



Western Cape
Government

Transport & Public Works



Annual Performance Plan 2012/13
Government Motor Transport

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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 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 paperless environment and improved electronic content management, minimum hard copies of this Annual Performance Plan will be available.

VERSKONING

Ons gee volle erkenning aan die Provinsie se taalbeleid en streef daarna om dit toe te pas. 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.

NOTA

Ten einde die Departement se strewe na 'n minder papier omgewing en verbeterde elektroniese inhoud bestuur te ondersteun, sal minimum harde kopieë van hierdie Jaarlikse Prestasie Plan beskikbaar wees.

ISINGXENGXEZO

Siyawuqonda umgaqo-nkqubo weelwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke sayiqwalasela yeyokuba lulwimi lwesiNgesi ekufuneka lusetyenzisiwe kolu xwebhu. Iya kufumaneka nangezinye iilwimi ezimbini ezisemthethweni zaseNtsona Koloni kwakamsinya.

QAPHELA

Ukuxhasa iinzame zelisebe zokusebenza kwimeko nesimo sokucutha ukusetyenziswa kwamaphepha nokuphuhliswa kolawulo ziqulatho zezixhobo zongxulumelwano ngombane, kuyakuzanywa ushicilelo oluncitshisiwe loluxwebhu.

FOREWORD

This Annual Performance Plan is the third year of delivery for the Entity's five year Strategic Plan beginning in 2010 – 2014 and is a key step towards realising the objectives set in the Strategic Plan.

The forecasts in respect of the main cost driver in the fleet environment, namely fuel indicate further price increases which depends largely on external factors such as the rand/dollar exchange rate and the price of crude oil. Although no increases have been formally announced by the motor vehicle manufacturers, one can expect an increase just below double figures. It will therefore remain a challenge in the new financial year to maintain service delivery levels and, therefore, value for money intentions.

Under my leadership, GMT undertook an extensive process to develop the said Strategic Plan and this Annual Performance Plan. Targets have been set in order to put GMT on the path towards achieving the objectives identified in the Strategic Plan. A milestone achieved worth mentioning is the new GAAP compliant financial system, GoFin, that was commissioned in April 2011 resulting in financial transacting to be fully compliant with legislative requirements.

I endorse the contents of this plan and commit to supporting and ensuring its implementation.

Firstly, I wish to thank the management and staff of GMT for their efforts in developing the way forward. Secondly, I would like to thank my Cabinet colleagues and heads of client departments for their input and support.



ROBIN CARLISLE
Executive Authority
Department of Transport and Public Works

Date: 20 February 2012

OFFICIAL SIGN-OFF

It is important to note that this Annual Performance Plan represents the third year of the five year Strategic Plan period and must thus be read in conjunction with the GMT's five year Strategic Plan and medium term Estimates of Provincial Expenditure, Budget 2012.

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of GMT and the Department of Transport and Public Works under the guidance of Provincial Minister Robin Carlisle.
- Was prepared in line with the current Strategic Plan of GMT
- Accurately reflects the performance targets which GMT will endeavour to achieve given the resources made available in the budget for 2012/13.
- made available in the budget for 2012/13.

Top Management Member		Signature
Johan Koegelenberg	Head: Government Motor Transport	
Yasir Ahmed	Assistant Executive Manager: Transport Regulation	
Hannes Mouton	Executive Manager: Provincial Roads and Transport Management	
Cedric Ismay	Chief Financial Officer	
Jacqueline Gooch	Executive Manager: Strategy, Planning and Co-ordination	
Johan Fourie	Accounting Officer	

Approved by:



ROBIN CARLISLE
Executive Authority

Date: 20 February 2012

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PART A: STRATEGIC OVERVIEW

1. Vision, Mission and Values

The vision, mission and values of the Department remain, and these are stated below:

1.1 Vision

From a service delivery perspective, the Western Cape Government's vision, and therefore the vision applicable to the Department of Transport and Public Works is -

"To create an open opportunity society for all in the Western Cape so that people can live lives they value."

