technicians	0	1	0	0	0
Quantity Surveyors	6	10	60%	66	11 025
Engineers	17	21	80%	238	14 017
Architects	4	12	33%	66	16 546
Senior Management Service	0	37	0	0	0
Total	27	81	33%	370	13 726

Table 86: Performance Related Rewards (cash bonus), by Salary band for Senior Management Service, 1 April 2009 to 31 March 2010

Salary Band	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of Employees	% of Total Within Band	Total Cost (R'000)	Average Cost per Employee (R's)	Total Cost as a % of the Total SMS Budget
Band A	0	28	0	0	0	0
Band B	0	6	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	37	0	0	0	0

Note: Senior Managers will only be assessed after publication of the annual report, as instructed by the Department of the Premier.

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 87: Foreign Workers, 1 April 2009 to 31 March 2010, by Salary Band

Salary Band	1 April 2009		31 March 2010		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	19	100%	17	100%	2	10.53%
Senior Management (Levels 13-16)	0	0	0	0	0	0
Total	19	100%	17	100%	2	10.53%

Note: One foreign worker retired and one Cuban worker did not return to the RSA after his annual leave during September 2009.

Table 88: Foreign Workers, 1 April 2009 to 31 March 2010, by Major Occupation

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Engineer	16	84.2%	14	82.4%	2	12.5%
Architect	3	15.8%	3	17.6%	0	0
Total	19	100%	17	100%	2	12.5%

Note: 18 Cuban professionals were recruited. These professionals cover the disciplines of engineering and architectural services. 1 Cuban did not return to the RSA after his annual leave during September 2009.

LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009

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 and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 89: Sick Leave, 1 January 2009 to 31 December 2009

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)	2 431	85.4	254	78.4%	9.5	521
Skilled (Levels 3-5)	5 127	82.4	535	91.3%	9.6	1 512
Highly skilled production (Levels 6-8)	3 375	74.1	386	90.6%	8.7	1 873
Highly skilled supervision (Levels 9-12)	1 429	80.3	211	95.0%	6.8	1 320
Senior Management (Levels 13-16)	220	87.7	24	64.8%	9.2	361
Total	12 582	80.5	1 410	92.8%	8.9	5 587

Table 90: Incapacity Leave (temporary and permanent), 1 January 2009 to 31 December 2009

Salary Band	Total Days	% Days With Medical Certification	Number of Employees Using Incapacity Leave	% of Total Employees Using Incapacity Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	215	100	11	3.4%	19.5	46
Skilled (Levels 3-5)	951	100	21	3.6%	45.3	318
Highly skilled production (Levels 6-8)	612	100	25	7.1%	24.5	340
Highly skilled supervision (Levels 9-12)	198	100	7	3.2%	28.3	248
Senior Management (Levels 13-16)	74	100	2	5.4%	37	119
Total	2 050	100	66	4.3%	31.1	1 071

Table 91: Annual Leave, 1 January 2009 to 31 December 2009

Salary Band	Total Days Taken	Average per Employee
Lower skilled (Levels 1-2)	6 767	17.1
Skilled (Levels 3-5)	14 972	37.9
Highly skilled production (Levels 6-8)	10 821	27.4
Highly skilled supervision (Levels 9-12)	6 168	15.6
Senior Management (Levels 13-16)	794	2
Total	39 522	20

Table 92: Capped Leave, 1 January 2009 to 31 December 2009

Salary Band	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 2009	No of employees as at 31 December 2009	Total capped leave available as at 31 December 2009
Lower skilled (Levels 1-2)	107	7.1	15	321	1 165
Skilled (Levels 3-5)	1 014	30	35	608	10 618
Highly skilled production (Levels 6-8)	548	14	39	424	7 491
Highly skilled supervision (Levels 9-12)	807	14	57	227	7 046
Senior Management (Levels 13-16)	443	14	32	38	634
Total	2 919	80	36	1 618	26 954

