

Provincial Government Western Cape

Department of Transport and Public Works

Annual Report

2006/2007



PR: 175/2007

ISBN number: 978-0-621-37443-8

To obtain additional copies of this document, please contact:

The Head of Department
Department of Transport and Public Works
9 Dorp Street
CAPE TOWN
8001

Private Bag X9185
CAPE TOWN
8000

Tel: +27 21 483 5520

Fax: +27 21 5068

Email: jgouch@pgwc.gov.za

Website: www.capegateway.gov.za/

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.

VERSKONING

Ons gee volle erkenning aan die Provinsie se taalbied 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.

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.

Albert Einstein once said that “*the important thing is not to stop questioning*”. So, last year I set my Department a challenge by asking them the following three questions:

- Can we intervene in poverty – how, when and what do we do practically that is within our mandate and resource base to bridge wealth and poverty?
- How do we contribute to growth and broaden economic participation?
- How do we need to organize ourselves to do this?

The Annual Performance Plan, with the targets set for the various measurable objectives began to address the manner in which we would overcome the social, economic and environmental challenges which face us.

Looking back at what we were required to achieve, I have to say that last year can only be described as a hard one, full of hard work and hard challenges and issues which needed to be overcome. But, it was also one of success in many areas. “*Again and again the impossible is solved when we see that the problem is only a tough decision waiting to be made*” (Robert Schuller). We passed the half-way stage of the term of office of this government, and we must use 2006/07 as a measure to determine the likelihood of achieving success at the end, if we carry on with the current path.

I would not want to dwell on the challenges, as they will always be there – in one or other way. Too often we focus on the negative and lose sight of the positive that our contribution has given to the Western Cape. In having spent 99 % of the budget originally appropriated for 2006/07 I consider our contribution to be a success. I believe that in many areas we have succeeded in improving our rate of delivery – be it in the provision of schools for the Department of Education, the maintaining of roads in the Province, or in ratcheting up the number of work opportunities created through the Expanded Public Works Programme.

A further area where I believe my Department has led from the front is in the area of developing people with scarce skills. 2006/07 saw us vastly increasing the number of bursaries offered by my Department, to begin a long-term strategy of increasing the number of professionals in the built environment – be they architects, engineers or quantity surveyors.

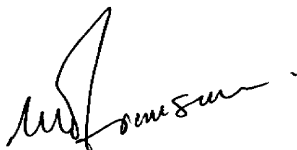
Something worth achieving is something to fight for – and that we are - within the public transport arena. Last year saw us firm up the Public Transport Improvement Programme (PTIP), make significant strides in intergovernmental relations with the City of Cape Town, begin delivery of an Integrated Fare Management System, launch the taxi recapitalisation programme and, in general, place a number of building blocks in place. Something that both my department and I have is the will to make a success of this, our greatest challenge and most substantial legacy.

No matter that we can pat ourselves on the back for the successes we have achieved, there is always more we can do, better ways to do them. I believe any organization has to have a process of continual improvement and as long as there is movement forward, it is positive. “*Our greatest glory consists not in never falling, but rising every time we fall.*”

In support of that, I want to thank both the Standing Committee on Public Accounts and the Standing Committee on Finance and Economic Development for their robust engagements with the Department. Such engagements always add value to our work and we do appreciate it. Then, our achievements in the last year would not have been possible without all the staff in my Department, each and every person – from our road working teams whose task it is to maintain our valuable road network, the administration staff who keep the wheels turning in our department, to the management (at all levels) whose responsibility it is to drive the strategic direction. I must thank my Accounting Officer, who has worked many long hours, in a pressurized environment, to continuously lead this large and complex department.

Finally, da Vinci's quotation is apt: “*Obstacles cannot crush me. Every obstacle yields to stern resolve. He who is fixed to a star does not change his mind.*” We are fixed to making a very real

difference in the lives of the people of the Western Cape, fixed to building the Western Cape into a real and tangible Home for All.

A handwritten signature in black ink, appearing to read 'Marius Fransman', written in a cursive style.

MARIUS FRANSMAN

MINISTER OF TRANSPORT AND PUBLIC WORKS

Date: 28 September 2007

ORGANISATIONAL STRUCTURE

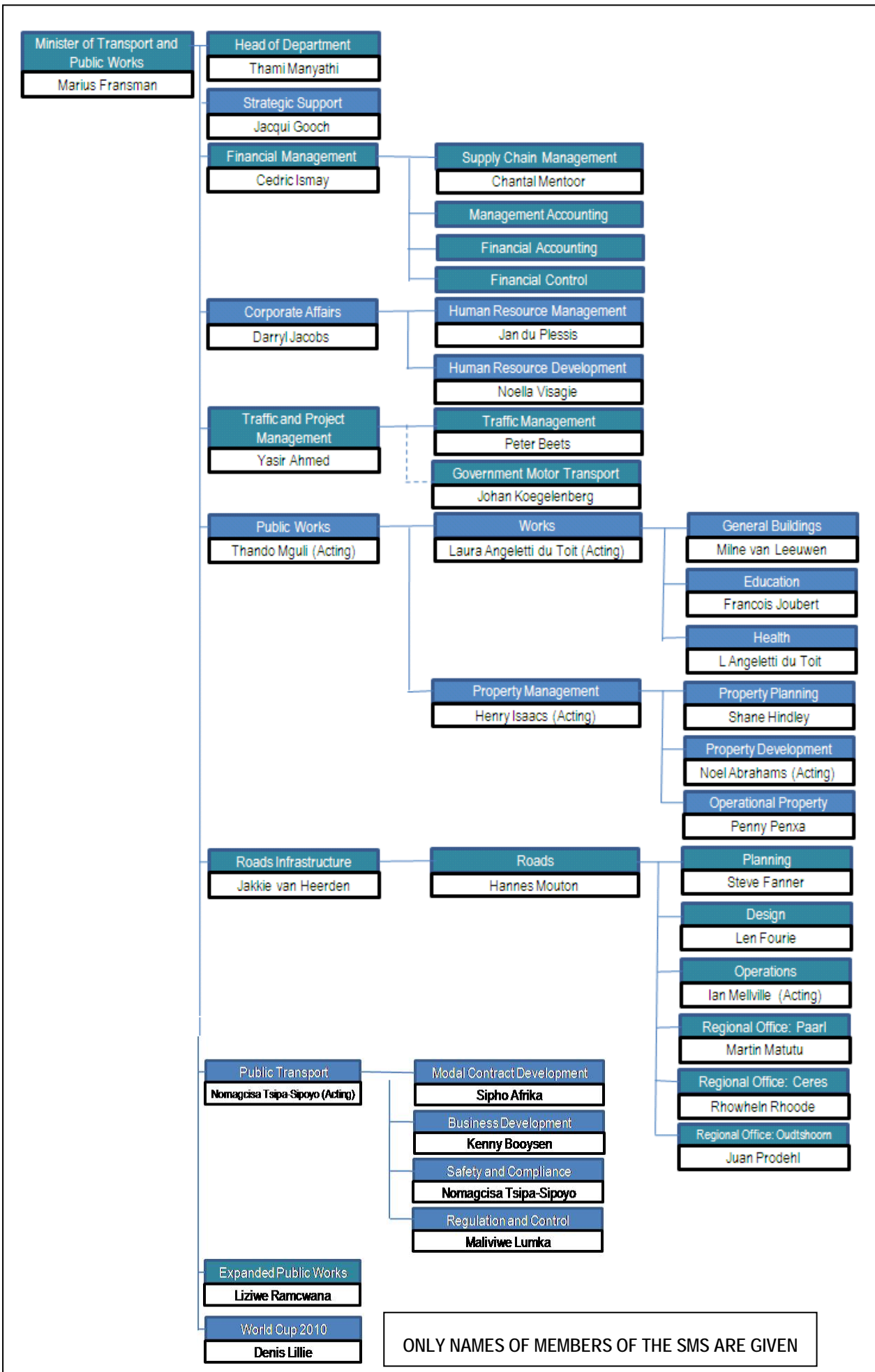


TABLE OF CONTENTS

FOREWORD	i
ORGANISATIONAL STRUCTURE.....	iii
LIST OF TABLES.....	vii
LIST OF FIGURES.....	xi
ABBREVIATIONS	xii
PART ONE: GENERAL INFORMATION	1
Submission of the Annual Report.....	1
Introduction.....	1
Information on the Ministry	2
Vision and Mission Statement.....	3
Legislative Mandate.....	3
PART TWO: PROGRAMME PERFORMANCE	6
Voted Funds	6
Aim of the Vote	6
Summary of Programmes.....	6
Overview of the Service Delivery Environment for 2006/07.....	7
Overview of the Organisational Environment for 2006/07.....	9
Strategic Overview and Key Policy Developments for the 2006/07 Financial Year.....	11
Departmental Receipts.....	13
Specific challenges and responses	14
Issues requiring ongoing attention.....	14
Departmental Payments.....	15
Specific challenges and responses	17
Programme Performance	17
Service Delivery Achievements.....	19
Programme 1: ADMINISTRATION	19
Programme 2: PUBLIC WORKS	22
Programme 3: ROAD INFRASTRUCTURE.....	31
Programme 4: PUBLIC TRANSPORT	40
Programme 5: TRAFFIC MANAGEMENT	49
Programme 6: COMMUNITY-BASED PROGRAMME	56

Transfer Payments	63
Conditional Grants.....	66
Performance	66
Capital Investment, Maintenance and Asset Management Plan	67
Roads infrastructure.....	67
Public Works	72
Public Transport.....	75
General	75
PART THREE: SHARED AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDING 31 MARCH 2007	78
Appointment of the Shared Audit Committee.....	78
Audit Committee Members and Attendance.....	78
Audit Committee Responsibility.....	78
Effectiveness of Internal Control	78
Internal Audit Function	78
Quality Assurance Review.....	79
Internal Audit Findings	79
Risk Management.....	79
Auditor General.....	79
Information Technology	79
In Year Management Reporting	80
Evaluation of Financial Statements	80
Appreciation.....	80
PART FOUR: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007.....	82
PART FIVE: OVERSIGHT REPORT - HUMAN RESOURCE MANAGEMENT	152
Service Delivery.....	153
Expenditure	160
Employment and Vacancies.....	162
Job Evaluation	163
Employment Changes	165
Employment Equity.....	167
Performance Rewards.....	170
Foreign Workers	172

Leave Utilisation for the Period 1 January 2006 to 31 December 2006.....	173
HIV & AIDS, and Health Promotion Programmes	175
Labour Relations	177
Skills Development.....	179
Injury on Duty	180
Utilisation of Consultants.....	181

LIST OF TABLES

Table 1: Programme and Sub-Programme Structure	6
Table 2: Summary of post vacancies and supernumeraries.....	10
Table 3: Key expenditure indicators.....	10
Table 4: Progress with promoting Historically Disadvantaged Individuals (HDI).....	11
Table 5: Departmental receipts.....	14
Table 6: Variance between actual expenditure and budget.....	17
Table 7: The Province's property portfolio by Department.....	23
Table 8: The Province's leased portfolio by Department	23
Table 9: Condition of government buildings by Department.....	24
Table 10: The Demand for new space.....	24
Table 11: Programme 2: Measurable Objectives, Performance Indicators and Targets.....	26
Table 12: Condition of road infrastructure by region.....	32
Table 13: Sub-Programme 3.2: Planning: Measurable Objectives, Performance Indicators and Targets	35
Table 14: Sub-Programme 3.3: Design: Measurable Objectives, Performance Indicators and Targets	36
Table 15: Sub-Programme 3.4: Construction: Measurable Objectives, Performance Indicators and Targets	36
Table 16: Sub-Programme 3.5: Maintenance: Measurable Objectives, Performance Indicators and Targets	37
Table 17: Sub-Programme 4.2: Planning: Measurable Objectives, Performance Indicators and Targets	43
Table 18: Sub-Programme 4.3: Infrastructure: Measurable Objectives, Performance Indicators and Targets	44
Table 19: Sub-Programme 4.4: Empowerment and Institutional Management: Measurable Objectives, Performance Indicators and Targets.....	44
Table 20: Sub-Programme 4.5: Operator Safety and Compliance: Measurable Objectives, Performance Indicators and Targets.....	45
Table 21: Sub-Programme 4.6: Regulation and Control: Measurable Objectives, Performance Indicators and Targets	45
Table 22: Sub-Programme 5.2: Safety Engineering: Measurable Objectives, Performance Indicators and Targets	51
Table 23: Sub-Programme 5.3: Transport Administration and Licensing: Measurable Objectives, Performance Indicators and Targets.....	51
Table 24: Sub-Programme 5.4: Overload Control: Measurable Objectives, Performance Indicators and Targets	52

Table 25: Demand for and performance of Community Based Programmes by region.....	58
Table 26: Programme 6: Community Based Programme: Measurable Objectives, Performance Indicators and Targets	59
Table 27: Programme 2: Public Works	63
Table 28: Programme 3: Roads Infrastructure.....	63
Table 29: Programme 4: Public Transport.....	64
Table 30: Programme 5: Traffic Management	65
Table 31: Programme 6: Community Based Programme.....	66
Table 32: Summary of Conditional Grants for 2006/07	66
Table 33: Roads Infrastructure	68
Table 34: Summary of the condition of provincial road infrastructure	70
Table 35: Public Works Projects started in 2006/07, but not completed	72
Table 36: Public Works Projects completed in 2006/07	73
Table 37: Public Works: Summary of Projects.....	74
Table 38: Main Services Provided and Standards.....	153
Table 39: Consultation Arrangements with Customers	158
Table 40: Service Delivery Access Strategy	158
Table 41: Service Information Tool	159
Table 42: Complaints Mechanism.....	159
Table 43: Personnel Costs by Programme, 2006/07	160
Table 44: Personnel Costs by Salary Bands, 2006/07	160
Table 45: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 2006/07	161
Table 46: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Salary bands, 2006/07	161
Table 47: Employment and Vacancies by Programme, 31 March 2007	162
Table 48: Employment and Vacancies by Salary Bands, 31 March 2007	162
Table 49: Employment and Vacancies by Critical Occupation, 31 March 2007	162
Table 50: Job Evaluation, 1 April 2006 to 31 March 2007	163
Table 51: Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded, 1 April 2006 to 31 March 2007	163
Table 52: Employees whose salary Level Exceed the Grade Determined by Job Evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)	164
Table 53: Annual Turnover Rates by Salary Band for the Period 1 April 2006 to 31 March 2007	165

Table 54: Annual Turnover Rates by Critical Occupation for the Period 1 April 2006 to 31 March 2007	165
Table 55: Reasons Why Staff are Leaving the Department	166
Table 56: Promotions by Critical Occupation.....	166
Table 57: Promotions by Salary Band	166
Table 58: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Categories as on 31 March 2007.....	167
Table 59: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Bands as on 31 March 2007	167
Table 60: Recruitment for the Period 1 April 2006 to 31 March 2007	168
Table 61: Promotions for the Period 1 April 2006 to 31 March 2007.....	168
Table 62: Terminations for the Period 1 April 2006 to 31 March 2007	169
Table 63: Disciplinary Action for the Period 1 April 2006 to 31 March 2007	169
Table 64: Skills Development for the Period 1 April 2006 to 31 March 2007	169
Table 65: Performance Rewards by Race, Gender and Disability, 1 April 2006 to 31 March 2007 (Senior Management included).....	170
Table 66: Performance Rewards by Salary Bands for Personnel Below Senior Management Service, 1 April 2006 to 31 March 2007.....	170
Table 67: Performance rewards by Critical Occupations, 1 April 2006 to 31 March 2007	171
Table 68: Performance Related Rewards (cash bonus), by Salary band for Senior Management Service	171
Table 69: Foreign Workers, 1 April 2006 to 31 March 2007, by Salary Band	172
Table 70: Foreign Workers, 1 April 2006 to 31 March 2007, by Major Occupation.....	172
Table 71: Sick Leave, 1 January 2006 to 31 December 2006.....	173
Table 72: Disability Leave (temporary and permanent), 1 January 2006 to 31 December 2006	173
Table 73: Annual Leave, 1 January 2006 to 31 December 2006	174
Table 74: Capped Leave, 1 January 2006 to 31 December 2006.....	174
Table 75: Leave Payouts for the Period of 1 April 2006 to 31 December 2006	174
Table 76: Steps Taken to reduce the risk of Occupational Exposure.....	175
Table 77: Details of Health Promotion and HIV & AIDS Programmes	175
Table 78: Misconduct and Disciplinary Headings Finalised, 1 April 2006 to 31 March 2007	177
Table 79: Types of Misconduct Addressed at Disciplinary Hearings.....	177
Table 80: Grievances Lodged for the Period 1 April 2006 to 31 March 2007.....	177
Table 81: Disputes Lodged with Councils for the Period 1 April 2006 to 31 March 2007	177
Table 82: Strike Actions for the Period 1 April 2006 to 31 March 2007	178

Table 83: Precautionary Suspensions for the Period 1 April 2006 to 31 March 2007	178
Table 84: Training Needs Identified, 1 April 2006 to 31 March 2007	179
Table 85: Training Provided, 1 April 2006 to 31 March 2007	179
Table 86: Injury on Duty, 1 April 2006 to 31 March 2007	180
Table 87: Report on Consultant Appointments Using Appropriated Funds	181
Table 88: Analysis of Consultant Appointments Using Appropriated Funds, in terms of Historically Disadvantaged Individuals (HDIs).....	181
Table 89: Report on Consultant Appointment Using Donor Funds.....	182
Table 90: Analysis of Consultant Appointments Using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs).....	182

LIST OF FIGURES

Figure 1: Organisational Structure Linked to Programme 1	18
Figure 2: Organisational Structure Linked to Programme 2	21
Figure 3: Organisational Structure Linked to Programme 3	30
Figure 4: Organisational Structure Linked to Programme 4	39
Figure 5: Organisational Structure Linked to Programme 5	48
Figure 6: Organisational Structure Linked to Programme 6	55

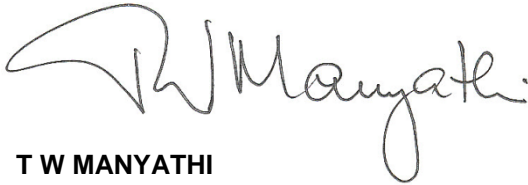
ABBREVIATIONS

ABE	Affirmable Business Enterprises	MEDS	Micro Economic Development Strategy
AsgiSA	Accelerated and Shared Growth Initiative of South Africa	MIG	Municipal Infrastructure Grant
BBBEE	Broad Based Black Economic Empowerment	MTEF	Medium Term Expenditure Framework
BEE	Black Economic Empowerment	MVTS's	Motor Vehicle Testing Stations
BOT	Build, Operate and Transfer	NaTIS	National Traffic Information System
CARP	Community Access Roads	NEMA	National Environmental Management Act, 1998
CBD	Central Business District	NHTS	National Household Travel Survey
CBP	Community Based Programmes	NLTTA	National Land Transport Transition Act, 2000
CBPWP	Community Based Public Works Programme (Branch)	NQF	National Qualification Framework
CCT	City of Cape Town	PDI	Previously Disadvantaged Individual
CETA	Construction Sectoral Education and Training Authority	PFMA	Public Finance Management Act, 1999
CIDB	Construction Industry Development Board	PGDS	Provincial Growth and Development Strategy Green Paper
DBSA	Development Bank of South Africa	PIG	Provincial Infrastructure Grant
DLTC	Driver Licence Testing Centre	POLB	Provincial Operating Licence Board
EEP	Employment Equity Plan	PPP	Public Private Partnership
DORA	Division of Revenue Act	PrDP	Professional Drivers Permit
EIA	Environmental Impact Assessment	PSAIP	Provincial Strategic Accommodation Infrastructure Plan
EPWP	Expanded Public Works Programme	PSDF	Provincial Spatial Development Framework
FET	Further Education and Training	PTP	Public Transport Plan
FIFA	Federation Internationale de Football Association	PTIP	Public Transport Improvement Programme
GIAMA	Government Immovable Assessment Management Bill	ROD	Record of Decision
HDI	Historically Disadvantaged Individual	RPM	Rational Portfolio Management system
HEI	Higher Education Institution	TETA	Transport Education and Training Authority
IDP	Integrated Development Plan (municipal)	SALGA	South African Local Government Association
IDT	Independent Development Trust	SANRAL	South African National Roads Agency Limited
IDIP	Infrastructure Delivery Improvement Programme	SAPS	South African Police Service
ITP	Integrated Transport Plan	SARCC	South African Rail Commuter Corporation
LIC	Labour Intensive Construction	SDA	Service Delivery Agreement
MEC	Member of the Executive Council	SIP	Strategic Infrastructure Plan
SME	Small Medium Enterprise	UA	User Agreement
SMME	Small Medium and Micro Enterprise	WCLLA	Western Cape Land Administration Act, 1998
TRAC	Technology Research Activity Centre	WEO	Women Equity Ownership

PART ONE: GENERAL INFORMATION

SUBMISSION OF THE ANNUAL REPORT

It is my pleasure to formally submit the Annual Report for the period 1 April 2006 to 31 March 2007 of the Department of Transport and Public Works in terms of the Public Finance Management Act, 1999 to Minister M Fransman, Provincial Minister of Transport and Public Works.