1.2 Mission

"To protect and promote rights and expand opportunities". (Western Cape Government)

"The Department of Transport and Public Works develops and maintains appropriate infrastructure and related services for sustainable economic development which generates growth in jobs and facilitates empowerment and opportunity."

"To be the leader in Government Motor Transport services by providing quality, integrated and cost effective motor transport to provincial and national client departments inclusive of a pleasant, safe and interactive environment where staff are offered the opportunity of development and self-improvement."

1.3 Values

The core values applicable to the Western Cape Government were confirmed as follows:

"Caring, Competence, Accountability, Integrity and Responsiveness"

These values are all underpinned by the concept of team work and will apply to GMT as part of the administration of the Department, as well as to all provincial employees. A detailed explanation of what each core value encapsulates is outlined below:

Value	Behavioural statement
Caring	We endeavour to understand persons' needs and will show interest. We will show respect for each other. We will treat staff as more than just a worker and value staff as people. We will empathise with our staff. We will emphasise positive aspects in the workplace. We will provide honest criticism when needed.
Competence	Our people are able to do the tasks they are appointed to do, live our values and always strive for excellence. We all deliver on our outcomes and targets with quality, on budget and in time. We focus on the best results to serve the people of the Western Cape. We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.
Accountability	We have a clear understanding of our objectives, roles, delegations and responsibilities. We are committed to deliver agreed outputs on time.

	<p>We hold each other accountable and know we can trust each other to do as we say we will.</p> <p>As individuals we take responsibility and ownership for our outcomes, and accept the consequence of failure to do so.</p>
Integrity	<p>We seek for truth and greater understanding of it in each situation and we do the right things.</p> <p>We are honest, show respect and live out our positive values.</p> <p>We are reliable and trustworthy, doing what we say we will.</p> <p>There are no grey areas, with integrity applying at all levels in all instances ensuring we are corruption free.</p>
Responsiveness	<p>We take the public seriously, listening and hearing their voice (listening a lot and talking less).</p> <p>We respond with action timeously, always asking is this the right response, where could we be potentially wrong and how we can do it better.</p> <p>We engage collaboratively with each other, our stakeholders and the media, providing full information.</p> <p>Our focus is the citizen, and responding as their government for the best results for the people we serve. They tell us how well we respond.</p>

1.4 **Enabling environment**

The Department's focus areas identified previously, for ensuring an enabling environment to achieve its vision and mission, are still relevant for the ensuing delivery period. These are:

- Strategic Partnerships
- Management structure
- Skills
- Systems
- Information
- Legislative Changes
- Resources

Given that this Annual Performance Plan (APP) is for the third year of GMT's 5-year Strategic Plan the progress registered against these enabling factors is discussed in the various sections which follow.

2. **Updated situational analysis**

The situational analysis in broad terms remains largely the same as that captured in the Strategic Plan for the fiscal years 2010 - 2014.

2.1 **Performance delivery environment**

The performance delivery environment broadly remains unchanged to that captured in the Strategic Plan for the fiscal years 2010 - 2014. However, the following update is provided:

Debtor position

GMT instituted a revised business process utilising odometer readings, which were captured and verified by GMT officials. This has proven successful as all kilometres travelled during the 2011/12 financial year could be billed before year-end. The full roll-out of the capturing of odometer readings was intended to fast track the payment process however, it remains a challenge to ensure that government debtors settle their accounts within 30 days as prescribed by the PFMA.

GMT commenced to charge the standard National Treasury determined percentage interest on outstanding debt older than 30 days with effect from 1 April 2011.

Although internal follow-up on debtors processes were intensified, the debtors book at 2011/12 year-end, is forecasted to be R70 million.

The annual debtors' collection period in the 2009/10 of 59 days decreased to 53 days for 2010/11. This further improved during 2011/12 – actuals will be available after the end of the financial year.

The outstanding debts impacted negatively on the timely ordering of replacement vehicles.

Information Communication Technology (ICT) systems

The new financial system (GoFin) was implemented with effect from 1 April 2011 with further enhancements during the year. The project will continue to skill staff to be fully *au fait* with the functionality. The system will integrate with other electronic systems such as FleetMan and Tracking.