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

Table 93: Leave Payouts for the Period of 1 April 2009 to 31 March 2010

Reason	Total Amount (R'000)	Number of Employees	Average payment per Employee (R'000)
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	36	1	36
Capped leave payouts on termination of service for 2009/10	1 966	21	93.6
Current leave payout on termination of service for 2009/10	2 338	38	32.4
Total	4 340	60	162

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

HIV & AIDS, AND HEALTH PROMOTION PROGRAMMES

Table 94: 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
<p>All employees are regarded as being at risk of contracting HIV & AIDS. However, the following categories can be regarded as being at relatively higher risk due to the nature and spread of their work:</p> <ul style="list-style-type: none"> • Unskilled staff; • Semi-skilled; and • Technical staff 	<p>The HIV & AIDS Coordinator conducts regular VCT events throughout the Department to encourage staff to know their status. In addition, regular communiqués are sent to all staff and also articles in the departmental newsletter.</p> <p>Specific measures to prevent exposure:</p> <ul style="list-style-type: none"> • First Aiders wear gloves when treating injuries • Regular awareness raising and VCT campaigns • Serialised communication via the e-mail

Table 95: Details of Health Promotion and HIV & AIDS Programmes

Question	Yes	No	Details, if Yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms F Rayi Senior Manager : Human Capital Relations
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		The unit who deals with HIV & AIDS, Special Programmes, consists of: 1x Senior Manager 1 x Manager : Special Programmes 1 x HIV & AIDS Coordinator 1 x Admin Assistant There is no dedicated budget for HIV & AIDS. However, the budget for HIV & AIDS is included in the overall budget of the Directorate : Human Capital Relations
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		An Employee Assistance Programme (EAP) was introduced in July 2006. An external service provider has been contracted to render EAP-related services to staff and their immediate family members. Key elements of the service: <ul style="list-style-type: none"> • Telephonic and face-to-face counselling; • HIV & AIDS counselling; • Treatment for work and personal related issues; • Critical incident debriefing; • Financial and legal advice
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		The department has established a Human Rights Equality Forum which deals with the following matters: <ul style="list-style-type: none"> • Human Rights Issues (Gender; Youth & Disability) • HIV & AIDS All Branches, regional offices and organised labour are represented on this Forum – 25 members in total
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		The department adheres to national, provincial and departmental policies and practices. There is therefore no discrimination against HIV & AIDS positive employees.
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		Awareness raising sessions to address stigma and discrimination; A booklet containing, amongst others, the following information: <ul style="list-style-type: none"> • How to lead a healthy lifestyle • Treatment that is available • Details of community health centres • Details of ARV sites The EAP is a further instrument which is immediately available to assist HIV positive staff

Question	Yes	No	Details, if Yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Yes, at regular intervals and throughout the department (including district offices). More than 50% of staff members have been tested through departmental initiatives. Twenty six staff members have tested positive. Only one staff member has disclosed a positive status. Hence every effort is made to mitigate the negative effects of stigmatisation
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Every opportunity is used to promote a healthy lifestyle, e.g. Awareness and Induction Sessions, VCT and Health Day events. Progress on the implementation of workplace programmes is monitored during quarterly reviews between the HIV & AIDS Coordinator and supervisor. Monitoring is also achieved through the submission of progress reports to the Provincial Department of Health and DPSA on request

LABOUR RELATIONS

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

Table 96: Collective agreements, 1 April 2009 to 31 March 2010

Total Collective Agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 97: Misconduct and Disciplinary Headings Finalised, 1 April 2009 to 31 March 2010

Outcomes of Disciplinary Hearings	Number	% of Total
Correctional counselling	0	0
Verbal warning	5	11.9%
Written warning	15	35.7%
Final written warning	14	33.3%
Suspended without pay	3	7.1%
Fine	0	0
Demotion	0	0
Dismissal / desertion	4	9.5%
Not guilty	1	2.4%
Case withdrawn	0	0
Total	42	100%

Table 98: Types of Misconduct Addressed at Disciplinary Hearings

Type of Misconduct	Number	% of Total
Absenteeism	39	92.9%
Insubordination	3	7.1%
Total	42	100%