T W MANYATHI

ACCOUNTING OFFICER

Date: 27 September 2007

INTRODUCTION

At the start of the 2006/07 financial year, targets were set for different areas in the Department, in order to ensure that performance can be measured. The most important targets, listed within the Annual Performance Plan for the year under review are as follows:

- Offering of bursaries to reach a goal of 250 in 2008/09 for scarce skills, such as engineering, architecture and project management;
- The delivery of health infrastructure through 164 planning projects, 140 maintenance projects and 50 construction projects;
- The delivery of education infrastructure through 30 planning projects, 205 maintenance projects and 50 construction projects;
- Improve safety, access and mobility; and reduce road user costs through 13 construction projects, 1 008 km of roads maintained (resealing and regravelling) and 8 designs;
- The finalizing of 6 public transport plans, ie one for each of the district municipalities and the metropolitan area, and the beginning of the operational contracts in the metro;
- Improving the management of accident information through the verification of 18 000 accident forms to assist in identifying high accident spots; and to reduce the damage to road infrastructure through the overload testing of 480 000 vehicles;
- Empowering community workers through the attainment of 600 NQF training units, 70 community projects for skills development; and the development of emerging contractors through 50 mentorships.

Some of the specific projects which were identified to be undertaken are as follows:

- Completion of the upgrading of George Regional Hospital
- Commence second phase of the Vredenburg District Hospital upgrade
- Continuation of the Worcester Regional Hospital upgrade
- Commence the planning of the Khayelitsha Hospital and Mitchell's Plain Hospital
- Commence the construction of Paarl Hospital
- Upgrading of the Mowbray Maternity Hospital
- Creation of approximately 1 000 learnerships for artisans, technicians and professionals within the built environment sector
- Flagship EPWP project of Gansbaai-Bredasdorp road upgrade
- Improvements to N1 corridor to facilitate freight access
- Commencement of the N2 corridor upgrade and airport interchange for 2010 FIFA World Cup

- Roll-out of the public transport operational contracts in the metropolitan area commencing with the Klipfontein Corridor
- Introduction of integrated fare management and advanced vehicle location systems to support integrated transport
- Establishment of a Shared Services Centre to improve the issuing of operating licences to prospective public transport operators
- Ensuring legal compliance with the issuing of learners and driving licences
- Training approximately 500 municipal and provincial motor vehicle administration staff and examiners of driving licences
- Installation of electronic weigh-in motion equipment at weighbridge sites
- “Learnership 1000” through which 200 New Venture Learnerships for individuals to start business ventures and 800 skills focused learnerships will be established.

In support of achieving the abovementioned targets, this Department spent 97.1% of its budget. Given the increase in the baseline allocation of funding to repair flood-damaged roads, it was difficult to spend that earmarked funding before the close of the financial year. If this funding is omitted from the calculations, the Department spent 99% of its allocated budget.

Many of the projects outlined above were achieved or begun. The roll-out of the public transport contracts did not begin during the past year, as consultation was required with both the national Department of Transport and National and Provincial Treasuries, to support the substantial increase required in subsidy allocations.

INFORMATION ON THE MINISTRY

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

- Promoting the Masakh'iSizwe bursary programme to put a long term strategy in place to alleviate the shortage of professionals with scarce skills;
- Directing the further development of the Strategic Infrastructure Plan to its launch in March 2007;
- Focus placed on the upscaling of the Expanded Public Works Programme within the Department and the improved co-ordination of the EPWP;
- Focus on the Women in Construction initiative to promote gender equity within the construction sector; and
- Learnership 1000 with the initial focus on 800 skills targeted learnerships.

INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Provincial Operating Licence Board

Provincial Transport Registrar

BILLS SUBMITTED TO THE LEGISLATURE DURING THE FINANCIAL YEAR

No bills were submitted during the last financial year to the Legislature.

MINISTERIAL VISITS ABROAD

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

PLACE	DATE	PURPOSE
India, Singapore and Malaysia	September 2006	Focus on public transport and skills development
Dubai	November 2006	Discussions on investment in the Western Cape

VISION AND MISSION STATEMENT

VISION

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

MISSION

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

LEGISLATIVE MANDATE

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

- Advertising Along Roads and Ribbon Development Act, 1940 (Act 21 of 1940)
- Cape Roads Ordinance, 1976 (Ord. 19 of 1976)
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- Constitution of the Western Cape, 1998 (Act 1 of 1998)
- Construction Regulation R1010 of 2003 (for compliance to occupational health and safety within the construction industry)
- Construction Industry Development Board Act, 2000 (Act 38 of 2000) and Regulations
- Division of Revenue Act (an annual Act of Parliament)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Municipal Finance Management Act, 2003 (Act 56 of 2003)
- National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)
- National Land Transport Transition Act, 2000 (Act 22 of 2000)
- National Road Traffic Act, 1996 (Act 93 of 1996)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and Regulations
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulations, 2005
- Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001
- Road Safety Act, 1972 (Act 9 of 1972)
- Road Transportation Act, 1977 (Act 74 of 1977)
- Road Traffic Act, 1989 (Act 29 of 1989)
- Skills Development Act, 1998 (Act 97 of 1998)
- Western Cape Toll Road Act, 1999 (Act 11 of 1999)
- Western Cape Land Administration Act, 1998 (Act 6 of 1998)
- Western Cape Road Traffic Act, 1998 (Act 12 of 1998) - [presently being re-drafted]

The following statutory bodies report to the Department of Transport and Public Works:

- Provincial Operating Licence Board
- Provincial Transport Registrar

Provincial Operating Licence Board (POLB)

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

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
 - Applications for the granting of operating licences for interprovincial transport
 - Applications for the renewal, amendment or transfer of operating licences for intraprovincial transport; and
 - Applications for the renewal, amendment or transfer of operating license for interprovincial transport

Provincial Transport Registrar

The Provincial Transport Registrar is established in terms of Section 53 of the National Land Transport Transition Act, 2000 (Act 22 of 2000).

The functions of the 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;
- Keep records of all information required to maintain the National Transport Register.

The trading entity, Government Motor Transport (GMT) reports to the Department of Transport and Public Works.

Government Motor Transport (GMT)

Government Motor Transport (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 provincial government as from 1 April 1988.

The functions of GMT mainly include the following:

- 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

VOTED FUNDS

APPROPRIATION	MAIN APPROPRIATION	ADJUSTED APPROPRIATION	ACTUAL AMOUNT SPENT	(OVER) / UNDER EXPENDITURE
R'000s	R'000s	R'000s	R'000s	R'000s
2 321 437	2 064 326	257 111	2 254 031	67 406
Responsible Minister	Minister of Transport and Public Works			
Administering Department	Department of Transport and Public Works			
Accounting Officer	Superintendent General of Transport and Public Works			

AIM OF THE VOTE

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

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 Table 1.

Table 1: Programme and Sub-Programme Structure

PROGRAMME	SUB-PROGRAMME
1. Administration <i>To provide the overall management and administrative support of the department.</i>	1.1 Office of the Provincial Minister – Transport and Public Works 1.2 Head of Department 1.3 Corporate Support
2. Public Works <i>To provide accommodation for all provincial departments, manage the provincial portfolio for the optimum benefit of all those concerned and to render professional and technical services to departments in respect of buildings and related infrastructure. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i>	2.1 Programme Support 2.2 Health 2.3 Education 2.4 Agriculture 2.5 Social Development 2.6 Other Infrastructure 2.7 Property Management
3. Roads Infrastructure <i>To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social and economic growth through socially just, developmental and empowering processes. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i>	3.1 Programme Support 3.2 Planning 3.3 Design 3.4 Construction 3.5 Maintenance
4. Public Transport <i>To plan, regulate and facilitate the provision of public transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as</i>	4.1 Programme Support 4.2 Planning 4.3 Infrastructure 4.4 Empowerment and Institutional

<p><i>the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</i></p>	<p>4.5 Management 4.6 Operator Safety and Compliance Regulation and Control</p>
<p>5. Traffic Management <i>To create an appropriately authorized and safe transport environment, provide a professional and efficient service to all clients and to maximize revenue generation. The Expanded Public Works Programme is one of the methods utilised to deliver these services.</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 Programme (CBP) <i>To ensure delivery of accessible services through integrated, socially just, developmental and empowering processes in order to improve the quality of life of communities within the Western Cape by way of community development and the Expanded Public Work Programme.</i></p>	<p>6.1 Programme Support 6.2 Empowerment Impact Assessment 6.3 Community Development 6.4 Emerging Contractor Development</p>

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2006/07

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

Provincial Growth and Development Strategy (PGDS)

During 2006/07 the Department of the Premier released the Provincial Growth and Development Green Paper. A priority focus was placed on integrated transport as the path breaker for achieving shared growth and integrated development. This significantly raised the profile of the various interventions which were being contemplated within, especially, the public transport environment, and required the department to ensure that priority programmes began implementation.

Intergovernmental arrangements

A strong push to ensure integration in delivery of services and programme design required the Department to engage more regularly and vigorously with other line function departments, government spheres and stakeholders. Strongly linked to this was the successful agreement reached between the City of Cape Town, the National Department of Transport as well as this department regarding the intergovernmental arrangements for integrated transport. The agreement allows for the formation of a Public Transport Operating Entity (PTOE) in terms of provincial legislation as well as a Transport Planning Advisory Council formed by the City of Cape Town. This impacted on the manner in which the department has to begin arranging itself to allow for the formation of the PTOE.

Skills

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

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

Construction Industry Development Board (CIDB)

Compliance with the Construction Industry Development Board Act, 2000 (CIDBA) took effect from 31 August 2005 with regard to the Province of the Western Cape. As an infrastructure delivery organisation the Department registered with the Construction Industry Development Board to gain access to the Register of Projects and the Register of Contractors. All contractors have to be registered on the Register of Contractors to enable the award of tenders. The Department was involved in marketing, registration of contractors and implementation of a contractor development strategy. Tenders were advertised in terms of the prescribed grading and categorisation of works for

both type of works and values. An imbalance has developed between the availability of contractors in certain categories and the number of projects being advertised for those categories, which results in certain contractors becoming over-committed.

The department in collaboration with the CIDB is setting up the CIDB Construction Contact Centre (CCC) that will commence services by 1 August 2007, in order to enable easy access for the industry to the CIDB, as well as to support emerging contractors. Furthermore, the department is actively involved with the CIDB in developing the CIDB professional service providers register.

Service delivery agreements

In relation to the funding of infrastructure programmes and in terms of Section 13 of the Division of Revenue Act, 2005 the Provincial Departments of Health and Education are responsible for all capital and maintenance budgets and spending. As the department manages and undertakes construction and maintenance on their behalf, service delivery agreements were entered into with the respective Departments as contemplated in the Act. The department also engaged with the remaining departments in the development of service delivery agreements for services which have to be delivered to them and it is expected that these will be concluded during 2007/2008.

In order to ensure that the department complies with the Infrastructure Delivery Improvement Programme (IDIP), an Infrastructure Programme Implementation Plan (IPIP) was developed in response to the management plans of the Departments of Health and Education. The IPIP also includes infrastructure requirements from the Property Management Unit.

The demand for the issuing of learner's and driving licences has increased to such an extent that the waiting period on average is six months. Driving Licence Testing Centres (DLTC) governed by local authorities, but registered and audited by the Department, are responsible for the issuing of such licences. The Department is in the process of entering into Service Level Agreements with the said centres in order to improve service delivery. It is the intention to complete this process during 2007/08.

Cost of delivery

The budget allocation for road infrastructure is being eroded by sharp increases in construction prices – an average of 30% above conservative pre-tender estimates – negating increases in budget allocations. Backlogs in road provision and maintenance therefore continue to grow.

The increase in the cost of delivery, which is a result of the boom in the construction industry, had a negative impact in the building industry, in particular to contractors who had already been awarded contracts prior to the boom, as the escalation formulae could not accommodate the increased building prices. This had an especially damaging effect on HDI contractors.

Flood damage

Extensive flooding during July/August 2006 in the Southern Cape caused great damage to the road network exceeding R100 million in value, as well as nature reserves. Although the roads could generally be made trafficable within a month, structural damage is still being dealt with and will continue to be repaired into the 2007/08 financial year. The Provincial Treasury negotiated successfully for a national allocation to cover most of these additional costs.

Environmental Impact Assessments

The obtaining of Records of Decisions (ROD), in respect of environmental impact assessments in terms of environmental legislation requirements has a constraining effect on the department's ability to plan and deliver infrastructure projects within committed timeframes. The ROD for Chapman's Peak is still awaited.

Approval of quarries and borrow pits

Delays of up to nine months in obtaining approval for borrow pits for road construction translated into projects being delayed. Furthermore, as contractors could no longer source materials locally it reflected in contract prices as resources from remote sites had to be used.

Transport planning processes

Integrated Transport Plans were prepared by the District Municipalities with the assistance of departmental officials and consulting engineers, but there is still much room for improvement on the quality of these plans.

Public Transport environment

The delivery of public transport in the Province is dependent on the involvement of a myriad of stakeholders – from the municipalities, to the national Department of Transport, to the various public transport operational industries, i.e. the minibus taxi industry, the SMME bus operators, as well as the metered taxi industry. Difficulties were experienced with the intergovernmental alignment of projects with municipalities that impacted on the department's ability to roll-out projects in partnership. In addition, on-going instability in the minibus taxi industry prohibited the department from gaining buy-in and ownership of various programmes which required their active participation.

Compliance Monitoring Unit

The delegation of powers by the national Minister of Transport to enforce legal compliance at vehicle testing stations and driving licence testing centres to Provincial Compliance Monitoring Units is pending. This renders such units unable to enforce compliance at the various centres and results in dependency on interventions by the relevant national inspectorates, which in turn causes inefficiencies in the system. The national Department of Transport and RTMC are currently defining the roles and functions of the national and provincial monitoring bodies. It is the intention to complete this process during 2007/08.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2006/07

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

Macro-level Restructuring

The Provincial Cabinet approved a redesign of the macro-level functional model for the department to ensure that the department's structure is aligned to meeting provincial and national priorities, to enhance the capacity of high-level research and policy development and to facilitate integrated planning.

Change in key personnel

During the period under review five Members of the Senior Management Service, one each from the Roads Infrastructure, Community Based Programme and Public Works Branches and two from the Public Transport Branch left the employ of the department.

Skills

Public Transport requires specialised skills to perform technical functions and fulfil the unique requirements of public transport. Difficulty was experienced in contracting in the skills to compensate for the inadequate organisational structure design.

Roll-out of Enterprise Content Management System (Livelink)

To optimize records management, the department procured and rolled out the first phase of the Enterprise Content Management System software solution. Through this system the Department is now able to create work flow and image scanning to facilitate enterprise content management and movement towards a paperless environment. In addition, the electronic file tracking system will build efficiencies in the management of departmental records

Overload control

Weigh-in-motion electronic surveillance systems were introduced, enabling early on-road identification of possibly overloaded vehicles. This has reduced the number of vehicles that need to be put over the weighbridges and is thus to the benefit of the law-abiding hauliers.

Electronic data management systems introduced at the weighbridges made automatic reporting possible and eliminated the possibility of fraudulent transactions.

Law enforcement capacity remains a constraint at the Department of Community Safety and Municipal Traffic Police, which constrains the department's efforts to meet set overload control targets.

Table 2: Summary of post vacancies and supernumeraries

STAFF CATEGORIES	NUMBER			% AVERAGE ANNUAL CHANGE
	2004	2005	2006	
Total staff complement	1 894	1 864	1 866	0.74
Number of professional and managerial posts	303	298	314	1.86
Number of professional and managerial posts filled	205	201	227	5.49
Number of excess staff	0	0	0	0

Note: Professionals & Managers include SMS members

Table 3: Key expenditure indicators

CATEGORY OF EXPENDITURE	PERCENTAGE OR RANDS ('000s)			AVERAGE %
	2004	2005	2006	
Compensation of employees expenditure as % of total expenditure	11.08	8.97	8.03	9.36
Expenditure on maintenance of buildings as a % of total expenditure	3.14	2.08	1.88	2.36
Expenditure on maintenance of road infrastructure as a % of total expenditure	32.35	32.38	29.20	31.28
Expenditure on construction of buildings as a % of total expenditure	4.80	4.07	3.21	4.03
Expenditure on construction of road infrastructure as a % of total expenditure	12.44	13.99	19.92	15.45
Expenditure on public transport infrastructure as a % of total expenditure	1.56	6.49	2.21	3.42
Other expenditure as a % of total expenditure	34.73	32.02	35.55	34.10
TOTAL	100.00	100.00	100.00	100.00

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

CATEGORY OF EXPENDITURE	PERCENTAGE OR RANDS ('000s)			ANNUAL AVERAGE
	2004	2005	2006	
ROADS INFRASTRUCTURE				
Number of contracts	184	140	143	156
Total value of contracts	R 556 858	R 578 852	R 791 302	R 642 337
% of total contracts to HDI by value	49.05%	36.35%	52.26%	45.89%
TRANSPORT				
Number of contracts	184	140	16	113
Total value of contracts	R 556 858	R 578 852	R 77 354	R 404 355
% of total contracts to HDI by value	49.05%	36.35%	40.60%	42.00%
PUBLIC WORKS GENERAL				
Number of contracts	76	90	74	80
Total value of contracts	R 41 703	R 54 561	R 89 411	R 61 892
% of total contracts to HDI by value	74.50%	68.17%	80.46%	74.38%
PUBLIC WORKS HEALTH				
Number of contracts	47	78	101	75
Total value of contracts	R 63 721	R 56 660	R 450 340	R 190 240
% of total contracts to HDI by value	96.41%	88.13%	68.97%	84.50%
PUBLIC WORKS EDUCATION				
Number of contracts	329	126	202	219
Total value of contracts	R 278 401	R 141 447	R 297 108	R 238 985
% of total contracts to HDI by value	77.67%	82.79%	71.18%	77.21%

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2006/07 FINANCIAL YEAR

The following major policy developments and legislative changes took place:

Strategic Infrastructure Plan (SIP)

The SIP was finalised and launched in March 2007. The main purpose of the SIP is to align, leverage, co-ordinate and target infrastructure investment of a myriad of roleplayers so as to achieve the anticipated outcomes of shared growth and integrated development. It identified five strategic thrusts, namely integrated transport, asset maintenance and management (with a focus on bulk

infrastructure), provision of basic sanitation, education, training and research, and sustainable management and use of resources.