2.2 Organisational environment

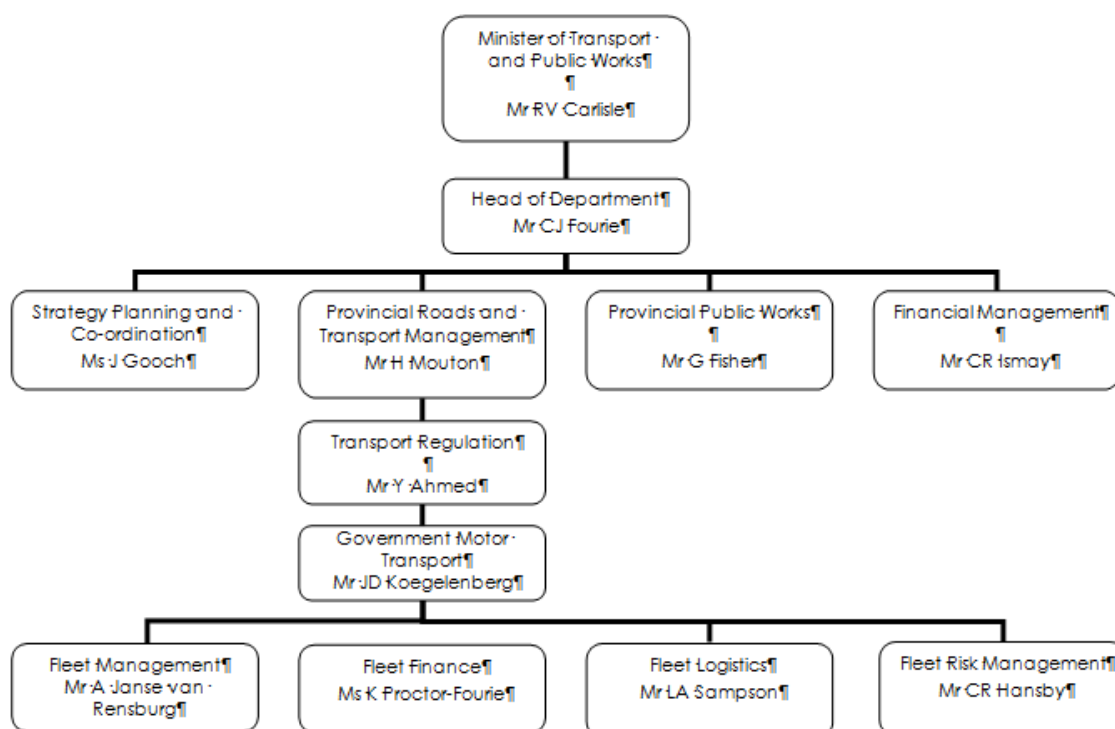
The Corporate Service Centre and the Centre for e-Innovation in the Department of the Premier renders human resources, enterprise risk management and internal audit services and information communication technology services to GMT. Activities are regulated in accordance with an agreed governance framework.

Due to the specialised nature of work required to support the electronic systems, at GMT it will continue to operate on a co-sourced resource model in which internal capacity is augmented with contracted-in expertise. Vehicle repair and maintenance work and conversion of vehicles are all outsourced.

As at 31 January 2012, the organisation had 16 vacancies with an establishment of 111 posts. A revised microstructure is planned to be finalised during 2012.

The component resides in the Branch Provincial Roads and Transport Management as depicted in Figure 1 on the next page.

Figure 1: Organisational structure



3. Revisions to legislative and other mandates

There are no changes to GMT's legislative and other mandates from those captured in the Strategic Plan.

4. Overview of 2012 Budget and MTEF estimates

The purpose of GMT is to provide quality, integrated and cost effective motor transport to State clients. The budget comprises of a single sub-programme namely Fleet Operations.

4.1 Payments and Estimates

The Tables below shows the summary of Payments and Estimates.