Table 99: Grievances Lodged for the Period 1 April 2009 to 31 March 2010

	Number	% of Total
Number of grievances resolved	14	23%
Number of grievances not resolved	47	77%
Total number of grievances lodged	61	100%

Table 100: Disputes Lodged with Councils for the Period 1 April 2009 to 31 March 2010

	Number	% of Total
Number of disputes upheld	5	100%
Number of disputes dismissed	0	0
Total number of disputes lodged	5	100%

Table 101: Strike Actions for the Period 1 April 2009 to 31 March 2010

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 102: Precautionary Suspensions for the Period 1 April 2009 to 31 March 2010

Number of people suspended	3
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	180
Cost (R'000) of suspensions	R 988 620

SKILLS DEVELOPMENT

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

Table 103: Training Needs Identified, 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of Employees as at 1 April 2009	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	10	0	13	0	13
	Male	29	0	40	0	40
Professionals	Female	26	0	83	0	83
	Male	66	0	283	4	287
Technicians and associate professionals	Female	131	0	255	1	256
	Male	144	0	177	2	179
Clerks	Female	228	0	299	4	303
	Male	111	0	242	3	245
Service and sales workers	Female	4	0	0	0	0
	Male	12	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	9	0	0	0	0
	Male	164	0	0	0	0
Plant and machine operators and assemblers	Female	2	0	137	2	139
	Male	39	0	80	2	82
Elementary occupations	Female	145	0	0	0	0
	Male	381	0	0	0	0
Sub-Total	Female	555	0	787	7	794
	Male	946	0	822	11	833
Total		1 501	0	1 609	18	1 627

Employees with disabilities	Female	2	0	0	0	0
	Male	16	0	5	0	0

Note: No learnerships identified for this reporting period.

Table 104: Training Provided, 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of Employees as at 1 April 2009	Training Provided Within the Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	10	0	13	0	13
	Male	29	0	40	0	40
Professionals	Female	26	0	83	0	83
	Male	66	0	283	4	287
Technicians and associate professionals	Female	131	0	255	1	256
	Male	144	0	177	2	179
Clerks	Female	228	0	299	4	303
	Male	111	0	242	3	245
Service and sales workers	Female	4	0	0	0	0
	Male	12	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Craft and related trades workers	Female	9	0	0	0	0
	Male	164	0	0	0	0
Plant and machine operators and assemblers	Female	2	0	137	2	139
	Male	39	0	80	2	82
Elementary occupations	Female	145	0	0	0	0
	Male	381	0	0	0	0
Sub-Total	Female	555	0	787	7	794
	Male	946	0	822	11	833
Total		1 501	0	1 609	18	1 627

Employees with disabilities	Female	2	0	0	0	0
	Male	16	0	5	0	0

Note: No learnership training provided within this reporting period.

INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 105: Injury on Duty, 1 April 2009 to 31 March 2010

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	22	65%
Temporary / Total disablement	12	35%
Permanent Disablement	0	0
Fatal	0	0
Total	34	100%

UTILISATION OF CONSULTANTS

The table below reflects consultants in terms of business and advisory services only.