Provincial Growth and Development Strategy (PGDS)

The PGDS Green Paper raised the profile of integrated transport as a key requirement to achieving shared growth and integrated development. Furthermore, the PGDS places a firm focus on the need to leverage government assets, especially property.

Intergovernmental Transport Agreement

Cabinet approved that a Public Transport Operating Entity (PTOE) may be formed in terms of provincial legislation. Drafts of the business case and legislation for the establishment of the PTOE have already been developed.

Government Immovable Asset Management Bill (GIAMA)

The Government Immovable Asset Management Bill was published on 14 October 2005 and was adopted by the Public Services Select Committee of the NCOP on 9 May 2007. The Bill must still be adopted by the NCOP and House of Assembly.

The Bill provides for both national and provincial governments to improve the management of their immovable assets. As the department acts as the custodian of the provincial property portfolio, the Bill will enable the Department to ensure that users of provincial properties use properties optimally.

The Bill further provides for improved planning for immovable assets, which in turn will result in more efficient and effective use of these resources. Provincial departments will also be required to compile User Immovable Asset Management Plans (UAMPs) as part of their strategic plans to be submitted annually to the Provincial Treasury. These plans should indicate how the assets are being planned and managed in terms of established asset management principles, based on the fundamental principle that the contribution of immovable assets to service delivery must be optimised. As a result of this improved planning it is expected that the fiscus will benefit from a reduction in the overall cost of service delivery coupled with reduced demand for new immovable assets.

Infrastructure Delivery Improvement Programme (IDIP)

The department actively participates in the National Treasury's Infrastructure Development Implementation Plan (IDIP). The aim of the programme is to assist in removing blockages that impede accelerated infrastructure delivery, ranging from organisational structure, financial and technical resources as well as modalities of delivery.

National Land Transport Transition (NLTTA) Amendment Act

Key amendments to the NLTTA were promulgated in a new Amendment Act during 2006/07. Regulations pertaining to transport planning flowing from these amendments were developed by the national Department of Transport and commented upon. Transport Impact Assessment regulations were drafted by the Department to ensure that private developers take due cognisance of all transport related matters, including public transport services and facilities, when planning new developments.

Public Transport Safety

A Draft Safety and Compliance strategy was developed. Its objective is to provide clear direction for Public Transport safety and enforcement agenda. The draft strategy identifies six strategic thrusts. The first four thrusts, collectively grouped under the "Strategy and Compliance Capability" focus on those activities that directly impact the everyday safety of public transport users. The remaining two thrusts grouped under the "Administration and Governance Capability" focus on those activities necessary to underpin and support the other four.

Fare Policy

A Draft Fare policy was developed and circulated to all the relevant stakeholders for comment in November 2006. The policy proposed a multi-zone fare structure suitable for all modes of public transport. These fare zones attempt to group homogenous zones in terms of land use and income

levels as well as to promote the corridor strategy for public transport. It also identifies fare levels for road-based contracted services, taking into account affordability and the promotion of public transport as the preferred mode of travel.

Registrar regulations

Draft Registrar regulations were developed and are at the ratification stage. These regulations aim to improve the regulation of the taxi industry and its associations' regulation and compliance.

Road Traffic Management Corporation (RTMC)

The Road Traffic Management Corporation came into effect in December 2005. The function of the body is the co-ordination of traffic related issues across the three spheres of government and between departments. From 1 July 2007 the RTMC will charge a transaction fee of R30-00 on the baseline fees determined by each province which will be paid over by all registering authorities.

Overload Control

Current levels of overloading are high and result in serious damage to the national, provincial and local road network in the Province. A policy to ensure the uniform handling of overloaded vehicles was dealt with as a matter of high priority and finalised together with the Department of Community Safety and the Director of Public Prosecutions. As part of the Department's continuous endeavour to address this problem, the upgrading of Beaufort West weighbridge site commenced and various electronic equipment and computer processes were upgraded.

Expanded Public Works Programme (EPWP)

A renewed mandate entails implementing a strategy for the up-scaling of the EPWP to give further impetus to bridging the gap between the first and second economies through the creation of work opportunities coupled with skills development. The 2006/07 financial year signified the implementation of the renewed mandate of the EPWP guided by the programme's massification strategy.

Special Needs Passenger Policy

Work progressed on the development of a public transport policy relating to universal access of the transport system for special needs passengers. A draft policy, along with supporting documentation was drafted and the process mapped for public participation in the 2007/08 financial year to bring the policy to finalization.

DEPARTMENTAL RECEIPTS

The net aggregate revenue collection is R80,308 million or 9,83% above the estimates for 2006/07. This performance is mainly attributed to over collection on motor vehicle licences revenue targets – R44 million, rentals – R2 million, licences and permits and other administrative fees– R8 million and sales of fixed capital assets – R3 million. The balance of R23 million emanates from a claim from the City of Cape Town that was surrendered to the Provincial Revenue fund.

The increased collection of revenue is mainly due to the following:

- Increased motor vehicle population and improved collection efforts.
- Higher than expected demand for personalised and special motor vehicle licence numbers.
- Higher than expected number of applications to stage sports and fun events and for filming shoots on public roads.
- Sale of capital assets of transactions initiated in the previous year.

Due to the unpredictable nature of proceeds flowing from the disposal of immovable assets such proceeds are appropriated per Provincial Treasury agreement when the cash is in the bank.

Table 5: Departmental receipts

DEPARTMENTAL RECEIPTS	ACTUAL COLLECTION 2005/06 R'000	BUDGETED COLLECTION 2006/07 R'000	ACTUAL COLLECTION 2006/07 R'000	% DEVIATION FROM TARGET
Current revenue				
Tax revenue	758 594	753 501	797 291	5.81%
Non-tax revenue	45 057	43 963	53 424	21.52%
Capital revenue				
Sales of capital assets	30 441	16 261	19 723	21.29%
Financial transactions in assets and liabilities	44 527	3 322	26 917	710.26%
Departmental revenue	878 619	817 047	897 355	9.83%

SPECIFIC CHALLENGES AND RESPONSES

Listed below are the most significant challenges affecting the Department.

Challenge 1: Registration and licensing of motor vehicles across provincial borders

Due to the relatively high motor vehicle licence fees in the Western Cape in comparison with other provinces, many fleet owners and businesses re-license their vehicles in provinces where fees are lower. This practice is contrary to the regulatory framework.

Response to Challenge 1

The promulgation of a regulation change recommended to the national Minister of Transport is pending. The licence inspectorate of the Department continues to follow-up identified cases and to issue notices for appropriate re-licensing. Motor vehicle licence fees in the province for the period 2006/07 were not increased.

Challenge 2: Optimal utilisation of immovable asset portfolio

Optimal utilising of the immovable asset portfolio to generate once-off receipts and revenue streams.

Response to Challenge 2

Development of an immovable asset management strategy encompassing the above.

ISSUES REQUIRING ONGOING ATTENTION

The further development/ roll-out of the macro organisational structure and supporting micro restructuring and relevant implementation plans require ongoing attention. The department is working closely with the Department of the Premier on the matter.

DEPARTMENTAL PAYMENTS

The Department spent R2,254 billion or 97.10% of the budget allocation.

PROGRAMME 1 - ADMINISTRATION

Expenditure for the 12 months to March 2007 was R70,040m or 98.25% after application of final virement.

Projected under / (over) spending:

Current:	R1,030m
Transfers:	R0,019m
Capital:	R0,197m
Total	R1,246m

The under spending is mainly due to vacant posts not being filled as planned.

PROGRAMME 2 - PUBLIC WORKS

Expenditure for the 12 months to March 2007 was R433,728m or 97.06% after application of final virement.

Projected under/ (over) spending:

Current:	R0,198m
Transfers:	R0,002m
Capital:	R12,950m
Total	R13,150m

The under spending is mainly due to the national Provincial Infrastructure Grant that was received in the Adjustments Estimate for the purposes of repairing flood damage for nature conservation facilities. Factors that contributed to this result include, but are not limited to the following: Additional burden on limited capacity, planning and design processes, contracting and construction phases running over more than one financial year.

PROGRAMME 3 - ROADS INFRASTRUCTURE:

Expenditure for the 12 months to March 2007 was R1,267,057m or 96.96% after application of final virement

Projected under/ (over) spending:

Current:	R9,038m
Transfers:	R5,286m
Capital:	R25,386m
Total	R39,710m

The under expenditure is due to the following:

FLOOD DAMAGE

The under spending includes a portion of the national Provincial Infrastructure Grant that was received in the Adjustments Estimate for the purposes of repairing flood damage for roads infrastructure. Of the total grant of R90,940 million, R33,578 million was not spend by 31 March 2007. Factors that contributed to this result include, but are not limited to the following: Additional

burden on limited capacity, planning and design processes, contracting and construction phases running over more than one financial year.

TRANSFERS

A Municipality was unable to execute a roads construction project within the financial year (R2,500 million). In addition municipalities submitted claims in respect of maintenance on municipal proclaimed roads late.

PROGRAMME 4 - PUBLIC TRANSPORT:

Expenditure for the 12 months to March 2007 was R159,583m or 96.69% after application of final virement.

Projected under/ (over) spending:

Current:	R1,344m
Transfers:	R4,007m
Capital:	R0,112m
Total	R5,463m

The under spending is mainly due to transfers towards the Dial-a-Ride service and the Entrepreneurial Development Programme for road based public transport modes that were temporarily postponed, as well as under spending on vacant posts not being filled as planned.

PROGRAMME 5: TRAFFIC MANAGEMENT:

Expenditure for the 12 months to March 2007 was R263,152m or 99.98% after application of final virement.

Projected under/ (over) spending:

Current:	R0,016m
Transfers:	R0,031m
Capital:	R0,003m
Total	R0,050m

PROGRAMME 6: COMMUNITY BASED PROGRAMME:

Expenditure for the 12 months to March 2007 was R60,471m or 88.59% after application of final virement.

Projected under/ (over) spending:

Current:	R0,494m
Transfers:	R0,002m
Capital:	R7,291m
Total	R7,787m

The contracting processes for certain projects were finalised late in the financial year causing a spill over of the construction phase into the new financial year.

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

Table 6: Variance between actual expenditure and budget

PROGRAMMES	MAIN APPROPRIATION 2006/07 R'000	ADJUSTMENTS APPROPRIATED R'000	VIREMENT R'000	TOTAL VOTED R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000
Administration	67 459	6 827	(3 000)	71 286	70 040	1 246
Public Works	330 496	125 725	(9 343)	446 878	433 728	13 150
Road Infrastructure	1 187 053	82 692	37 022	1 306 767	1 267 057	39 710
Public Transport	208 088	(28 692)	(14 350)	165 046	159 583	5 463
Traffic Management	202 944	64 687	(4 429)	263 202	263 152	50
Community Based Programme	68 286	5 872	(5 900)	68 258	60 471	7 787
TOTAL	2 064 326	257 111	0	2 321 437	2 254 031	67 406

SPECIFIC CHALLENGES AND RESPONSES

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

Challenge 1: Shortage of skilled staff

Attraction and retention of people with scarce skills, especially suitably skilled professional and technical staff in the fields of engineering, architecture and other skills in the built sector.

Response to Challenge 1

To bring about some relief in this regard, a unit was created for the recruitment of bursary holders and candidate engineers in the roads construction environment. The aim is to provide young graduates and professionals-in-training the opportunity to get exposed to the actual working environment, and through intensive mentoring programmes, enable them to become registerable with professional bodies. At the same time a positive working experience may convince young professionals to stay within the Department after conclusion of their training programmes. This initiative is in support of the 230 bursary holders currently on the Masakh'iSizwe program.

Challenge 2: Alignment of business processes and structure to strategy

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

Response to Challenge 2

The re-organisation of the Department's macro organisational structure was undertaken in collaboration with the Department of the Premier, in order to align business processes and the overall direction of the Department with the strategic intent of the Government of the Western Cape.

PROGRAMME PERFORMANCE

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

**PROGRAMME ONE:
ADMINISTRATION**

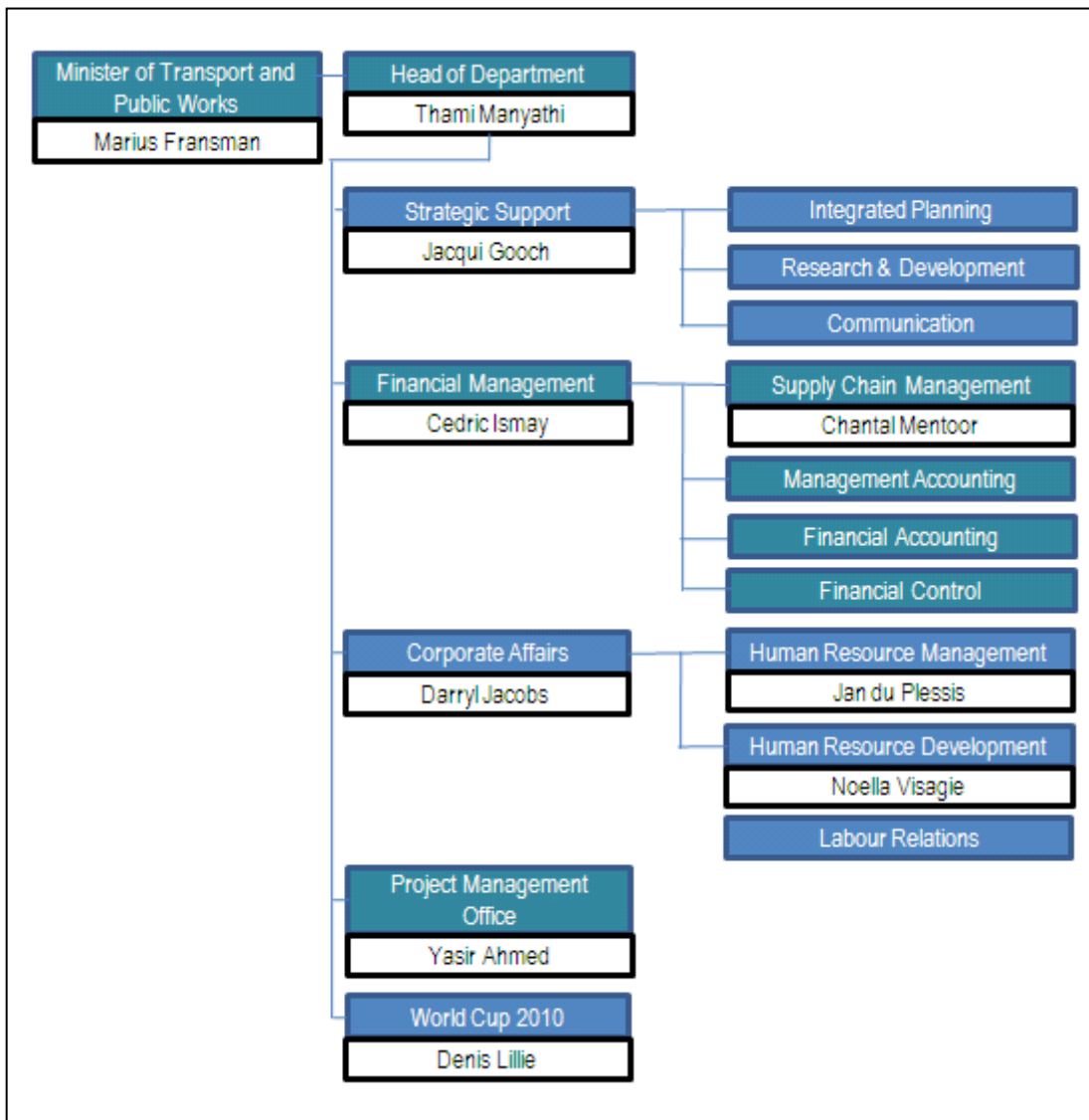


Figure 1: Organisational Structure Linked to Programme 1

PROGRAMME 1: ADMINISTRATION

REVIEW

A Project Director to co-ordinate the Department's activities with respect to delivery for the 2010 FIFA World Cup, was appointed. In so doing, relationships and alignment between the Department and the City of Cape Town's 2010 FIFA World Cup team were strengthened.

The first Strategic Infrastructure Plan was completed and launched during March 2007. A substantial amount of research and background work was undertaken in its development, highlighting a number of areas where this Department should concentrate its efforts. Such an example is in risk reduction – ensuring that the standards to which we design buildings and roads are updated for the current situation, where heavy rainfalls and flooding are becoming commonplace and should not be considered a disaster. Further areas include the focus to be placed on improving public transport, providing appropriate funding and management in terms of asset management and maintenance, as well as the sustainable use of resources with respect to building design and construction.

The re-organisation of the Department's macro organisational structure was undertaken in collaboration with the Department of the Premier, in order to align business processes and the overall direction of the Department with the strategic intent of the Government of the Western Cape. The outcome of this process will be submitted to cabinet early in 2007, and implemented in new financial year.

The implementation of phase 1 of the Enterprise Content Management system brought substantial benefits in moving towards a paperless environment. In this regard progress was made with the introduction of electronic work flow, specifically pertaining to recruitment and appointment processes. The immediate spin-off in this regard is the imaging and tracking of personal data and eliminating delays.

Human rights-based approach to service delivery

This Department has engaged with other provincial departments, under the direction of the Department of the Premier, towards developing and ultimately instilling a human rights-based approach to service delivery within the Provincial Government Western Cape. The process embraces a two-pronged approach, with one objective being to transform the internal processes and the other focused on service delivery to the public at large. The adoption of a human rights-based approach will acknowledge the human rights of individuals and groups by addressing disparity, discrimination, inequality, poverty, exploitative power relations and the exclusion from participation. The Provincial Government Western Cape is both employer and service provider to the people of the Western Cape. In fulfilling these roles it should respect, protect and fulfill the human rights of all its citizens. Of particular importance are those who have been socially excluded, namely people with disabilities, women, youth and children in vulnerable and marginal circumstances

HIV and AIDS : Provincial Interdepartmental AIDS Committee (PIDAC)

The Department is engaged, as a key partner within PIDAC, in developing a comprehensive HIV & AIDS Strategy for the Western Cape for 2007 - 2011. The departmental representative at PIDAC has committed this department in principle towards collaborating around the five PIDAC objectives which includes providing 80% of HIV positive citizens with appropriate treatment. The basis of our single-most important contribution revolves around our role as custodian of state property within the Western Cape. Accordingly, this Department will cooperate to convert portions of selected state owned buildings in selected high infection areas into AIDS Centres through EPWP-type operations. The affected Branches such as Public Works, EPWP and Corporate Affairs will work in partnership in the execution of the projects.