Table 1: Summary of Payments and Estimates

Summary of payments and estimates: Provincial Motor Transport Trading Entity											
Sub-programme R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised Estimate 2011/12	Medium-term estimate			% Change from Revised estimate 2011/12	
	Audited 2008/09	Audited 2009/10	Audited 2010/11				MTEF Guideline 5.5%	MTEF Guideline 5.0%	2011/12		
	2012/13	2013/14	2014/15								
1. Fleet Operations	411 016	322 107	428 358	523 359	512 541	510 190	540 754	572 493	601 018	5.99	
Total payments and estimates	411 016	322 107	428 358	523 359	512 541	510 190	540 754	572 493	601 018	5.99	

Note: The Government Motor Transport budget for the main appropriation (2012/13) and the adjustments estimate (2011/12) has been prepared in terms of Generally Accepted Accounting Practice (GAAP).

The Table below shows the summary of Payments and Estimates per economic classification.

Table 2: Summary of Payments and Estimates per economic classification

Summary of payments and estimates: Provincial Motor Transport Trading Entity										
Sub-programme R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised Estimate 2011/12	Medium-term estimate			% Change from Revised estimate 2011/12
	Audited	Audited	Audited				MTEF Guideline 5.5%	MTEF Guideline 5.0%		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15	
Staff Costs	14 017	16 829	19 314	24 483	25 169	23 614	28 680	30 257	31 770	21.45
Operating Expenditure	181 130	147 267	161 778	243 411	229 123	229 056	241 147	256 408	269 128	5.28
Depreciation	46 447	77 705	64 691	76 827	75 127	74 303	79 821	84 211	88 422	7.43
Amortisation	940	1 228	1 590	2 500	4 200	3 900	3 500	3 693	3 877	(10.26)
Accident and Losses	2 706	1 755	2 545	3 298	3 298	3 145	3 571	3 767	3 956	13.55
Operating Leases	9 475	304	641	511	13 751	13 696	14 477	15 273	16 037	5.70
Capital Asset Expenditure	139 878	59 380	154 368	153 781	142 962	143 501	150 790	159 083	167 038	5.08
Non-Current Assets	139 878	59 380	154 368	153 781	142 962	143 501	150 790	159 083	167 038	5.08
Total economic classification	411 016	322 107	428 358	523 359	512 541	510 190	540 754	572 493	601 018	5.99
Total expenditure	411 016	322 107	428 358	523 359	512 541	510 190	540 754	572 493	601 018	
Less Estimated revenue	(397 110)	(409 509)	(474 189)	(502 232)	(502 232)	(571 494)	(540 754)	(572 493)	(601 018)	
(Surplus)/ Deficit to be voted	13 906	(87 402)	(45 831)	21 127	10 309	(61 304)	-	-	-	

4.2 Revenue

GMT's expenditure is mainly funded / financed through daily and kilometre tariff charges paid by client departments (users) for the use of the vehicle fleet. Other income is made up of claims instituted against client departments, insurance companies and private parties for losses suffered by the State, monies earned at auctions for withdrawn and sold vehicles and service charges not covered by the tariffs (e.g. tracking data communication costs). Annual tariff increases are calculated by GMT based on operational expenditure forecasts and indices and submitted to the Provincial Treasury for approval before the start of the new financial year.

PART B: PERFORMANCE TARGETS

5. Performance targets and indicators

This section sets the performance targets for the upcoming financial year and over the MTEF for each strategic objective identified in Part B of the Strategic Plan. Performance indicators that will facilitate the assessment of the overall performance of GMT are also included.

The Table below reflects the strategic objectives as per the Strategic Plan.

Table 3: Strategic Objectives

Strategic Objective 1.1	Provide a vehicle fleet.
Strategic Objective 2.1	An effectively utilised vehicle fleet.
Strategic Objective 3.1	Excellent client satisfaction rating.
Strategic Objective 4.1	An unqualified external audit opinion annually.
Strategic Objective 4.2	Improved financial management capability.
Strategic Objective 5.1	Improved operational capability.
Strategic Objective 6.1	An effective fleet management system.