Table 106: Report on Consultant Appointments Using Appropriated Funds

Program	Consulting Firm	Total Number of Consultants that Worked on the Project	Duration	Actual Expenditure (R's)	% Ownership by HDI Group	% Management by HDI Group	Number of Consultants from HDI Group that Worked on the Project	HDI Value (R's)
PUBLIC TRANSPORT	Adv Temba Mdlalo	1	12 Months	407,555.00	100	100	1	407,555.00
	Afrec (Pty) Ltd	3	24 Months	4,089,212.02	21	100	2	841,559.83
	Arcus Gibb (Pty) Ltd	3	24 Months	3,249,403.10	67	50	1	2,177,100.08
	Aurecon South Africa	2	No Timeline	919,894.27	31	31	0	287,282.98
	Brandtalk (Pty) Ltd	5	36 Months	2,312,427.61	64	64	2	1,475,328.82
	Computrans(Pty)Ltd T/A Axios Con	3	3 Months	545,706.60	60	75	2	327,423.96
	Datacentrix	1	31 Days	1,983,362.14	59	99	1	1,170,183.66
	Hiphop Media Lounge	2	36 Months	175,274.93	100	100	1	175,274.93
	Ninham Shand (Pty) Ltd	2	No Timeline	471,486.73	33	33	0	155,590.62
	Pegasys Strategy And Development	2	24 Months	3,074,437.50	60	50	1	1,844,662.50
	Saha International Sa (Pty) Ltd	3	36 Months	2,586,374.35	0	0	0	0
	Silver Solutions 1261 Cc	3	24 Months	550,845.15	100	100	3	550,845.15
	Transport Telematics Africa	1	24 Months	2,036,859.17	60	60	0	1,222,115.50
	Vela V K E Consulting Engineers	2	420 Days	4,788,590.00	31	100	1	1,484,462.90
Worldfocus 1617, Ck 2007/141078/	2	No Timeline	200,404.00	100	100	2	200,404.00	
CORPORATE SERVICES	Ayanda Mbanga Communications	-	-	2,251.82	34	34	-	771.47
	Carla Ackermann-Dyn Devl cc	1	1 Day	23,625.00	100	100	1	23,625.00
	Dr Susan Uys	1	Ad-Hoc	2,715.21	100	100	1	2,715.21
	Luckett	1	Ad-Hoc	444,712.69	0	0	0	0
	The Careways Group (Pty) Ltd	1	36 Months	385,995.00	0	0	1	0
	Business Data Solutions	1	4 Months	108,870.00	50	50	1	54,435.00

Program	Consulting Firm	Total Number of Consultants that Worked on the Project	Duration	Actual Expenditure (R's)	% Ownership by HDI Group	% Management by HDI Group	Number of Consultants from HDI Group that Worked on the Project	HDI Value (R's)
EXPANDED PUBLIC WORKS PROGRAMME	Butler	1	4 Months	32,160.00	0	0	0	-
	Buyolo Business Advisory Service	1	3 Weeks	13,500.00	100	100	1	13,500.00
	C2c Consulting Engineers	1	3 Weeks	131,738.40	100	100	1	131,738.40
	Camel Rock 521 Cc	1	3 Weeks	18,000.00	100	100	1	18,000.00
	Cfresh Communication	1	12 Months	452,920.20	100	100	1	452,920.20
	Consulteam (Pty) Ltd	1	175 Hrs	159,034.86	100	100	1	159,034.86
	Creative Consulting & Development	1	6 Weeks	89,125.20	0	0	1	-
	Daveng Consulting Engineers	1	2 Weeks	183,125.89	90	90	1	164,813.30
	Delevex 5/6 C/C T/A Medway Proj	1	175 Hrs	358,248.18	100	100	1	358,248.18
	Dna2 Management Services	2	6 Months	492,308.53	100	100	2	492,308.53
	Ebrahim Engineering Consultants	1	175 Hrs	135,562.70	100	100	1	135,562.70
	E-Magination Info Solutions	1	2 Weeks	44,920.00	0	0	0	-
	Front Vision Consulting	1	1 Day	2,500.00	100	100	1	2,500.00
	H.D.A. Consulting Cc	1	2 Days	9,120.00	52	52	1	4,742.40
	Kock	1	Ad-Hoc	16,650.00	100	100	1	16,650.00
	Lyners Consulting Engineers	1	Ad-Hoc	39,600.00	75	75	1	29,700.00
	Mamba Ven (Pty) Ltd	1	7 Hrs	15,960.00	50	50	1	7,980.00
	Manong	2	No Timeline	270,000.00	100	100	2	270,000.00
	Miiradi Architects	1	25 Hrs	157,320.00	0	0	0	-
	Mindwalk Consulting	1	Ad-Hoc	321,043.15	100	100	1	321,043.15
	Northpark Trading 18 Ppy Ltd	1	200 Hrs	182,350.00	100	100	1	182,350.00
	Quick Project Management Service	1	6 Weeks	27,500.00	100	100	1	27,500.00
	Silver Solutions 2479 Cc T/A Cin	1	Ad-Hoc	54,264.00	0	0	0	-
Siyakhana	1	12 Months	44,664.00	100	100	1	44,664.00	