The department's contributions to the PIDAC HIV and AIDS strategy of reducing the infection rates for young people aged between 15 and 24 years, by at least 25% in the Western Cape by the year 2011, include:

- Participating in scientific work-related research around the (HIV) needs of different citizen groupings with regard to:
 - Construction of new roads, buildings, hospitals, schools etc;
 - The provision and management of public transport systems and facilities;
 - Expanded public works programmes.
- Encouraging state contractors towards participation within the above PIDAC objective;
- Learnership programmes: Reviewing the curriculum to promote disclosure of HIV status, for example.

Employee Health and Wellness within the Department

This Department formed a partnership with an organisation, Afriforte, from the North-West University to introduce a managed wellness care approach. The intention is to allow the department to integrate employee health and wellness into the overall risk management to predict and control organisational risks related to health and wellness. The diagnostic phase of the managed wellness care project involved the administration of a questionnaire using a representative sample of 264 employees. Within the survey four types of work-related states are identified:

- Burnout: Persistent, negative, work-related state of mind, which is primarily characterised by exhaustion, distress and low levels of motivation;
- Over-commitment: High levels of exhaustion are combined with high levels of dedication;
- Distraction: High levels of distraction, which indicate negative attitudes towards work or detachment from work; and
- Work engagement: A positive, fulfilling work-related state of mind which is characterised by vigour and dedication.

The research reveals high levels of exhaustion and/or mental distance which influence the psychological fitness of employees within the Department. This situation creates conditions for lower productivity, a decrease in service delivery and intentions of increased sick leave, absenteeism and labour turnover.

The Department is currently determining the most appropriate set of interventions to address the findings of the survey.

Financial Management

In relation to improving financial management, the following occurred:

Accounting Officer delegations issued in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) were reviewed and implemented with effect from 1 August 2006. The intention of the delegations is to, inter alia, empower officials to perform efficiently and effectively, to foster a culture of responsibility and accountability and to enable rapid service delivery.

The organisational structure for enterprise risk management was established and the Chief Risk Officer appointed.

56 supply chain management practitioners were capacitated through enrolment of a formal supply chain management course at UNISA.

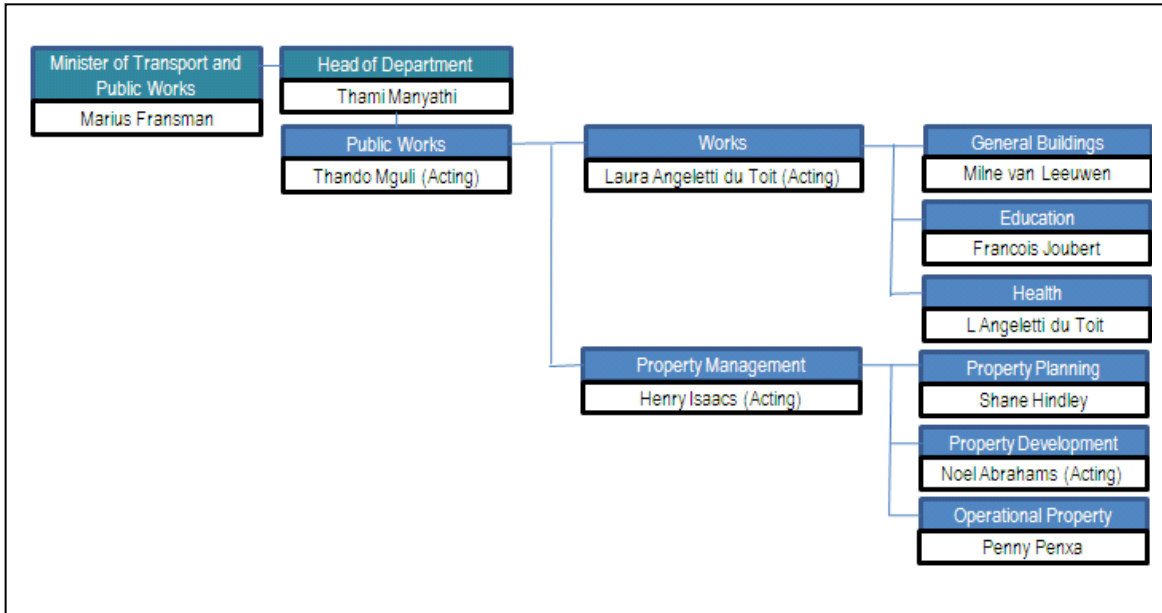


Figure 2: Organisational Structure Linked to Programme 2

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.

STRATEGIC OBJECTIVES:

Ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and prescripts.

MEASURABLE OBJECTIVES:

- Conclude and manage the PSAIP.
- Conclude and manage UA with client departments and others.
- Conclude and manage user property portfolios with client departments and others.
- Conclude and manage SDA's with client departments.
- Participate in the development of sustainable integrated human settlements.
- Compliance with CIDB regulations.
- Compliance with the building industry bargaining council regulations.
- Compliance with occupational health and safety.

STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape.

STRATEGIC OBJECTIVES:

Accelerate infrastructure delivery and reducing infrastructure and maintenance backlog.

MEASURABLE OBJECTIVES:

- Education infrastructure.
- Health infrastructure.
- Other infrastructure.
- Optimising the sale of land and buildings.
- Optimising the rental from land and buildings.
- Optimal acquisition (buy and lease) of land and buildings.
- Optimal utilisation of land and buildings.

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

STRATEGIC OBJECTIVES:

Public transport first.

MEASURABLE OBJECTIVES:

- Provide technical assistance in the design and management of public transport building infrastructure.

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Provide learnerships for artisans, tradesmen and built sector professionals.

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

STRATEGIC OBJECTIVES:

Reduction of income poverty and unemployment.

MEASURABLE OBJECTIVES:

- To create jobs and work opportunities in order to attend to absolute poverty and the concerns of individuals locked in the second economy.

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

STRATEGIC OBJECTIVES:

Improved efficiency, effectiveness, and representivity of the Public Works Branch.

MEASURABLE OBJECTIVES:

- Fill all vacant post with skilled, qualified, competent and a representative personnel complement.
- Capacitate all Branch personnel in various skills appropriate to their fields of specialisation.

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

To create opportunities among historically disadvantaged to enable entry into the first economy.

MEASURABLE OBJECTIVES:

- Increased participation of BEE enterprises and black professional service providers in the mainstream built sector.

Table 7: The Province's property portfolio by Department

STATE OWNED PORTFOLIO	LAND				BUILDINGS	
	Number of properties	Number of vacant urban properties	Number of unutilized rural properties	Total number of hectares	Number of properties with buildings	Square metres of building
Health Department	234	0	0	7 810	1 583	1 685 643
Education Department	3 977	0	0	220 521	8 876	4 964 358
Social Development Department	10	0	0	78	150	100 000
Other Clients Combined	1 640	0	0	69 573	1 723	395 944
Unutilised	696	376	301	18 420	0	0
TOTAL	6 557	348	348	316 402	12 332	7 145 945

Table 8: The Province's leased portfolio by Department

LEASED PORTFOLIO	LAND		BUILDINGS		COST TO GOVERNMENT IN R'000
	Number of properties leased	Total number of hectares	Number of buildings leased	Square metres of building	
Health Department			61	83 759	R 12.008m
Education Department			445	125 103	R 47.006m
Social Development Department			31	18 304	R 8.750m
Other Clients Combined			83	54 478	R 38.401m
Unutilised			0	0	0
TOTAL			620	281 644	R 106.165m

Table 9: Condition of government buildings by Department

DEPARTMENT	CONDITION OF STATE OWNED BUILDINGS (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very Poor		
Health Department	48	3%	392	24%	832	52%	316	20%	12	1%	1 600
Education Department	411	5%	1 790	20%	6 067	68%	520	6%	55	1%	8 843
Other Infrastructure	25	1%	462	25%	1 103	58%	267	14%	38	2%	1 895
GRAND TOTAL	484	4%	2 644	21%	8 002	65%	1 103	9%	105	1%	12 338

Table 10: The Demand for new space

DEPARTMENT	NUMBER	NUMBER OF SQUARE METRES	PLANNED CAPITAL EXPENDITURE		
			Base Year 2006/07 R'000	MTEF 1 2007/08 R'000	MTEF 2 2008/09 R'000
Health Department (hospitals)	12		*	*	*
Education Department (schools)	60		*	*	*
Other: Agriculture	10		5 240	5 476	5 476
Social Development	3				
Other Infrastructure	27		33 760	65 544	40 818
GRAND TOTAL	112		39 000	70 020	46 294

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

REVIEW

In line with the Provincial Growth and Development Strategy, and in support of improved service delivery efficiencies the disposal of superfluous properties were accelerated. A key strategy was to focus on the disposal of superfluous properties with a high potential financial return, to optimize the acceleration of infrastructure delivery. The establishment of sustainable human settlements served as a key informant when highest and best use of properties was considered for disposal. The issue of the establishment of sustainable human settlements was part of the development proposal included in the tender requirements in the disposal of the ex Conradie Hospital site.

The upgrading of George Regional Hospital was completed during the first quarter of the year, and the planning of the second phase of the Vredenburg District Hospital upgrade commenced. The upgrading of the Worcester Regional Hospital continued during the year. These three major hospital upgrading projects are funded through the National Hospital Revitalisation Programme (HRP).

The upgrading of the Paarl Regional Hospital commenced during the year under review. Planning has commenced on other projects that are earmarked for funding from the HRP grant, especially the planned two district hospitals in Khayelitsha and Mitchell's Plain respectively.

Planning also commenced on other projects identified within the Hospital Revitalisation Programme, such as Valkenburg and Helderberg Hospitals. The construction of five (5) forensic pathology

laboratories and five (5) new community health centres are in construction and progressed well during the period under review.

The upgrading of the Mowbray Maternity Hospital, a project funded from the Provincial Infrastructure Grant (PIG) to the value of R42 million was completed during the 2006/07 year.

To provide an environment for the improved functioning of provincial departments, construction of a provincial node in Beaufort West commenced. The node will accommodate a traffic centre, an ambulance station, a disaster management centre and an impoundment facility. In addition, planning commenced for a shared service centre in Athlone. The centre will provide for public transport and motor vehicle licensing, as well as accommodation for some of the Provincial departments.

Regarding the flooding during July/ August 2006 in the Southern Cape, damage was caused in primarily the nature reserves. The majority of the projects were implemented by 31 March 2007.

To broaden economic participation, superfluous accommodation was leased to empowerment groups for the development of a tourism node at Riebeeck West and at the Gouritz River Bridge respectively.

Empowerment of women was targeted through the disposal of five properties in George, Strand, Milnerton and Franschoek. A programme – Women in Construction – that specifically focuses on women was embarked upon to empower them to enter the mainstream construction industry. In addition, the Women in Property project was launched during November to accelerate the empowerment of women in the property sector.

The following projects in support of Sustainable Human Settlement Strategy are in progress, namely The Park (previously the old Conradie Hospital), and Oude Molen (previously part of Valkenberg Hospital) respectively.

In support of a common objective to contribute to accelerated and shared growth, the construction of new schools continued. Construction of 16 new schools commenced and the construction of six schools was completed during the year under review. In addition 56 properties were purchased to address Health and Education social infrastructure needs.

In support of the Expanded Public Works Programme, the building preventative maintenance program that focuses on increased labour-based methodologies continued. The objective is to create additional job opportunities through this programme. In addition learnerships for artisans, technicians and professionals within the Built Environment sector were created as a contribution to eradicating the scarce skills in this industry, which could have an adverse effect on infrastructure delivery.

The initiatives geared towards the 2010 World Cup continued to be actively supported, particularly as they pertain to infrastructure requirements. An amount of R30 million was transferred to the City of Cape Town for the upgrading of the Athlone Soccer Stadium. A further amount of R 10 million was transferred to the City to contribute towards the planning of the Green Point Soccer stadium. Additional initiatives in support of the 2010 FIFA World Cup are the planning phases that commenced on the redevelopment of the Somerset/ City Hospital and Phillipi stadium precincts respectively.

SERVICE DELIVERY ACHIEVEMENTS

Table 11: Programme 2: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
OUTPUT						
Conclude the PSAIP to ensure alignment of infrastructure projects to provincial and national priorities and prescripts	Completion of the PSAIP		90%	50%	(40%)	44%
	Receive departmental infrastructure plans		13	3	(10)	77%
	Quarterly meeting with each client department		4	4	0	0
Conclude UA's with client departments and others to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts	Percentage compliance		80%	50%	(30%)	38%
Conclude user property portfolios with client departments and others to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts.	Percentage compliance		100%	70%	(30%)	30%
Conclude SDA's with client departments to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts.	Conclude 13 SDA's		11	2	(9)	82%
	Quarterly review meetings		11	11	0	0%
Participate in the development of sustainable integrated human settlements to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts.	Quarterly meetings		4	4	0%	0%
Compliance with CIDB regulations to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts.	Percentage compliance	100%	100%	100%	0%	0%
Compliance with building industry bargaining council regulations to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts.	Percentage compliance	100%	90%	90%	0%	0%
Compliance with occupational health and safety to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts.	Percentage compliance	100%	60%	60%	0%	0%
Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of Education infrastructure.	Plan projects	28	8	8	0	0%
	Maintenance projects	1 194	4	410	406	10 150%
	Construction projects	54	8	27	19	238%
Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of Health infrastructure.	Plan projects	24	10	42	32	320%
	Maintenance projects	107	50	184	134	268%
	Construction projects	18	37	30	(7)	(19%)
Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of other infrastructure.	Plan projects		3	17	14	467%
	Maintenance projects	265	100	232	132	132%
	Construction projects	18	14	22	8	57%
Reduce infrastructure and maintenance backlog by optimising revenue from the sale of land and buildings	Number of properties sold	23	40	40	0	0%
	Rand value of revenue from sale of land and buildings	R30m	R160m	R19.7m	(R140.3m)	88%
Reduce infrastructure and maintenance	Number of properties	750	750	2292	1542	206%

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
backlog by optimising revenue from the rental of land and buildings	leased out					
	Rand value of revenue from rental of land and buildings	R29m	R20m	R31m	R11m	55%
Reduce infrastructure and maintenance backlog by optimal acquisition (buy & lease) of land and buildings	Number of properties purchased	30	40	56	16	40%
	Rand value of properties purchased	R17m	R10m	R37.5m	R27.5m	275%
	Number of properties leased in	500	460	542	82	18%
	Rand value of properties leased in	R129m	R118m	R120m	R2m	2%
Reduce infrastructure and maintenance backlog by optimal utilisation of land and buildings	Number of properties inspected		100	100	0	0%
	Number of properties evaluated		100	100	0	0%
	Number of properties ennobled		40	10	(30)	75%
Reduction of poverty and unemployment by creating jobs and work opportunities in order to attend to absolute poverty and the concerns of individuals locked in the second economy	Direct employment opportunities created in Health sector (per annum)	5 316	4777	6456	1679	35%
	Direct employment opportunities created in Education sector (per annum)	3 780	3604	3604	0	0%
	Direct employment opportunities created in General sector (per annum)	1 613	1564	3078	1514	97%
	EPWP building preventative maintenance work opportunities to reduce poverty (per annum)	2 500	3000	3000	0	0%
Providing learnership for artisans, tradesmen and built sector professionals in the Health infrastructure environment	Tradesmen (per annum)		250	100	(150)	60%
	Professional (per annum)		250	23	(227)	91%
Providing learnership for artisans, tradesmen and built sector professionals in the Education infrastructure environment	Tradesman (per annum)		250	250	0	0%
	Professional (per annum)		250	250	0	0%
Providing learnership for artisans, tradesmen and built sector professionals in the General Building infrastructure environment	Tradesman (per annum)		100	59	(41)	41%
	Professional (per annum)		50	29	(21)	42%
Providing learnership for artisans, tradesmen and built sector professionals in the Property Management environment	Property Management (per annum)		3	4	(1)	33%
Increased participation of BEE enterprises and black professional service providers in the mainstream built sector	Percentage of tenders to BEE	95%	50%	71%	21%	42%
	Percentage of tenders to women	82%	45%	29%	(16%)	35%
	Percentage of quotations to BEE	63%	80%	78%	(2%)	2%
	Percentage of quotations to women	48%	50%	49%	(1%)	2%
	Professional Service Providers Women	63%	50%	50%	0	0%
	Conduct information sessions for BEE entrepreneurs		4	4	0	0%

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
Fill all vacant posts with a skilled, qualified, competent and representative personnel complement and capacitate all Branch personnel in various skills appropriate to their fields of specialisation, in order improve, efficiency, effectiveness, and representivity within the Public Works Branch and transform the Department.	Percentage increase in filling of vacant posts of 399 posts.		100%	84%	(16%)	16%
	Percentage increase in representivity:					
	African		25%	15%	(10%)	40%
	Coloured		49%	62%	13%	27%
	White		25%	21%	(4%)	16%
	Indian		1%	1%	0%	0%
	Number of skills training sessions to be held		12			
Provide technical assistance in the design and management of public transport building infrastructure	Number of public transport infrastructure technical input and designs conducted		6	6	0	0%

SPECIFIC CHALLENGES AND RESPONSES

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

The impact of the increasing accommodation needs (space) of client departments.

Response to Challenge 1

Conduct space utilisation audits to ensure that existing allocated office accommodation is optimally used.

Further improve the utilisation of existing accommodation by converting cellular offices to open plan office space where appropriate.

Acquire more office space through rental or purchase of suitable buildings.

Ensure that approved staff establishments accompany client requests for additional accommodation.

Challenge 2: Changing needs of client departments

Ability to respond effectively to the changing infrastructure and accommodation needs of client departments.

Response to Challenge 2

Conclude signed service delivery agreements with client departments.

Consult regularly with client departments on the provincial accommodation plan in respect of head office accommodation.

Acquire client needs schedules in time..

Challenge 3: Increasing maintenance

To determine the impact of the growing maintenance needs due to the increasing and changing needs of client departments.

Response to Challenge 3

Development of a Total Asset Management framework.

Disposal of superfluous properties.

Challenge 4: Municipal services accounts

Arrear municipal accounts

Response to Challenge 4

A technical task team and steering committee was set up to interrogate the arrears in respect of the City of Cape Town which resulted in a reduction in arrears.

Increased budgetary allocations to pay for service accounts.

Increased utility service management to reduce costs.

Challenge 5: Optimal management of provincial property portfolio

The challenge of optimally managing the Provincial Property Portfolio particularly within the context of sustainable human settlements and integrated development.

Response to Challenge 5

The identification of suitable land for the development of an integrated and sustainable human settlements.