5.1 Strategic objective annual targets for 2012/13

The Strategic Objective indicators and targets below are the higher order indicators and targets linked to the strategic objectives in the Strategic Plan. The Strategic Objective Indicator number refers to the Strategic Objective contained in the Strategic Plan.

Table 4: Strategic objectives indicators and medium term targets

Strategic objective indicator		Audited/Actual performance			Estimated performance 2011/12	Medium-term targets		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
1.1	No of vehicles in the fleet	4 392	4 791	4 465	4 490	4 515	4 540	4 565
2.1	No of vehicles travelling more than 1 750 kilometres per month	n/a	1 467	1 594	1 700	2 000	2 500	3 000
3.1	No of client surveys conducted	1	1	1	1	1	1	1
4.1	No of findings leading to a qualified audit report	0	0	0	0	0	0	0
4.2	Financial rating achieved	n/a	3	3	3+	3+	3+	3+
5.1	No of business processes documented	n/a	61	55	28	32	32	32
6.1	No of system enhancements achieved	n/a	95	134	120	125	130	135

5.2 Performance indicators and annual targets for 2012/13

The Performance Indicators and targets set out in the Table below are lower order indicators linked to the strategic objectives in the Strategic Plan. The Performance Indicator number refers to the Strategic Objective Indicator number stated above.

Table 5: Performance indicators and annual targets for 2012/13

Performance objective indicator		Audited/Actual performance			Estimated performance 2011/12	Medium-term targets		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
1.1.1	No of replacement vehicles acquired	491	158	310	450	320	330	350
1.1.2	No of vehicles added to the fleet	211	76	137	25	30	30	30
1.1.3	No of vehicles hired	976	22	9	6	10	10	10
2.1.1	No of vehicles serviced and maintained	*	*	*	6 600	6 600	6 600	6 600
2.1.2	No of vehicle inspections carried out	7 466	9 527	7 577	6 960	7 200	8 421	8 500
2.1.3	No of merchant inspections carried out	16	13	60	60	70	80	90
2.1.4	No of updates of the asset register	4	4	4	4	4	4	4
3.1.1	No of tracking units provided	n/a	4 340	4 324	4 488	4 500	4 500	4 500
3.1.2	No of eFuel units provided	4 192	3 851	4 076	4 192	4 222	4 252	4 282
3.1.3	No of Client Forums maintained	7	9	7	6	6	6	6
3.1.4	No of policy and guideline circulars issued	53	34	31	25	28	28	28
4.1.1	No of phases completed of GAAP system implementation	n/a	2	7	8	-	-	-
4.2.1	No of business processes documented	105	61	55	28	32	32	32
4.2.2	No of documented business processes reviewed	n/a	12	10	43	30	30	30
5.1.1	No of transport officers trained (operational)	n/a	64	142	200	120	120	120
5.1.2	No of transport officers trained (FleetMan)	n/a	n/a	12	34	40	40	40
5.1.3	No of misuse	671	550	679	280	350	350	350

Performance objective indicator		Audited/Actual performance			Estimated performance 2011/12	Medium-term targets		
		2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
	complaints processed							
5.1.4	No of traffic violations processed	7 869	4 137	4 843	4 350	4 500	4 500	4 500
5.1.5	No of 3 rd party claims processed	106	105	103	106	106	106	106
5.1.6	No of accident and losses incidents processed	2 220	1 972	2 336	2 300	2 350	2 350	2 350
6.1.1	No of registered FleetMan users	n/a	305	322	358	380	390	400

* Data not available for the respective financial year.

5.3 Quarterly targets for 2012/13

The quarterly targets for the performance indicators identified above are set out in the Table below.