Program	Consulting Firm	Total Number of Consultants that Worked on the Project	Duration	Actual Expenditure (R's)	% Ownership by HDI Group	% Management by HDI Group	Number of Consultants from HDI Group that Worked on the Project	HDI Value (R's)
	Siyathembana Trading 65 (Pty) Lt	1	200 Hrs	101,100.60	100	100	1	101,100.60
	Siyavuka Consulting	1	2 Days	4,125.00	100	100	1	4,125.00
	Sizisa Ukhanyo 662 Cc	1	120 Hrs	326,851.38	100	100	1	326,851.38
	Sorayah Martin Consulting	1	Ad-Hoc	254,965.00	100	100	1	254,965.00
	Southern Ambition	1	4 Weeks	107,850.00	0	0	0	-
	The Reseach Lamppost (Pty) Ltd	1	7 Weeks	80,750.00	50	50	1	40,375.00
	Ukuzwana Holdings (Pty) Ltd	1	4 Weeks	34,009.62	100	100	1	34,009.62
	Worldfocus 1617, Ck 2007/141078/	1	12 Months	413,598.00	100	100	1	413,598.00
	Zweledinga Business Advisory (Pt	1	Ad-Hoc	11,012.40	100	100	1	11,012.40
FINANCE	Ducharme Consulting (Pty) Ltd	15	36 Months	9,244,803.30	50	50	0	4,622,401.65
INTEGRATED PLANNING	Arcus Facilities Man Solutions	9	36 Months	4,353,733.38	30	30	6	1,306,120.01
	Arcus Gibb (Pty) Ltd	3	170 Days	49,883.77	67	100	2	33,422.13
	Arg Designs Architects	5	420 Days	70,000.08	70	100	2	49,000.06
	Arup Sa (Pty) Ltd	2	1 470 Days	446,692.16	27	27	1	120,606.88
	Aurecon South Africa	2	No Timeline	1,657,330.87	31	31	0	517,584.43
	Ayanda Mbanga Communications	1	1 Days	1,418.13	34	34	1	485.85
	CSIR	2	420 Days	923,001.53	0	0	2	-
	Daryll Roelf And Associates	1	208 Days	187,083.04	100	100	1	187,083.04
	DLP Advisory Services	1	36 Months	930,355.56	0	0	0	-
	Fab Branding	4	24 Months	250,458.00	67	33		166,980.35
	Games Transportation Systems Service	18-21	34 Months	27,168,690.90	25	0	7	6,792,172.73
	Hn La Grange T/A Dotdashdesign	2	18 Months	3,500.00	0	0	0	-
	Ninham Shand (Pty) Ltd	6	420 Days	2,927,748.85	33	33	0	966,157.12
	Pendulum Consulting	7	420 Days	1,556,096.39	100	100	7	1,556,096.39