Development of a Total Asset Management framework.

ISSUES REQUIRING ONGOING ATTENTION

The conclusion of:

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

In terms of the vesting of state land (section 239 of the Interim Constitution of South Africa) 3403 properties have already been endorsed in the name of the Province. Approximately 1000 properties must still be endorsed after the necessary approval has been obtained as well as the issuing of the certificates by the national Minister of Land Affairs.

In addition the following other endorsements are being attended to:-

- 27 Hospital Trustees properties;
- 301 properties of former Model C Schools;
- 226 disputed properties between National and the Province once the dispute has been settled;
- 202 primary health care facilities from local authorities; and
- Properties of forest exit areas from national Public Works.

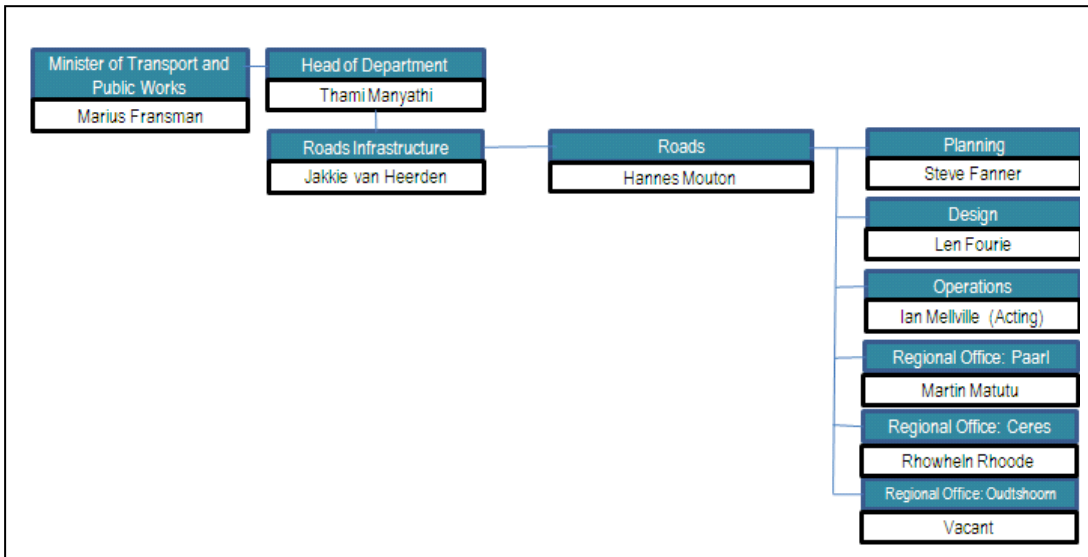


Figure 3: Organisational Structure Linked to Programme 3

**PROGRAMME THREE:
ROADS INFRASTRUCTURE**

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.

STRATEGIC OBJECTIVES:

Road infrastructure delivery that supports iKapa Elihlumayo lead strategies.

MEASURABLE OBJECTIVES:

- Integration of transport into broader provincial and local development plans to ensure a better modal split in favour of public transport, improved traffic safety, reduced transport costs, enhanced mobility and accessibility. (Provincial Land Transport Framework, development applications / land-use proposals)
- Protection of the roads asset base (Assist with ITP's and monitoring traffic flows)

STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape

STRATEGIC OBJECTIVES:

Road infrastructure delivery aligned to the SIP.

MEASURABLE OBJECTIVES:

- Protection of the roads asset base through the upgrading and rehabilitation of the provincial road network.
- Reduced constraints to economic growth through improved road safety, reduced transport costs and improved access and mobility.

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

STRATEGIC OBJECTIVES:

Public transport first.

MEASURABLE OBJECTIVES:

- Development plans and land use proposals that promote public transport.
- Prioritisation of road infrastructure projects that promote public transport.

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

STRATEGIC OBJECTIVES:

To improve the capacity of government to deliver on roads infrastructure projects.

MEASURABLE OBJECTIVES:

- Improved maths and science education at schools.
- Professional training of graduates through an accredited professional training programme.
- Training of artisans and operators.

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

STRATEGIC OBJECTIVES:

Road infrastructure delivery through the application of EPWP principles.

MEASURABLE OBJECTIVES:

- Training of unemployable people through the Road Infrastructure Programme.
- Creation of employment opportunities within the Roads Infrastructure Programme.

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

STRATEGIC OBJECTIVES:

Improved efficiency, effectiveness, and representivity of the Roads Infrastructure Branch.

MEASURABLE OBJECTIVES:

- Reduction in the number of vacancies within Roads Infrastructure Branch.

- Increased representivity within top structure (Level 11 upwards).

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

BEE participation in road infrastructure procurement.

MEASURABLE OBJECTIVES:

- Increased participation by BEE service providers.

Table 12: 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)	83.15	320.98	167.35	8.00	0.00	579.48
Gravel Roads	5.00	314.94	774.38	973.17	358.31	2 425.80
Bridges with span > 2 metre						88
Culverts with span > 2 metres						297
EDEN DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	238.70	606.42	461.82	53.19	0.00	1 360.13
Gravel Roads	10.76	500.09	1 375.59	970.48	185.13	3 042.05
Bridges with span > 2 metres						181
Culverts with span > 2 metres						377
OVERBERG DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	266.90	350.40	130.76	24.45	0.00	772.51
Gravel Roads	0.00	104.42	465.52	585.86	210.28	1 366.08
Bridges with span > 2 metre						105
Culverts with span > 2 metres						183
CAPE WINELANDS DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	382.84	633.46	396.45	117.84	24.98	1 555.57

REGION OF PROVINCE	CONDITION OF INFRASTRUCTURE (Km's or No.)					Total Km's or Total No.
	Very Good	Good	Fair	Poor	Very Poor	
Gravel Roads	5.80	95.02	356.09	631.90	173.88	1 262.69
Bridges with span > 2 metre						188
Culverts with span > 2 metres						311
WEST COAST DISTRICT MUNICIPALITY						
Highways						
Surfaced Roads (excluding highways)	330.82	397.58	585.51	349.17	78.24	1 741.32
Gravel Roads	10.33	88.06	847.75	1 010.70	181.59	2 138.43
Bridges with span > 2 metre						182
Culverts with span > 2 metres						230
CAPE TOWN METRO						
Highways						
Surfaced Roads (excluding highways)	103.62	107.97	107.74	9.66	0.00	328.99
Gravel Roads	0.00	0.00	0.00	0.00	0.00	0.00
Bridges with span > 2 metre						128
Culverts with span > 2 metres						24
TOTAL WHOLE PROVINCE						
Highways						
Surfaced Roads (excluding highways)	1 406.03	2 416.81	1 849.63	562.31	103.22	6 338.00
Gravel Roads	31.89	1 102.53	3 819.33	4 172.11	1 109.19	10 235.05
Bridges with span > 2 metre						872
Culverts with span > 2 metres						1 422
<p>For the purpose of this table, the degrees of overall condition of pavement mean the following:</p> <p>Very Good Very few of no defects. Degree of defects c 3 (less than warning)</p> <p>Good Few defects. Degree of structural defects mostly less than warning</p> <p>Fair A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects)</p> <p>Poor General occurrence of particularly structural defects with degrees warning to severe</p> <p>Very Poor Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive</p>						

REVIEW

Contract prices increased sharply – an average increase of 30 per cent in contract prices limited the ability to expand the existing network.

The following projects reached the construction phase:-

- Upgrading to a surfaced standard of the Elim-Bredasdorp link on the Gansbaai-Bredasdorp route
- Rehabilitation of the provincial sectors on the N1 and the N2
- Rehabilitation/Upgrading of MR23 – Wellington to Hermon
- Rehabilitation of TR24 – Malmesbury to Hermon
- Rehabilitation of TR 1/Section 1 – George – Outeniqua Pass
- Potsdam Interchange on the N7
- N2 Gateway projects – Symphony Way
- Upgrade to surfaced standard DR1298 at Genadendal

Environmental impact assessment approvals on the following projects are pending:-

- Upgrade to surfaced standard of road between Elandsbaai and Lambertsbaai (MR538)
- Upgrade to surfaced standard of road between Pakhuispas and the turnoff to Wupperthal (MR542)
- Upgrade of road between Somerset West – Sir Lowry's Pass (TR2/2)
- Upgrade to surfaced standard of sections of the road between Ceres and Citrusdal (MR310 & 539)
- Upgrade TR28/1 past Mount Pleasant to Hermanus
- Rehabilitation/slope protection of TR2/10 – White Bridge to Knysna

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

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

Black and women economic empowerment continued to be a key focus during 2006/07. 52 per cent by value (an improvement by 27%) and 86 per cent by number of tenders were awarded to HDI's. Contracts awarded to Women increased from 3.6% in 2005/06 to 12% by value and from 34% to 40% by number.

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

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

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

Chapman's Peak Drive continued to operate as a Public Private Partnership. However, the pending (since mid 2005) environmental record of decision continued to delay the construction of permanent toll plazas.

The Roads Infrastructure Branch was required by National Treasury (in association with the CIDB) to produce an Infrastructure Plan. The Roads Infrastructure Plan was awarded a mark of 97% by Treasury and was adopted as a model for the other Provinces to emulate.

SERVICE DELIVERY ACHIEVEMENTS

Table 13: Sub-Programme 3.2: Planning: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Planning as a % of Programme 3 budget	Percentage	3.1%	2.6%	3.8%	1.2%	46.0%
OUTPUT						
Provincial land transport framework	Percentage complete		100%	0%	(100%)	100%
Assist municipalities to produce ITP's in line with PLTF / policy	Plans completed		6	5	1	17%
Drafting transport legislation	Number of pieces of legislation finalised	0	2	0	(2)	100%
Development applications/ land use proposals. Note that public transport is promoted above private transport as the preferred mode in all cases.	Percentage dealt with on time	98%	98%	100%	2%	2%
Reduction in the number of vacancies within the Planning section	Percentage of vacant posts		40%	39%	(1%)	3%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total		8%	0%	(8%)	100%
	Percentage women employed versus total		20%	25%	5%	25%
Implementation of TRAC within each district municipality	Number of district municipalities covered		5	5	0	0%
Accredited professional training programme for the professional training of graduates	Number of graduates on accredited training programme per annum		7	5.75	(1.25)	18%
Road planning and design done by consultants with majority black equity in order to increase participation by Black service providers	Percentage of total number of appointments	55%	55%	60%	5%	9%
Further clarification:						
Regarding accredited professional training five engineers and two technicians were appointed at the beginning of 2006 and were put under the guidance of mentors. However, three resignations with persons moving to better, permanent jobs in the private sector reduced the number of persons in the scheme.						
Kenneth Sithole resigned February 2006 Lybon Mathebula resigned January 2007 Keabetswe Mosabale resigned February 2007						
Further, no applications were received in response to the advertisements for the 2007 scheme.						
Regarding the implementation of TRAC the original proposal was a fixed unit per district municipality area. Replaced by 3 mobile units covering all 5 district municipality areas						

Table 14: Sub-Programme 3.3: Design: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Design as a % of Programme 3 budget	Percentage	7.4%	4.9%	7.1%	2.2%	44.9%
OUTPUT						
Road designs completed	Number per quarter	20	8	22	14	175%
Monitor traffic flows on provincial network	Number of stations counted per year	0	1 473	1 473	0	0%
Reduction in the number of vacancies within the Design Section	Percentage of vacant posts		16%	43.8%	27.8%	173.8%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total		8%	0%	(8%)	100%
	Percentage women employed versus total		0%	0%	0	0%
Road planning and design done by consultants with majority black equity in order to increase participation by Black service providers	Percentage number of appointments		55%	100%	45%	82%

Table 15: Sub-Programme 3.4: Construction: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Construction as a % of Programme 3 budget	Percentage	26.6%	42.9%	34.7%	(8.2%)	19.1%
OUTPUT						
Gravel roads upgraded to surfaced roads	Number of km.	13	50	19	(31)	62%
Surfaced roads upgraded	Number of km			6	6	100%
Rehabilitation of surfaced roads	Number of km.	33	66	20	(46)	70%
Improve safety, road user costs and access and mobility	Projects completed		13	4	(9)	69%
Reduction in the number of vacancies within the Construction Section	Percentage of vacant posts		14%	65%	51%	364%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total		12%	0%	(12%)	100%
	Percentage women employed versus total		0%	0%	0%	
18.2 Learnerships	Number		310	61	(249)	80%
Road contract documents supportive of EPWP principles	Percentage compliant		75%	100%	25%	33%
Employment contracts	Number of person days per quarter	72 752	1 200 000	159 134	(1 040 866)	87%
Exposure of learners to road contracts to improve maths and science education at schools	Percentage of contract documents that include conditions of contract that enforces the exposure to learners		100%	0%	(100%)	100%
EPWP employment	No of jobs created			1 393	1 393	100%
Road construction done by black contractors to increase participation by Black service providers	Percentage value of work	30.38%	50%	48.92%	(1.08%)	2.16%

Table 16: Sub-Programme 3.5: Maintenance: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Maintenance as a % of Programme 3 budget	Percentage	61.5%	48.4%	53.0%	4.6%	9.5%
OUTPUT						
Reseal tarred roads	Number of km	548	348	328	(20)	6%
Re-gravel roads	Number of km	581	660	349	(311)	47%
Routine maintenance	Number of km	34 000	34000	32 182	(1 818)	5%
Reduction in the number of vacancies within the Maintenance sub-directorate	Percentage of vacant posts		25%	(7%)	(32%)	128%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total		11%	0%	(11%)	100%
	Percentage women employed versus total		11%	0%	(11%)	100%
18.2 Learnerships	Number	35	45	93	48	107%
Road contract documents compliant with EPWP principles	Percentage compliant		80%	100%	20%	25%
Employment contracts providing employment opportunities within the Roads infrastructure programme	Number of person days per quarter	221 794	400 000	190 661	(209 339)	52%
18.1 Learnerships for the training of staff as artisans and operators	Number		100	24	(76)	76%
EPWP employment	No of jobs created			5 660	5 660	100%
Routine maintenance done by black contractors in order to increase participation by black service providers	Percentage value of work	89.33%	90%	96%	6%	7%

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 negotiate a larger share of available resources, while considering a phased approach towards addressing the backlog.

Challenge 2: Flood/ storm/ disaster damage

Accommodation of projects related to flood/ storm damage repairs.

Response to Challenge 2

To negotiate a larger share of available resources that will ensure stability in the execution of planned projects.

Challenge 3: Shortage of engineering and technical staff

To improve the limited numbers of engineering graduates in the labour market.

Response to Challenge 3

A practical training programme for engineers and technicians, registered with the relevant professional associations.

Challenge 4: Work opportunities and skills training

Roads construction is inherently capital intensive.

Response to Challenge 4

Certain road infrastructure projects provide opportunities for the maximization of labour and skills development of such labour. Revise contract documentation to ensure that EPWP principles are addressed adequately.

Challenge 5: Project Prioritisation

Lack of adequate Integrated Transport Plans and Integrated Development Plans at the local sphere of government limits the ability to adequately prioritise and integrate the strategic infrastructure needs within the Province.

Response to Challenge 5

Ongoing facilitation and interaction by the Province with municipalities through the PROVCOM (political) and PROVTECH (officials) committees, the finalization of the Provincial Land Transport Framework, and the finalization of the Strategic Infrastructure Plan. Assistance to councils in preparing their integrated transport plans.

ISSUES REQUIRING ONGOING ATTENTION

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

Attainment of Employment Equity targets.

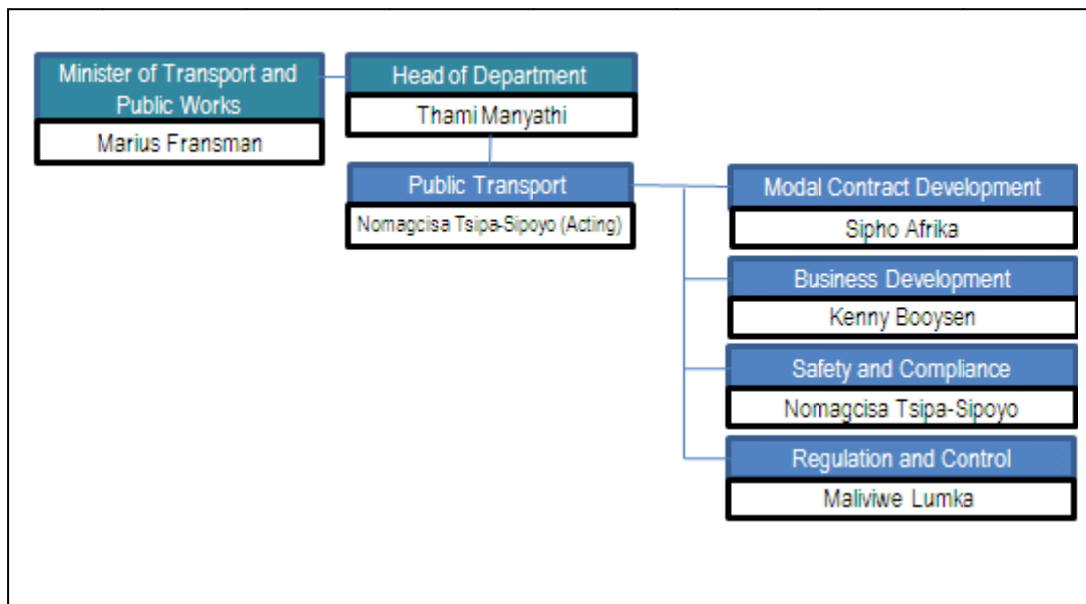


Figure 4: Organisational Structure Linked to Programme 4

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Approval of Statutory Plans, in terms of Section 24(4)(b) of the National Land Transport Transition Act, 2000 (Act 22 of 2000).
- Adoption of the draft Provincial Non-motorised Transport Strategy.
- Adoption of Provincial Special Needs Passenger Transport Policy.

STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Develop and maintain public transport infrastructure as contained within the Departmental Infrastructure Plan (as per DORA).

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

STRATEGIC OBJECTIVES:

- Ensure safer public transport vehicles, infrastructure and operations.
- Implementation of an integrated public transport system in the City of Cape Town.
- Attract private vehicle users to the public transport system.

MEASURABLE OBJECTIVES:

- Ensure compliance with the recapitalisation safety specification.
- Develop and implement safety guidelines for public transport infrastructure.
- Improve accessibility of vehicles, infrastructure and services for special needs users.
- Develop marketing and awareness campaigns to attract private vehicle users to the public transport system.
- Train and develop the skills of public transport drivers, operators, etc to improve the levels of customer service.
- Phasing in restructured public transport contracts in line with mobility strategies e.g. the City of Cape Town and George Municipal areas.

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Implement skills development courses for officials and public transport operators.
- Establish a public transport academy for officials and individuals involved in providing public transport.

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

STRATEGIC OBJECTIVES:

Increase the number of opportunities linked to the EPWP in public transport.

MEASURABLE OBJECTIVES:

- EPWP principles to be used when designing, constructing and maintaining public transport infrastructure.
- Design of public transport operations to include the principles of EPWP.

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

STRATEGIC OBJECTIVES:

Improved efficiency, effectiveness and representivity of the Public transport Branch.