Table 6: Performance indicators and quarterly targets

Performance indicator		Reporting period	Annual target 2012/13	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1.1	No of replacement vehicles acquired	Quarterly	320	0	120	50	150
1.1.2	No of vehicles added to the fleet	Annually	30	-	-	-	30
1.1.3	No of vehicles hired	Quarterly	10	2	2	3	3
2.1.1	No of vehicles serviced and maintained	Quarterly	6 600	1 650	1 650	1 650	1 650
2.1.2	No of vehicle inspections carried out	Quarterly	7 200	1 960	1 900	1 600	1 500
2.1.3	No of merchant inspections carried out	Annually	70	-	-	-	70
2.1.4	No of updates of the asset register	Quarterly	4	1	1	1	1
3.1.1	No of tracking units provided	Annually	4 500	-	-	-	4 500
3.1.2	No of eFuel units provided	Annually	4 222	-	-	-	4 222
3.1.3	No of Client Forums maintained	Quarterly	6	2	2	1	1
3.1.4	No of policy and guideline circulars issued	Quarterly	28	8	8	6	6
4.2.1	No of business processes	Annually	32	-	-	-	32

Performance indicator	Reporting period	Annual target 2012/13	Quarterly targets				
			1 st	2 nd	3 rd	4 th	
	documented						
4.2.2	No of documented business processes reviewed	Annually	30	-	-	-	30
5.1.1	No of transport officers trained (operational)	Annually	120	-	-	-	120
5.1.2	No of transport officers trained (FleetMan)	Annually	40	-	-	-	40
5.1.3	No of misuse complaints processed	Annually	350	-	-	-	350
5.1.4	No of traffic violations processed	Annually	4 500	-	-	-	4 500
5.1.5	No of 3 rd party claims processed	Annually	106	-	-	-	106
5.1.6	No of accident and losses incidents processed	Annually	2 350	-	-	-	2 350
6.1.1	No of registered FleetMan users	Annually	380	-	-	-	380

6. Risk Profile

The risks identified on enterprise level during the planning period linked to the applicable strategic goals which might impact on the components performance, remain and are reflected below.

Table 7: Risk Assessment of GMT Strategic Goals

Strategic Goal 1	Access to a unique vehicle fleet.
Goal statement	To allow client's access to a unique fleet of vehicles on a full time basis that will enable them to deliver government's services efficiently and effectively.
Risk	Inability to replace vehicle fleet as a result of inadequate cash flow caused by client departments not settling accounts timeously (within 30 days).
Mitigation	Intensive monitoring and follow-up processes with clients will be introduced, including the charging of interest.

Strategic Goal 4	Improved financial reporting.
Goal statement	Improved financial reporting through the transformation from cash accounting to a fully functional accrual based system by 31 March 2014.
Risk	Qualified audit report resulting from financial statements not complying with GAAP standards as required by treasury regulations applicable to trading entities.
Mitigation	Further rollout and refinement of the GAAP compliant financial system at GMT.

Strategic Goal 5	A healthy operational environment.
Goal statement	To create a healthy operational environment through maintaining effective business processes by 31 March 2014.
Risk	Inadequate systems and business processes to manage increasing numbers of accidents and traffic violations.
Mitigation	Introduction of driver ID tags and supporting business processes to link individual drivers to offences, together with reporting of such offences to their respective departments. Risk profiles and speed reports will be provided to HoDs for disciplinary purposes.

Strategic Goal 6	Effective operational systems.
Goal statement	To enhance operational activities through technologically advanced fleet management systems such as the "Electronic Highway" by 31 March 2014.
Risk	A break in GMT service delivery as a result of inadequate systems disaster recovery plans,
Mitigation	Adequate back up and data recovery will be included in a hosting contract with an external service provider.

7. Performance and expenditure trends

The Table below indicates the key activities that are to be undertaken by GMT, with their concomitant allocations for 2012/13:

Table 8: Key activities

KEY ACTIVITIES TO ACHIEVE OBJECTIVES	ALLOCATION 2012/13 (R mil)
Replacement of vehicles	150.8
Maintenance and repairs of vehicles	126
Provision of fuel	115.1
Depreciation and Amortisation	82.7
Operational Leases	14.5

PART C: LINKS TO OTHER PLANS

8. **Links to the long-term infrastructure and other capital plans**

GMT provides inputs into the departmental Infrastructure Plan.

9. **Conditional grants**

GMT does not have any conditional grants.

10. **Public entities**

GMT operates as a Trading Entity under the auspices of the Department of Transport and Public Works.

11. **Public-private partnerships (PPP)**

GMT is not engaged in any PPP.