Program	Consulting Firm	Total Number of Consultants that Worked on the Project	Duration	Actual Expenditure (R's)	% Ownership by HDI Group	% Management by HDI Group	Number of Consultants from HDI Group that Worked on the Project	HDI Value (R's)
	Tredco Marketing Consultants	1	6 Months	3,616.51	100	100	1	3,616.51
	Vela V K E Consulting Engineers	2	420 Days	504,375.99	31	100	1	156,356.56
	Vela Vke Cons Eng (Mosselbaai)	2	420 Days	74,991.48	31	100	1	23,247.36
PROPERTY MANAGEMENT	Ducharme Consulting (Pty) Ltd	15	36 Months	501,853.88	50	50	4	250,926.94
	Ralinc	1	12 Months	236,300.00	100	100	1	236,300.00
	Tenant Activism Cc T/A Alchemy C	1	12 Months	69,217.95	0	0	0	0
	University Of Cape Town	1	30 Days	6,569.77	0	0	0	0
	Sirius Development Foundation	1	12 Months	166,611.00	100	100	1	166,611.00
MINISTER	Naidoo	1	6 Months	83,875.50	100	100	1	83,875.50
ROADS INFRASTRUCTURE	Cubey	1	12 Months	487,956.63	0	0	0	0
	Ducharme Consulting (Pty) Ltd	15	36 Months	219,212.88	50	50	7	109,606.44
	Hutton	1	12 Months	309,604.29	0	0	0	0
SUPPLY CHAIN MANAGEMENT	MI Asset Management Solutions Cc	11	36 Months	1,706,230.37	100	100	9	1,706,230.37
TRAFFIC MANAGEMENT	Henn J	1	5 Months	203,726.25	0	0	0	0
PUBLIC WORKS	Burger	1	12 Months	10,155.60	0	0	0	0
	Dna2 Management Services	13	36 Months	351,564.50	51	51	8	179,297.90
	Rashad Shade Construction Services	1	6 Months	22,560.00	100	100	1	22,560.00
TOTAL				103,391,272.10				35,677,368.54

ERRATA: DEPARTMENT OF TRANSPORT AND PUBLIC WORKS: ANNUAL REPORT 2009/10

This errata sheet contains the following corrections to be made:

Correction 1:

Replace the Information in the Table below in Table 29: Programme 2: Public Works: Measurable Objectives, Performance Indicators and Targets, on pages 43, 44 and 46.

Errata occurs in AR page number	Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Target Outputs 2009/10	Actual Outputs 2009/10	Replacement Actual Outputs 2009/10	Deviation from Target		Replacement Deviation from Target	
						Unit	%	Unit	%
43	**To maintain the State-Owned property portfolio for Education	Number of properties owned	3 889	3 619	3 818	(270)	7%	(71)	2%
		Number of square meters of buildings owned	4 964 358	33 963 137	33 947 897	28 998 779	584%	28 983 539	584%
44	** To maintain the State-Owned property portfolio for Other than Education and Health	Number of hectares of land owned	137 004	122 510	122 810	(14 494)	11%	(14 194)	10%
44	** To maintain the leased property portfolio of Health	Number of buildings leased	80	62	64	(18)	23%	(16)	20%
		Number of square meters of buildings leased	28 612	27 253	27 733	(1 359)	5%	(879)	3%
46	To facilitate the placement of Section 18.2 learners, artisans and tradesmen annually	Number of placements:	120	38	52	(82)	68%	(68)	57%
		Health							
	To create employment opportunities	Number of direct employment opportunities created through Health infrastructure	8 500	2 794	2 808	(5 706)	67%	(5 692)	67%
Number of direct employment opportunities created through Education infrastructure		1 750	531	1 657	(1 219)	70%	(93)	5%	

Correction 2:

Replace the information in the table below in the deviations from targets, on pages 47, 48, 49 and 50.

Errata occurs in AR page number	Measurable Objective	Deviation	Replacement
47	**To maintain the State-Owned property portfolio for Education	Number of properties owned (7 % below target)	7% below target replace with 2% below target.
48	** To maintain the State-Owned property portfolio for Other than Education and Health	Number of hectares of land owned (11 % below target)	11% below target replace with 10% below target
48	** To maintain the leased property portfolio of Health	Number of buildings leased (23 % below target)	23% below target replace with 20% below target.
		Number of square meters of buildings leased (5 % below target)	5% below target replace with 3% below target.
49	To facilitate the placement of Section 18.2 learners, artisans and tradesmen annually	Number of placements:	68% below target replace with 57% below target.
		Health (68 % below target)	
50	To create employment opportunities	Number of direct employment opportunities created through Education infrastructure (70 % below target)	70% below target replace with 2% below target.

The Department develops and maintains appropriate infrastructure and related services for sustainable economic development which generates growth in jobs and facilitates empowerment and opportunity.



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