MEASURABLE OBJECTIVES:

- Reduction in the number of managerial vacancies within the Public Transport Branch

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Develop and implement training and development strategies for public transport service providers and drivers.
- Design public transport contracts in line with BEE charters.

REVIEW

With respect to public transport planning, five of the six Integrated Transport Plans (ITP's) ie all the district ITPs are enroute to the approving authority. A draft City of Cape Town ITP was submitted, however, it was still required to undergo public participation processes and would only be forwarded to the MEC for approval in mid-2007.

The Department started to implement some of the key programmes and projects reflected in the Public Transport Improvement Programme. The programmes which are being implemented include the following:

- a. Integrated public transport services: for the past two years, a lot of work has gone into the planning and preparation for high quality and seamless public transport services in the Province, which not only address the economic and social needs of the people in the Province, but are also in line with the PGDS. The critical features of these services are extended hours of operation; incorporation of principles of universal accessibility; development of high quality infrastructure in key corridors to support service delivery; integration of minibus-taxi, bus and commuter rail operators and implementation of gross tendered/negotiated service contracts.

With the technical designs for the integrated public transport services in the Cape Town functional region having been completed, and those for the George area in an advanced stage of completion, some of the key elements, which are pre-requisites of the roll-out of these services, were put in place:

- Technical design documents were prepared for submission to National Department of Transport for approval, and noting of subsidy implications.
- The interim contract with Golden Arrow Bus Services was ceded from National Department of Transport to the Department.
- Application was lodged with Minister of Transport to deviate from some of the requirements of the National Land Transport Transition Act (NLTTA). This is a step which is prescribed in the Act, if there is any intention or necessity to go for negotiated instead of tendered contracts; or

if the need exists to use contract documents other than the model contract document prescribed in terms of the Act. With the integration of the different operators, as well as the move from nett to gross contracts, deviation on both accounts will be necessary.

- Work commenced on the preparation of business cases for the increased level of subsidy to facilitate the integration of the different services, as well as for the establishment of a public transport operating entity to manage the delivery of the new services. These business cases are to be submitted to the National Department of Transport and national Treasury for support and approval, respectively.
 - A Provincial fare policy was developed, with the initial focus on the City of Cape Town. The fare structure proposed in terms of this policy is based on a zonal approach, and allows for concessions for the elderly, people with disabilities, and learners. Drafting of a policy for Special Needs Passengers also commenced, with wide consultation of key stakeholders.
 - The contract for setting up of the back-office for Integrated Fare Management and Intelligent transport Systems was awarded. These systems form the foundation on which the integrated public transport services will be based. Work has commenced on the installation, commissioning and testing of the equipment.
 - A Safety and compliance Strategy was developed.
- b. A Rail Regional Plan for the Western Cape was approved during 2006/07 by SARCC, NDOT and National Cabinet. This plan:
- Aims to stabilise the business in the short term (2007 – 2011), grow capacity in the medium term (2012 – 2016) and sustain the business in the long term (2017 – 2021).
 - Identifies priority corridors, which will be the focal point of all investment made in the short-term. These corridors are: Khayelitsha – Cape Town (including Kapteinsklop), Kraaifontein – Cape Town (via Bellville and Montevista), and Simons Town – Cape Town. Future corridors include the Blue Downs and Atlantis links.
 - Construction of the Khayelitsha Rail extension commenced.
- c. A National Public Transport Strategy was approved by national Cabinet. The Strategy is broken down into three phases: Phase 1 – Accelerated Recovery and Catalytic Projects (2007 – 2010); Phase 2 – Promote and Deliver Basic Networks (2011 – 2014); Phase 3 – Advance and Sustain Accessible Networks (2015 – 2020).
- d. The Department commenced with the implementation of the minibus-taxi recapitalisation programme in the Province.
- e. A Transport Steering Committee was set up to facilitate better alignment and co-ordination in the planning for and implementation of transport projects in the City of Cape Town. This Committee, which is chaired by the MEC for Transport and Public Works as well as the Mayoral committee member responsible for transport in the City of Cape Town, is made up of the Department, the City, SARCC/Metro Rail and the National Department of Transport.

The following infrastructure projects were undertaken to address public transport needs:

- Construction of the public transport priority lane on the N2 continued, with planned opening in the second quarter of 2007/08.
- Design of the Shared Service Centre commenced. This Centre will in future house all licensing functions (public transport and motor vehicles), as well as the public transport operational centre.
- Detailed design of a cycle path from Oudtshoorn CBD towards the Cango Caves was completed and a ROD with no appeals, obtained from the Department of Environmental Affairs and Development Planning.
- A draft business plan, together with a communications strategy was developed to give guidance to the implementation of the operational elements of the George Mobility Strategy. To further support this detailed design for infrastructure upgrades along Sandkraal Road between the N2 and Albert Road was completed and a ROD with no appeals, obtained from the Department of Environmental Affairs and Development Planning. Construction commenced during February 2007, with expected completion in March 2008.

- Delays have been experienced with the implementation elements of the Klipfontein Corridor. This is due to the City of Cape Town not having approved the conceptual design, although it was submitted of them in May 2006.
- A number of infrastructure projects which were undertaken by the municipalities, with funds transferred by this department were completed. These include Grabouw, Knysna and Oudtshoorn taxi ranks.

In regards the 2010 FIFA World Cup, the Department was involved in a number of committees, which have been set up to co-ordinate the contribution by the Provincial Government; and planning and other activities with both National Departments, State owned Enterprises and municipalities, especially the Host City – the City of Cape Town. The following projects were undertaken by the Department as part of its responsibilities in the preparation for World Cup 2010:

- Construction of the public transport priority lane on the N2, from Borchers Quarry to Black River Parkway.
- Visitors survey to get a better sense of the number of visitors likely to come to the Province and Host City during the event, and to use this information in the operational plans.
- Development of a high level transport operational plan with the Host city.
- Implementation of the integrated fare management and intelligent transport systems.
- Upgrade of the Cape Town Rail Station and the domestic terminal at the Cape Town International Airport under the leadership of SARCC and ACSA, respectively.
- Planning for projects in the inner city, with the City of Cape Town, including Granger Bay Boulevard.

A Dispute Resolution unit was set up, as part implementation of the resolutions of the Ntsebeza Committee of Inquiry which looked at the underlying causes of instability and violence in the minibus taxi industry. This Unit is made up of a panel of mediators, supported by a secretariat.

SERVICE DELIVERY ACHIEVEMENTS

Table 17: Sub-Programme 4.2: Planning: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Reduction in the number of managerial vacancies in the Planning Sub-	Number of vacant posts		0	4	(4)	100%
PROCESS						
Public transport planning for the district municipalities and City of Cape Town	Number of approved public transport plans		6	5	(1)	16.7%
OUTPUT						
Adoption of the draft Provincial Non-Motorised Transport Strategy	Percentage completed		100%	0	(100)	100%
Development of special needs passenger policy	Percentage completed	90%	100%	90%	(10)	10%
Central Karoo Mobility Strategy	Percentage complete of concept plan	100%	100%	100%	0	0
	Percentage completion of detailed design of operations		100%	0	100	100%
Detailed design of subsidized modal contracts	Number of modal contracts designs		6	6	0	0

Table 18: Sub-Programme 4.3: Infrastructure: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET		
					Unit	%	
INPUT							
Reduction in the number of managerial vacancies in the Planning Sub-programme	Number of vacant posts		0	1	(1)	100%	
OUTPUT							
Updated Public Transport Infrastructure Plan	Completed plan for 2007/08		1	1	0	0	
Rural Mobility Strategy Projects	Number of projects completed	2	4	2	(2)	50%	
Development of non-motorised transport infrastructure	Number of projects completed		1	1	0	0	
Klipfontein Corridor Infrastructure	Conceptual Design	Percentage completed	70%	100%	100%	0	0
	Preliminary Design	Percentage completed	40%	100%	100%	0	0
	Detailed Design	Percentage completed	20%	90%	20%	(70)	78%
	Implementation	Percentage completed	20%	40%	20%	(20)	50%
Number of public transport infrastructure projects completed	Number of projects	5	5	5	0	0	

Table 19: Sub-Programme 4.4: Empowerment and Institutional Management: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Reduction in the number of managerial vacancies in the Empowerment and Institutional Management Sub-programme	Number of vacant posts					
PROCESS						
Representative industry structures for communication purposes	Formation of structure for each road-based mode	3	1	0	(1)	100%
Maintain open and transparent communication structures	Annual elections of representative structures	2	1	1	0	0%
Development of a communication and marketing plan to promote the use of public transport	Percentage complete	20%	100%	5%	(95)	95%
OUTPUT						
Training of transport operators, drivers and guardjies to improve levels of customer service	Number of persons trained	128	2 000	490	(1 510)	76%
Training courses offered	Number			5	5	100%

Table 20: Sub-Programme 4.5: Operator Safety and Compliance: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Reduction in the number of managerial vacancies in the Safety and Compliance Sub-programme	Number of vacant posts					
PROCESS						
Conclusion of service level agreements with authorities to undertake enforcement	Number of agreements		10	0	(10)	100%
Development of a public transport safety and compliance strategy	Percentage complete	80%	100%	90%	(10%)	10%
Development of safety guidelines for public transport infrastructure	Percentage complete		100%	0%	(100%)	100%
Public transport safety marketing and communication campaigns	Number of campaigns	3	3	3	0	0
Development and implementation of training courses for law enforcement authorities	Number of officials trained	350	600	0	(600)	100%
OUTPUT						
Development and integration of information databases for safety and compliance for monitoring	Percentage complete	10%	80%	20%	(60)	75%
Establishment of an integrated incident management system	Completion of feasibility study		100%	100%	0	0

Table 21: Sub-Programme 4.6: Regulation and Control: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Reduction in the number of managerial vacancies in the Regulation and Control Sub-programme	Number of vacant posts					
PROCESS						
Establishment of a Shared Services Centre – Public transport operating Licences	Date implemented		June 2006	March 2007		
Establishment of a West Coast regional office	Office established		1	1	0	0
Conversion of permits to operating licences	Percentage converted	98%	100%	90%	(10%)	10%
OUTPUT						
Improved response time on applications	Number of days	76	90	90%	0	0%

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Public transport planning

Improvement of public transport planning capacity within the district municipalities.

Response to Challenge 1

The department participated and supported a study which was undertaken by the national Department of Transport to investigate the capacity of local government to undertake the statutory planning process. A key output of this was the identification of the most appropriate manner in which support should be given to the municipalities from both the national and provincial spheres for them to take complete ownership of the planning processes. Based upon this, a capacity building programme business plan is to be developed by the department in consultation with the various stakeholders.

Challenge 2: Instability within the Minibus Taxi Industry

The destructive competition over lucrative routes and the instability within the leadership itself.

Response to Challenge 2

The restructuring of the road-based, subsidised, scheduled public transport services in the City of Cape Town seeks to address the destructive competition on routes by entering into Public Transport contracts with Public Transport Operators, inclusive of the Taxi industry. The restructured services will consist of a re-designed transport network, aimed at eliminating duplication of commuter services. The contract will include automatic fare collection, which will eliminate the current cash-based operations and allow a central point of fare collection by Government. Furthermore, the payments to the Public Transport Operators will be performance-based.

Leadership instability is being addressed through regular open and transparent elections and support being provided by Government to allow them participate in mutually-agreed programs intended to transform and prepare the taxi industry to participate in the formal Public Transport system.

Challenge 3: Complex Environment with a Myriad of Stakeholders

Public transport delivery impacts on numerous stakeholders and involves a myriad of roleplayers in the planning and implementation of an integrated system, making the environment complex.

Response to Challenge 3

In attempting to distill the essence of what is required to ensure that an integrated system is delivered, the Department has considered all elements which constitute such a system and developed an overarching implementation plan to guide process. There are certain interventions that are a given when moving forward with delivering public transport services and these “base requirements” have been prioritized and actioned to ensure that they are in place to support the roll-out of the road-based system. One such example is the Integrated Fare Management system which is needed to support the gross contracting regime as required by the national public transport strategy. Further, the development of the PTIP has assisted in providing a simplified concept for people to understand how all the elements fit into one another and support the system as a whole.

ISSUES REQUIRING ONGOING ATTENTION

Partnership Building

As a general approach, the Department plays an active part in the inter-governmental structures, like the Transport MINMEC, the Premier's Inter-governmental Forum, the Committee of Transport Officials (COTO), the Provincial Development Council, 10x10, etc. In addition to this, it has established a Transport Steering Committee with the City of Cape Town, national Department of Transport and SARCC/Metrorail to improve co-ordination and implementation of transport projects.

Although other forums have been established with the private sector in terms of a vehicle manufacturer's forum and a forum with various banks, the Department still intends to establish user forums with the community to build further partnerships in that manner.

Increasing the budgetary envelope for Public Transport

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

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

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

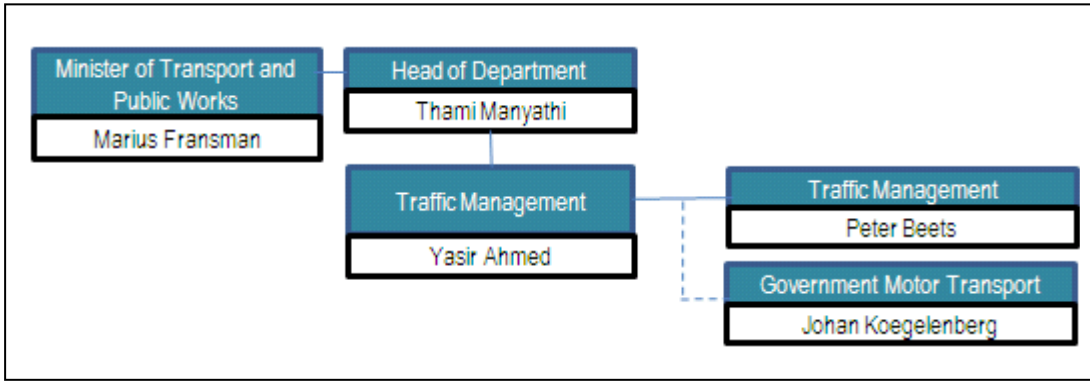


Figure 5: Organisational Structure Linked to Programme 5

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.

STRATEGIC OBJECTIVES:

- Develop integrated strategies and plans between National-, Provincial- and Local Government and private institutions to manage vehicle and driver related information effectively in order to promote effective service delivery and transport safety.
- Develop integrated strategies and plans between Provincial and Local Government and the SAPS to ensure accurate accident data resulting in identifying safety risk areas and accordingly implement preventative measures.
- Develop models to collect revenue through registration, licence and permit fees and arrear licence fees.

MEASURABLE OBJECTIVES:

- Implementation of e-NaTIS.
- Develop effective measures and systems to ensure accurate accident data.
- Maintain arrear licence fee rate at $\leq 2\%$ by effective implementation of a best practise model.
- Effective collection of registration, licence and permit fees.

STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape

STRATEGIC OBJECTIVES:

Optimise the utilisation of weighbridges and develop effective systems to protect public infrastructure.

MEASURABLE OBJECTIVES:

- Effectively manage the overload control infrastructure, systems and process to reduce damage to road infrastructure.

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

STRATEGIC OBJECTIVES:

- Develop integrated strategies and plans between National-, Provincial- and Local Government and private institutions to ensure safer vehicles and drivers operating on public roads resulting into a safer road environment for all.
- Develop integrated strategies and plans between Provincial and Local Government and the SAPS to ensure accurate accident data resulting into identifying safety risk areas and accordingly implement preventative measures.

MEASURABLE OBJECTIVES:

- Monitor MVTs and DLTC's for compliance with the legislative requirements in order to ensure safer vehicles and drivers on public roads.
- Authorise issuing of PrDP's to drivers not jeopardising the safety of all road users.
- Using accident figures to identify high-risk transport modes and strategise accordingly.

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

STRATEGIC OBJECTIVES:

Improved efficiency, service delivery and representivity in the Traffic Management Branch..

MEASURABLE OBJECTIVES:

- Fill all vacant post with skilled, qualified, competent and a representative personnel complement.
- Capacitate all Branch personnel in various skills appropriate to their fields of specialisation.
- Limit the turn-about time to resolve queries to 48 hours

REVIEW

With regard to the agency service rendered by municipalities for the collection of motor vehicle licence fees, service standards and the agency fee structure are currently being reviewed.

To improve service delivery at the 76 registering authorities for the registration and licensing of motor vehicles the department, in consultation with the national Department of Transport and its appointed contractor completed the replacement of all the existing computerised equipment to facilitate the simplified recording of transactions. Training of 400 municipal personnel was done. The implementation of the e-NaTIS will commence during April 2007.

The current initiative to address arrear licence fees continued, with the aim to maintain the arrears at less than 2 per cent of the of the licence fees of the total motor vehicle population. Cross-border licensing of motor vehicles was addressed through proposed legislation amendments. The Department did not increase its licence fees for the financial year under review.

To prevent fraud and corruption in the registration and licensing of motor vehicles, a large number of transactions that were previously assigned to the registering authorities were centralised at provincial level to ensure uniform recording of transactions where a discretionary measure is involved.

Through integrated strategies the national Department of Transport, the SIU, the SAPS and the Department have made concerted efforts to eradicate fraud and corruption in the shortest time possible. Currently 37 000 learner's licences are being investigated. During the period under review, it was found that approximately 16 000 fraudulent and stolen roadworthy certificates were issued at various stations across the country. These cases are currently being investigated by a national team which includes the CMU.

Activities at some of the 53 driving licence testing centres in the Province were streamlined through the deployment of new computer software. The new equipment is now being used for eye testing and electronic fingerprint taking as part of the process to apply for learners and driving licences. A new licence booking system has also been developed for implementation during the 2007/08 financial years.

The recent installation of electronic weigh-in-motion equipment at the Beaufort West weighbridge enables the Department of Community Safety to detect overloaded vehicles at an early stage. Portable equipment is now being used at the popular escape routes to prevent transgressors from bypassing weighbridge stations. The Overload Control Management System to analyse patterns and trends in overloading control processes was implemented thus making automatic reporting possible and eliminating the possibility of fraudulent transactions.

Investigations to improve the descriptions of roads and nodal positions on those roads are ongoing in order to improve the integrity of accident data and thereby identify risk areas.

The Provincial Accident System was further developed to include the statistical analysis of accidents and to produce system-generated accident reports to all role players. In conjunction with the City of Cape Town and national Department of Transport, steps were taken to improve the accident data gathering process to ensure quality data by providing feedback and training at police service stations throughout the Province. The personnel component of the Accident Data Centre was strengthened accordingly. A pilot project was launched to test the use of cell phone technology to accurately record accident locations.

SERVICE DELIVERY ACHIEVEMENTS

Table 22: Sub-Programme 5.2: Safety Engineering: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Number of accident forms verifiers per 10 000 accident reports received.	Productivity ratio	2.3	4.3	2.0	(2.3)	53%
Number of data capturers per 10 000 accident reports received.	Productivity ratio	0.9	3.2	0.9	(2.3)	72%
PROCESS						
Number of accident forms verified and captured.	Actual number	5 459	18 000	17 251	(749)	4%
Number of copies of accident form requests.	Actual number	1 345	900	1 936	1 036	115%
OUTPUT						
Number of accident reports.	Number of regular accident reports.	1	13	1	(12)	92%
	Number of ad hoc accident reports.	96	30	50	20	67%

Table 23: Sub-Programme 5.3: Transport Administration and Licensing: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
OUTPUT						
Conclude service level agreements with: Registering Authorities DLTC's MVTs	Number of agreements		74	0	(74)	100
			48	0	(48)	100%
			85	0	(85)	100%
Optimise Revenue: Develop a model to collect arrear licence fees	Number of models		1	0	(1)	100%
Collect arrear licence fees	Monetary value collected	R3.2m	R3m	R11,450m	R8,450m	282%
Revenue generated from public road events.	Monetary value collected	R0.2m	R0,3m	R0,277	(R0,023)	8%
Monitoring to ensure compliance: Implementation of e-NaTIS	% completion		100%	100%		
Monitor MVTS for compliance: Audits executed at MVTS	No of stations		85	60	(25)	29%
	No of audits		170	60	(110)	65%
Monitor DLTC's for compliance Audits executed at DLTC's	No of centres		48	48	0	0%
	No of audits		96	81	(15)	16%
Posts on level 7 and up filled by: Africans Females	No of posts filled of possible 45		6	5	(1)	17%
			15	23	8	53%
No of new vehicle licenses issued	Number			67 632	67 632	100%
No of license compliance inspections executed	Number			913	913	100%
No of arrear license fee cases followed up	Number			10 612	10 612	100%

Table 24: Sub-Programme 5.4: Overload Control: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
OUTPUT						
Decrease in the number of overloaded vehicles to reduce damage to road infrastructure.	Number of vehicles tested		480 000	372 271	(107 729)	22%
Overload control operations done by black contractors to increase participation of black service providers	Percentage value of work		100%	100%	0	0%
No of vehicles which are overweight	Number			16 603	16 603	100%
No of weighbridges in use	Number			9	9	100%
No of hours weighbridges operated	Number			33 653	33 653	100%

SPECIFIC CHALLENGES AND RESPONSES – PROGRAMME 5

Challenge 1: Reduction of arrear licence fees

Reduce arrear licence fees receivable.

Response to Challenge 1

Strengthen the collection capacity for licence fees and improve the integrity of data.

Challenge 2: Fraud prevention

Prevention of fraud and corruption with the issuance of fraudulent driving licences and roadworthy certificates for motor vehicles.

Response to Challenge 2

Conclusion of Service Level Agreements with Driving Licence Testing Centres and Vehicle Testing Stations

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

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

Develop a Best Practise Model for DLTC's

Capturing of certain transactions on Provincial level to prevent unauthorised amendments to previously captured motor vehicle details

Implementation of NaTIS at all Vehicle Testing Stations in the Province to prevent the illegal issuing of roadworthy certificates

Challenge 3: Determine agency fees for collection of motor vehicle registration and licence fees

The current agency fees are considered to be excessive.

Response to Challenge 3

Develop innovative ways to collect the fees in a cost effective manner.

Challenge 4: Long waiting period for testing and issuing of learner's and driving licences

The waiting period for the testing and issuing of learner's and driving licences at Driving Licence Testing Centre's, governed by local authorities is on average 6 months.

Response to Challenge 4

Enter into Service Level Agreements with Driving Licence Testing Centres in order to ensure improved service delivery to applicants.

Computerisation of the Learners Licence Testing Process.

Challenge 5: Fraud and corruption in the issuing of vehicle licences, roadworthy certificates and driving licence

The issuing of roadworthy certificates to unroadworthy vehicles and driving licences to unqualified persons poses a safety risk to road users provincially and nationally. The extent of the activities seems to be higher than anticipated.

Response to Challenge 5

Apart from providing safe road infrastructure, delivering safer roads to all road users is one of the Departments main challenges. As part of an integrated approach towards road safety, the Department, the Special Investigating Unit and national Department of Transport commenced with the development of a Best Practice Model for Driving Licence Testing Centres that is aimed at improved infrastructure and revised procedures to eliminate fraud and corruption in the issuing of learner's and driving licences.

The Department in partnership with the Special Investigating Unit (SIU) and national Department embarked on the re-engineering of business processes at Driving Licence Testing Centres. The Western Cape will pilot the model with the intention of a national rollout.

The Department has been actively involved in the detection of fraud and corruption in the issuing of roadworthy certificates, and driving licences. Approximately 3000 possible fraudulent licences and certificates have been investigated in consultation with the SAPS, SIU and national Department of Transport.

Progress was made with the implementation of NaTIS at all private Motor Vehicle Testing Stations in the province. This will ensure electronic recording and issuing of roadworthy certificates.

ISSUES REQUIRING ONGOING ATTENTION

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

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

**PROGRAMME SIX:
COMMUNITY BASED PROGRAMME**

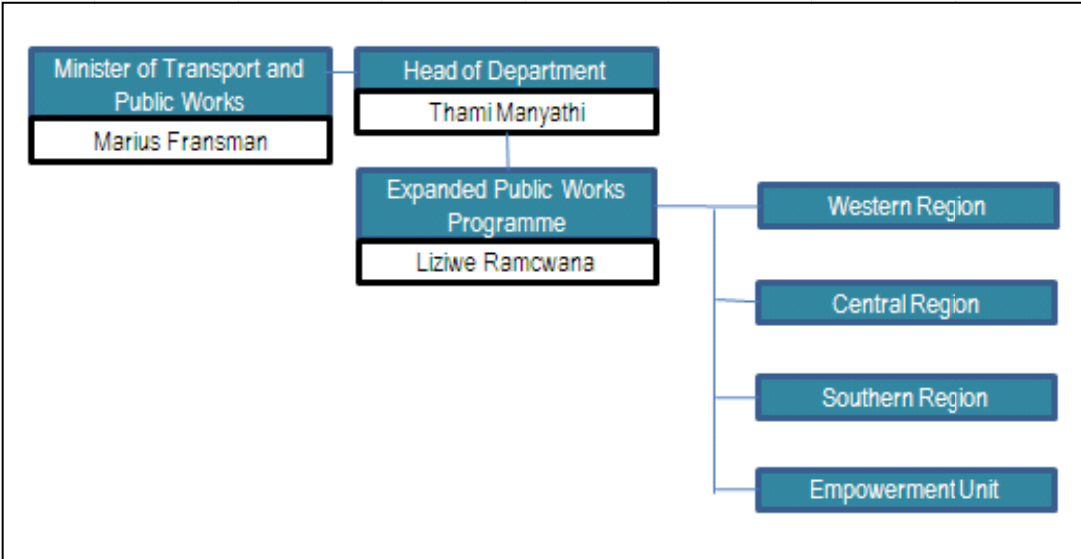


Figure 6: Organisational Structure Linked to Programme 6

STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.

STRATEGIC OBJECTIVES:

- The Labour Intensive Activities identified as per the annual DORA (MIG and PIG conditions), and the “Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP” are utilised by relevant departmental staff in the planning and design of those activities.
- The Labour Intensive Activities identified as per the annual DORA (MIG and PIG conditions),, and the “Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP” are effectively communicated to other, relevant provincial departments and local and district municipalities.
- Utilisation of the Empowerment Impact Assessment tool for all infrastructure projects over R2 million.

MEASURABLE OBJECTIVES:

- 30% of the DORA activities identified and implemented by the district offices are EPWP compliant by end of 2006/07.
- 80% of the DORA activities identified and implemented by the district offices are EPWP compliant by the end of 2007/08.
- 100% of the DORA activities identified and implemented by the district offices are EPWP compliant by the end of 2008/09.
- The Empowerment Impact Assessment tool is utilised on 50 projects in 2006/07.
- The Empowerment Impact Assessment tool is mainstreamed into the department by end of 2007/08.

STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape

STRATEGIC OBJECTIVES:

- Develop excellent LIC and maintenance pilots in the roads maintenance and community access roads projects.
- Utilise these pilot projects to popularise the LIC methods for the target audience in the departmental district offices, relevant technical staff in other provincial departments and relevant technical staff in the local and district municipalities.
- Integrate the schools maintenance projects into the provincial Department of Education and the Public Works Building Maintenance programme.

MEASURABLE OBJECTIVES:

- Nine community access roads projects implemented in full compliance of the “Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP”.
- 20 Roads Maintenance projects implemented based on the principles developed by the best practice Zimbabwe Roads Maintenance projects in KwaZulu Natal.
- Implement 10 schools maintenance projects.

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

STRATEGIC OBJECTIVES:

- Ensure that the planning and implementation of all community access roads by the Department are EPWP compliant so that work opportunities and skills development are combined with the improved access to remote communities.
- Develop implementation strategies with selected local and district municipalities and provincial departments for the development of EPWP compliant non-motorised transport infrastructure projects in line with mobility strategies and local NMT master plans to improve safety and comfort of those communities that cannot afford motorised forms of transport.

MEASURABLE OBJECTIVES:

- Implement nine community access roads projects that are LIC and EPWP compliant.
- Ensure that 30% of the community access roads projects implemented by the departmental district offices are LIC and EPWP compliant by the end of 2006/07.

- A minimum of two implementation strategies developed for the development of EPWP compliant non-motorised transport infrastructure projects with selected partners.

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

STRATEGIC OBJECTIVES:

- Develop and implement learnership programmes for New Venture and artisan skills.
- Develop and implement a developmental process based on the “Steeping Stones” initiative of the national Department of Public Works for emerging contractors for the Department.
- Ensure that the supply chain management processes in the department are conducive to the “Steeping Stones” developmental approach for new and emerging contractors.
- Encourage the development of consolidated skills development strategies at district municipality level with all EPWP projects in the area to enable meaningful skills development on the part of EPWP participants.

MEASURABLE OBJECTIVES:

- The “Steeping Stones” developmental process for new and emerging contractors developed and adopted by all the Department’s branches.
- Supply Chain management processes within the Department revised to enable the developmental approach.
- Train 100 new HDI contractors managed by the Programme, of which women will own 50 SMEs.
- Develop at least one set of frameworks and implementation policies at district municipality level to enable consolidated skills development strategies in all EPWP projects within that area.
- Develop the frameworks for consolidated skills development strategies within the department, linked to the Scarce Skills and Micro Economic Development Strategy (MEDS) initiatives to ensure maximum uptake of temporary employees into formal, permanent employment.
- Implement externally focussed learnership programmes to address shortages in professional and artisan skills in the built environment sector. 1000 learners to be targeted by CBP between 2006 and 2008.

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

STRATEGIC OBJECTIVES:

- Institutional arrangements for EPWP coordination in the province in place.
- Monitoring and reporting mechanisms for EPWP in the province in place.
- Provincial sector EPWP and local government EPWP targets are developed and monitored.
- EPWP best practice and user guides are developed, easily accessible and regularly communicated to all stakeholders through the Provincial and Sector forums and the District Municipality EPWP working sessions.

MEASURABLE OBJECTIVES:

- Develop a Business Plan for the EPWP Mandate of the CBP that is approved by the Department and resourced.
- The Provincial EPWP forum and sector forums are in place.
- Sector plans finalised, targets set and reporting and monitoring mechanisms are in place.
- District municipality EPWP quarterly working sessions are instituted and held in conjunction with the Department of Local Government and Housing staff.
- All sector departments to be reporting their EPWP data to the CBP by the 2nd quarter.
- All local and district municipalities to be reporting their EPWP data to the CBP by the 3rd quarter.
- Efficient gathering of accurate and verifiable EPWP data from all implementers in place by the 3rd quarter.
- At least two local authorities targeted for scaling up of EPWP projects and reflected in the 2007/08 IDP’s.

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

STRATEGIC OBJECTIVES:

- Shift the functions of the Programme from implementing traditional community based programmes to

becoming the driver and strategic hub of EPWP roll out and up scaling in the Western Cape.

MEASURABLE OBJECTIVES:

- Develop a Business Plan for realising the EPWP Mandate of the CBP that is approved by the department and resourced.

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

- Develop emerging contractors with a specific focus on youth and women to improve the number of successful, viable black contractors in the built environment sector.

MEASURABLE OBJECTIVES:

- Develop and implement a developmental process based on the “Stepping Stones” initiative of the national Department of Public Works for emerging HDI contractors for the Department.
- Ensure that the supply chain management processes in the department are conducive to the “Stepping Stones” developmental approach for HDI new and emerging contractors.
- Train 100 new HDI contractors managed by the CBP, of which women will own 50 SMEs.

Table 25: Demand for and performance of Community Based Programmes by region

Magisterial Districts	Number of unemployed people (SA Stats Census 2001)				Community based programmes			
	Female	Male	Total	% of Provincial total	Number of Projects 2005/06	Number of work opportunities employment created		
						Female	Male	Total
City of Cape Town	196 361	190 510	386 871	73	17	263	205	468
DC1 West Coast District Municipality	8 303	8 914	17 217	3	18	352	409	761
DC2 Boland District Municipality	25 487	24 317	49 804	10	2	36	36	72
DC3 Overberg District Municipality	8 252	8 107	16 359	3	10	134	141	275
DC4 Eden District Municipality	26 229	22 984	49 213	9	11	98	166	264
DC5 Central Karoo District Municipality	4 156	3 497	7 653	2	2	55	35	90
Total Western Cape	268 788	258 329	527 117	100	60	938	992	1930

REVIEW

The Community Based Public Works Programme continued with the implementation of Community Development Programmes such as Saamstaan School Building Maintenance, Zenzele Roads maintenance and Community Access Roads Programmes but also increased its focus on the Provincial Coordination of the EPWP. The increased focus on EPWP was part of the transition within the programme to discontinue with its implementation function within the 2006/07 financial year and in future exclusively concentrate on the Provincial Coordination of the EPWP and the establishment of a Construction Industry Empowerment and Innovation Unit. The programme embarked on an EPWP massification strategy to align the programme with ASGISA goal of halving poverty by 2014.

The massification strategy of the EPWP aims to:

- Increase the capacity of the branch to coordinate and drive EPWP in the province
- Increased the provincial target of 120 000 work opportunities over 5 years (April 2004 – March 2009) to 170 000, to create an additional 50 000 work opportunities.
- Mainstream the EPWP throughout the province by implementing a coordination and monitoring and evaluation strategy

Regional Coordinators were appointed within all district municipalities to coordinate EPWP activities at municipal level. The branch developed an organisational structure as part of the departmental restructuring process to compliment the massification strategy and increase capacity to implement the new mandate.

The annual provincial target increased from 25 000 in 2005/06 to 40 000 work opportunities in 2006/07 to respond to the massification target of 170 000 work opportunities. In 2005/06 a total of 28 417 work opportunities were recorded exceeding the target of 25 000. The Province recorded a total of 40 191 un-audited work opportunities for 2006/07 financial year. (All EPWP work opportunities are audited and published by the National Department of Public Works within 3 moths of submission by Provinces.)

The Saamstaan School building maintenance and Zenzele Road Maintenance programmes continued to create opportunities contributing to a nation at work

	SAAMSTAAN	ZENZELE	CARP
No of projects	21	29	10
No of work opportunities*	567	807	556
Women	323 (57%)	320 (40%)	295 (53%)
Youth	165 (29%)	294 (36%)	125 (22%)

* Includes projects carried over from 2005/06 financial year.

The empowerment impact assessment programme continued to set participation targets for major projects creating opportunities for ABE businesses and skills development with a focus on women and youth. The empowerment of emerging contractors in the construction industry was enabled through the Contractor Development Programmes, i.e tender training, mentorship, etc.

SERVICE DELIVERY ACHIEVEMENTS

Table 26: Programme 6: Community Based Programme: Measurable Objectives, Performance Indicators and Targets

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
INPUT						
Programme support	Budget amount (R'000s)	8 033	8 866	5 908	(2 958)	33%
Empowerment impact assessment	Budget amount (R'000s)	10 353	24 529	25 927	1 1398	6%

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
Contractor development	Budget amount (R'000s)	907	893	1 006	113	13%
Community development projects	Budget amount (R'000s)	40 149	33 998	27 206	(3 792)	20%
OUTPUT						
No of community projects implemented (by CBP only. Previous targets included projects implemented jointly with SANRAL)	On site commencement of project or continuation of project	49	70	60	(10)	14%
Number of temporary jobs created	Number of persons employed	1 670	2 000	1 930	(70)	4%
% of jobs for youth (16-25yrs old)	Youth percentage of persons employed	43%	50%	30%	(20%)	40%
% of jobs for women	Women percentage of persons employed	30%	50%	49%	(1%)	2%
Number of NQF training units attained by community workers	Number of NQF units credited to trainees by CETA accredited trainers	0	600	0	(600)	100%
Number of empowerment impact assessments completed	Number of Empla reports accepted by empowerment manager	21	50	38	(12)	24%
Number of empowerment workshops conducted	Number of 1-day workshops presented by empowerment unit of CBP to provincial, municipal and private sector staff	3	3	1	(2)	67%
Framework for implementation policies at district municipal level	Consolidated skills development strategies in all EPWP projects	N/A	1	0	(1)	100%
Develop a Business Plan for EPWP Mandate	Approved business plan	N/A	1	1	0	0%
Establish Provincial EPWP Forum and sector forums	Functional forums	N/A	4	2	(2)	50%
Finalise sector plans, set targets, put in place reporting and monitoring mechanisms	Approved sector plans	N/A	4	3	(1)	25%
Institution of district municipality EPWP working sessions	Quarterly EPWP working sessions in conjunction with LG&H	N/A	5	10	5	100%
Develop and implement a developmental process based on the "Stepping Stones" initiative of NDoPW for HDI's new and emerging contractors	Develop business plan	N/A	1	1	0	0%
Number of contractor mentorships provided	Number of mentoring services provided to developing contractors engaged by the department	6	10	10	0	0%
Number of contractor training workshops	Number of 1-day tendering workshops provided to existing and new ABEs	12	8	10	2	25%
Contract development project helpdesk services	Number of contractor and empowerment enquiries handled	981	1000	891	(109)	11%
Approved experiential training course	Number of students passing 2 nd year course	50 – technical 20 – admin	45	75	30	67%

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE OR INDICATOR	ACTUAL OUTPUTS 2005/06	TARGET OUTPUTS 2006/07	ACTUAL OUTPUTS 2006/07	DEVIATION FROM TARGET	
					Unit	%
QUALITY						
Average daily wage earned by workers	Rands per day	R56.08	R59.00	R50.00	(R9.00)	15%
EFFICIENCY						
Routine maintenance cost per day for employment created	Total routine maintenance project cost averaged per day of direct employment created	R95.68	R140.00	R87.67	(R52.33)	37%
Planned maintenance cost per day for employment created	Total planned maintenance project cost averaged per day of direct employment created	R246.89	R212.00	R100.88	(R111.12)	52%
Upgrade / construction cost per day for employment created	Total project cost averaged per day of direct employment created	R241.91	R387.00	R422.66	R35.66	9%
Average daily wage as % of cost per employment day	Routine maintenance percentage	59%	55%	56%	1%	2%
	Planned maintenance percentage	23%	37%	50%	13%	35%
	Upgrade / construction percentage	2%	20%	12%	(8%)	40%
Average cost per experiential student	Cost per year per student		R29 320	R36 000	R6 680	23%
Average cost per project empowerment impact assessment report	Cost in Rands	R28 407	R34 000	R26 468	(R7 532)	22%

SPECIFIC CHALLENGES AND RESPONSES – PROGRAMME 6

Challenge 1: EPWP performance

Bridging the division between the first and second economies.

Response to Challenge 1

The EPWP achieved 46% of its original target of 120 000 work opportunities by September 2006 and increased the target to 170 000 as part of the massification strategy.

Challenge 2: Mainstreaming

Mainstreaming in provincial and municipal line functions.

Response to Challenge 2

The CBPWP Branch undergone a change in mandate and will discontinue to implement projects and focus on the provincial coordination of the EPWP. A provincial institutional framework and sectoral targets were accepted at a provincial workshop by both provincial and municipal line functions in the Province. The EPWP unit will be restructured to provide sufficient support to the institutional framework and the introduction of a provincial monitoring and evaluation strategy will further support

the mainstreaming of EPWP.

Challenge 3: Small scale projects

Projects are small in scale and adhere only to the minimum requirement for EPWP compliance.

Response to Challenge 3

The project implementation function of programme 6 was transferred to the Roads Infrastructure and Public Works Branches and it will no longer implement projects. The Provincial infrastructure grant for 2007, leverages an increase of EPWP projects within the Roads sector and the targeting of larger EPWP projects.

The prioritisation of technical support to municipalities will see an increase in compliance and EPWP opportunities with a focus on Labour Intensive Construction (LIC) methods.

Challenge 4: Skills development

Weak skills development.

Response to Challenge 4

The introduction of an unemployed database enables the tracking of beneficiaries and increase the quality of skills development. 800 Trade Specific learnerships was initiated under the L1000 programme and a further 200 new ventures is intended to be recruited in 2007/08 financial year.

The Contractor development programme is to be scaled up to a "Stepping Stones" initiative that enables more small businesses to have a chance at skills development

ISSUES REQUIRING ONGOING ATTENTION

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

TRANSFER PAYMENTS

The transfers indicated in this section exclude payments made for regional service council levies, which is no longer payable with effect from July 2006, and households. These are included in the notes to the Annual Financial Statements. This section shows those transfer payments that mainly related to the service provided by this department and in most cases contribute to infrastructure delivery. These payments are supported by formal agreements between the beneficiary institutions and the department.

Table 27: Programme 2: Public Works

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Transfer to local government				
City of Cape Town	30 000	10 000	40 000	0
TOTAL	30 000	10 000	40 000	0

This transfer relates to the upgrading of Athlone soccer stadium (R30m) and the plans of the Greenpoint (R10m) soccer stadium for FIFA 2010 World Cup programmes. Agreements were concluded with the City of Cape Town containing conditions and remedial measures requiring the municipality to establish and implement effective, efficient and transparent financial management and internal control systems before such payments are made.

Table 28: Programme 3: Roads Infrastructure

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Transfer to local government				
Beaufort West Local Municipality	24		0	24
Berg River Local Municipality	84		0	84
Bitou Local Municipality	56		0	56
Breede River/Winelands Local Municipality	38		38	0
Breede Valley Local Municipality	1 040		1 040	0
Cape Agulhas Local Municipality	162		162	0
Cederberg Local Municipality	12		0	12
Central Karoo District Municipality	80	230	310	0
City of Cape Town	13 200		13 200	0
Drakenstein Local Municipality	2 460		785	1 675
George Local Municipality	3 873	2 920	6 793	0

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Hessequa Local Municipality	522	326	836	12
Kannaland Local Municipality	501		0	501
Knysna Local Municipality	64		0	64
Laingsburg Local Municipality	40		24	16
Matzikama Local Municipality	392		392	0
Mossel Bay Local Municipality	1 447		1 447	0
Oudtshoorn Local Municipality	107		106	1
Overstrand Local Municipality	368		368	0
Prince Albert Local Municipality	28		0	28
Saldanha Bay Local Municipality	40		40	0
Stellenbosch Local Municipality	2 580		19	2 561
Swartland Local Municipality	578		578	0
Theewaterskloof Local Municipality	200	1 424	1 476	148
Witzenberg Local Municipality	204		189	15
TOTAL	28 100	4 900	27 803	5 197

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

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

A Municipality was unable to execute a roads construction project within the financial year (R2,561 million). In addition municipalities submitted claims in respect of maintenance on municipal proclaimed roads late.

Table 29: Programme 4: Public Transport

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Transfer to local government				
Beaufort West Local Municipality	1 000		1 000	0
Bitou Local Municipality		1 900	1 900	0
Central Karoo District Municipality	1 000		1 000	0
City of Cape Town	26 922	5 000	28 922	3 000

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Eden District Municipality	500		500	0
George Local Municipality	15 000		15 000	0
Kannaland Local Municipality	500		500	0
Knysna Local Municipality		400	400	0
Mossel Bay Local Municipality	965		965	0
Stellenbosch Local Municipality	1 050		1 050	0
Swartland Local Municipality	500		500	0
TOTAL	47 437	7 300	51 737	3 000
Transfer to public corporations and private enterprises				
Casidra		1 500	500	1 000
TOTAL		1 500	500	1 000

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

The under spending of R3m is mainly due to transfers toward the Dial-a-Ride service was temporarily postponed.

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

Table 30: Programme 5: Traffic Management

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Transfer to Departmental Agencies and Accounts				
Government Motor Transport		45 154	45 154	0
TOTAL		45 154	45 154	0

The amount transferred included:

(a) R43,408 million in respect of the surplus on the GMT acquisition account in 2005/06 for the replacement of vehicles that have reached the end of their life expectancy, (b) R1,546m for the purchase of vehicles to be utilised by the Department of Agriculture and (c) R200 000 likewise in respect of the Provincial Parliament.

Table 31: Programme 6: Community Based Programme

NAME OF INSTITUTION	ESTIMATES		AMOUNT TRANSFERRED (R'000s)	VARIANCE (R'000s)
	VOTED (R'000s)	ADJUSTMENTS (R'000s)		
Transfers to local government				
Breede River/Winelands Local Municipality	1 790		1 790	0
Breede Valley Local Municipality	2 246		2 246	0
Cederberg Local Municipality	2 555		2 555	0
City of Cape Town	1 280		1 280	0
TOTAL	7 871		7 871	0
Transfer to public corporations and private enterprises				
Independent Development Trust	1 000		1 081	(81)
TOTAL	1 000		1 081	(81)

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

Similar agreements were entered into with the Independent Development Trust.

CONDITIONAL GRANTS

Table 32: Summary of Conditional Grants for 2006/07

Conditional Grant	Main appropriation R'000s	Roll-overs R'000s	Unforeseeable / unavoidable R'000s	Other adjustments R'000s	Total transfers R'000s
Provincial Infrastructure Grant					
Public Works	2 000	1 065	12 698	3 254	19 017
Roads Infrastructure	124 329		90 940		215 269
TOTAL	126 329	1 065	103 638	3 254	234 286

PERFORMANCE

The performance on the conditional grant is as follows:

PUBLIC WORKS

Of the full amount of R 19.017m, R 7.284m or 38% was spent. The underspending is mainly due to the national Provincial Infrastructure Grant of R 12.698m that was received in the Adjustments Estimate for the purposes of repairing flood damage for nature conservation facilities. Factors that contribute to this result include, but are not limited to the following: Additional burden on limited capacity, planning and design processes, contracting and construction phases running over more than one financial year.

The requirements of the Division of Revenue Act were complied with.

Provincial Infrastructure Grant	Allocation R'000s	Expenditure R'000s
Elsenburg lecture rooms	6 319	6 319
Flood damage	12 698	965
TOTAL	19 017	7 284

ROADS INFRASTRUCTURE

Roads Infrastructure received an allocation of R215,269m in respect of the Provincial Infrastructure Grant, of which R90,940 was allocated in the Adjustments Estimate for the purposes of repairing flood damage. R33,578m of the allocation for flood damage was not spent by 31 March 2007 and the factors that contributed to this result include, but are not limited to the following: Additional burden on limited capacity, planning and design processes, contracting and construction phases running over more than one financial year. The table below shows the financial performance per project.

Provincial Infrastructure Grant	Allocation R'000s	Expenditure R'000s
C776.1 Bredasdorp – Gansbaai Phase 1	44 329	44 329
C708.6 Rehab N2 Phase 2	40 000	38 982
C708.8 Rehab N2 Phase 4	40 000	41 018
Maintenance – current	66 160	57 362
Repair of bridges in Eden	24 780	0
TOTAL	215 269	181 691

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

ROADS INFRASTRUCTURE

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

Table 33: Roads Infrastructure

PROJECT	2006/07 R'000	2007/08 R'000	2008/09 R'000	2009/10 R'000
CONSTRUCTION				
C377.11 George – Outeniqua Pass	21 687	217		
C413.4 Wingfield – Malmesbury	8 191	3 160		
C527.3 Hemel-en-Aarde	351			
C552 Malmesbury – Hermon	15 593	41 753		
C569 Viljoenshoop Road	231			
C635 Piketberg – Citrusdal	421			
C636 Wellington – Hermon	66 127	64 776	500	
C637 Paarl – N1 DR 1118	5 072	400		
C682 Potsdam I/C Phase 1	42 486	20 031		
C698.1 Streetlighting on N7 at Piketberg	2 479			
C707.3 Rehab N1	676			
C707.5 Rehab N1 Phase 2	13 993	1 100		
C708.1 Repair balustrade on N2	286	1 200		
C708.5 Rehab N2	710			
C708.6 Rehab N2 Phase 2	38 982	22 367		
C708.8 Rehab N2 Phase 4	46 087	11 206		
C754.1 Piketberg - Redelinghuys	21 923	30 506		
C776.1 A Bredasdorp - Gansbaai	3 245			
C776.1 Bredasdorp – Gansbaai Phase 1	48 583	44 600	380	
C785.1 Repair of slip failure	1 724	114		
C788 Marcuskraal Road	10 964	27 085		
C789 Greyton / Genadendal	8 424	4 998		
C794 White Bridge - Knysna	2 532			
C802.1 Rehab ST Helena Bay	4 592	22 015		
C810 Rehab Bottelary Road	20 778	43 979		
Accident spots	6 594		3 000	7 000
Rehabilitation	39 401			
Film studio infrastructure			15 000	
C783 Algeria Road		6 000	30 000	
C847 Calitzdorp			16 000	8 000
C415.2 Saldanha – TR77				13 841
C838 Caledon – Hemel-en-Aarde			28 000	32 000
C842 Pakhuis Pass			20 000	15 000
C740 Lynedoch I/S		6 990	1 510	
C527.4 Mount Pleasant - Hermanus			10 000	25 000
C706 Koeberg I/C Phase 1			200 000	265 000
C708.7 Rehab N2 Eastbound		29 000	24 000	
C812 Rehab Firgrove		23 504		
C785 Repair of slopes in Huis River Pass		5 000	2 000	

PROJECT	2006/07 R'000	2007/08 R'000	2008/09 R'000	2009/10 R'000
C799 Slope remediation Chapman's Peak Drive		3 500		
C586 Pniel - Simondium			20 000	10 000
C794.1 White Bridge - Knysna			20 000	8 000
C864.2 Slope slips Tradouw & Burgers Pass		1 000		
C638 TR24/1 – TR11/2 Moorreesburg			10 000	16 000
C776.2 Bredasdorp – Gansbaai Phase 2				30 000
C498.2 Stellenbosch Arterial Phase 2			15 000	27 000
C733 Somerset West – Sir Lowrys Pass Phase 1				25 000
CBP Projects		25 297	22 123	22 900
Access Road Projects			3 000	
C546.2 Stellenbosch – Somerset West Bredell & Stellenrust I/S			13 000	1 000
C500.2 Mossel Bay Safety Phase 1		8 000	3 000	
C707.6 N1 Streetlighting		8 000	21 000	
C500.21 Mossel Bay Safety Phase 2			10 000	18 000
C634 Nuwekloof Wolseley				20 000
TOTAL	448 997	488 798	513 013	560 241
MAINTENANCE				
Reseal	173 665	110 822	83 000	82 000
Regravel	101 146	97 151	127 350	139 650
C735 Duivenhoks River Bridge	318			
C739 Repair of ARMCO's in Eden district	7 542			
C781 Rehab of bridges in Oudtshoorn	10 260	26 600		
C585.2 Bridge Handrails Phase 2	314	2 820		
Bridge Joints	1 766		1 400	11 500
C735.1 Zuurbraak	106			
C642 Gouritz River Bridge		2 500		
C784 Repair bridge in Bain's Kloof Pass		6 000	2 000	
C791 Repair bridges in Overberg District		9 000		
Rehab of bridges in Eden District		4 430	13 000	
Repair bridges in Prince Albert area		8 000		
Transfer Payments	6 216	10 000	10 500	11 000
Capital	301 333	277 323	237 250	244 150
Current	341 687	304 607	319 722	334 875
TOTAL	643 020	581 930	556 972	579 025
PLANNING AND DESIGN				
Expropriation	1 280	3 500	3 800	4 200
Survey	2 886			
Fees	111 213	96 000	105 000	113 000
Transfer Payments	2 700	2 700	2 800	2 800
TOTAL	118 079	102 200	111 600	120 000

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

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

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

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

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

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

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

SUMMARY OF THE CONDITION OF PROVINCIAL ROAD INFRASTRUCTURE

Table 34: 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)	1 406.03	2 416.81	1 849.63	562.31	103.22	6 338.00
Gravel Roads	31.89	1 102.53	3 819.33	4 172.11	1 109.19	10 235.05
Bridges with span > 2 metre						872
Culverts with span > 2 metres						1 422
<p>For the purpose of this table, the degrees of overall condition of pavement mean the following:</p> <p>Very Good Very few or no defects. Degree of defects c 3 (less than warning)</p> <p>Good Few defects. Degree of structural defects mostly less than warning</p> <p>Fair A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects)</p> <p>Poor General occurrence of particularly structural defects with degrees warning to severe</p> <p>Very Poor Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive</p>						

The total capital maintenance and rehabilitation backlog was estimated at R2,573 billion as at April 2006. The average 5-year capital funding required to maximise road user benefits and maintain the asset value at R1 700 million per annum. The present capital budget for maintenance and rehabilitation is an average of R727 million per annum over the MTEF period.

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

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

MANAGEMENT OF KEY MOVEABLE ASSETS

The road building and maintenance plant fleet consists of approximately 2 169 items. Of these;

- 53.7 % are in good condition
- 26.9 % are in fair condition
- 19.4 % are in poor condition.

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

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

PROCESSES FOR TENDERING

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

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Purchase of new vehicles and equipment

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

Response to Challenge 1

Accelerate the supply chain process and put more pressure on suppliers.

PUBLIC WORKS

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

Table 35: Public Works Projects started in 2006/07, but not completed

Projects started in 2006/07 (not completed)	Directorate	Site Handover	Expected Practical Completion Date
Pacaltsdorp Primary School Completion Contract (183884/2002)	Education	16-Nov-2006	25-Apr-2007
Paulus Joubert Secondary School (1944/2003)	Education	15-Jun-2006	18-May-2007
Them bani Primary School (1335/2003)	Education	22-Aug-2006	18-May-2007
Turfhall Primary School (0379/2003)	Education	27-Nov-2006	23-May-2007
Ravensmead Secondary School (0391/2003)	Education	22-Nov-2006	11-Jun-2007
Esselenpark Secondary School (1951/2003)	Education	5-Dec-2006	12-Jun-2007
Mondale Senior Secondary School (1138/2003)	Education	30-Nov-2006	2-Jul-2007
Rosmead Primary School (0404/2003)	Education	25-Jan-2007	27-Jul-2007
Khayelitsha Secondary School (1) (Erf 28586) (1165/2003)	Education	3-Aug-2006	20-Aug-2007
Khayelitsha Secondary School (2) (Erf 20880/1) (0010/2006)	Education	3-Aug-2006	20-Aug-2007
Khayelitsha Secondary School (3 of 3) (Erf 59786) (0011/2006)	Education	3-Aug-2006	20-Aug-2007
Smutsville: Sedgfield Primary School (0995/2004)	Education	17-May-2006	31-Aug-2007
Delft N2 Gateway Primary School (3 of 3) (Erf 8967) (136428/2006)	Education	2-Aug-2006	3-Sep-2007
Khayelitsha Primary School (1 of 3) (Erf 40925) (0143/2002)	Education	2-Aug-2006	3-Sep-2007
Khayelitsha Primary School (2 of 3) (Erf 59787) (0008/2006)	Education	2-Aug-2006	3-Sep-2007
Table View Primary School (1328/2003)	Education	4-Jul-2006	15-Oct-2007
CS: Gene Louw: Brackenfell: Traffic College (74067/2006)	General	6-Oct-2006	25-May-2007
Beaufort West: Ambulance & Traffic Centre (WG funded) (0198/2005)	General	1-Apr-2006	31-Jul-2007
B: Beaufort West: Ambulance Station & DMC (Health) (PIG)	General	14-Aug-2006	27-Apr-2007
D: Beaufort West: Disaster & Emergency Control Centre (Health) (PIG)	General	14-Aug-2006	27-Apr-2007
Stanford CHC: New CHC (Own) (2007/2008)	Health	27-Jul-2006	11-May-2007
Montagu CHC: New CHC (Own) (2007/2008)	Health	1-Jul-2006	6-Jul-2007
Simondium CHC: New CHC (Own) (2007/2008)	Health	25-Aug-2006	31-Jul-2007

Projects started in 2006/07 (not completed)	Directorate	Site Handover	Expected Practical Completion Date
Stellenbosch Hospital: Ambulance Station (PIG) (2006/2007)	Health	1-Nov-2006	18-Apr-2007
Atlantis Hospital: New Ambulance Station (Own) (2006/2007)	Health	14-Jul-2006	4-Apr-2007
Oudtshoorn Hospital: Pharmacy Bulk Store, ex-Laundry (PIG) (2006/2007)	Health	22-Nov-2006	12-Jun-2007
Hermanus Hospital: Ambulance Station - New (PIG) (2007/2008)	Health	25-Oct-2006	25-Jun-2007
Oudtshoorn Hospital: Ambulance Station Upgrade (PIG) (2006/2007)	Health	18-Jan-2007	30-Jun-2007
Vredenburg Hospital: Ph1a (HRP) (2006/2007)	Health	15-Nov-2006	30-Jun-2007
Vredendal Hospital: Upgrade CSSD & XRay (PIG) (2007/2008)	Health	27-Jun-2006	30-Jun-2007
Lentegeur Hospital: Ambulance Station (PIG) (2007/2008)	Health	10-Nov-2006	9-Jul-2007
Wellington CHC: New CHC (PIG) (2007/2008)	Health	7-Sep-2006	11-Aug-2007
Worcester Regional Hospital: DMC & Ambulance Station (HRP) (2007/2008)	Health	10-Jan-2007	13-Aug-2007
Bredasdorp Hospital: Ambulance Station & Road Upgrading (PIG) (2007/2008)	Health	15-Jan-2007	14-Aug-2007
Cape Medical Depot: Upgrade, Air-conditioning Relocation (PIG)(2007/2008)	Health	28-Jul-2006	27-Aug-2007
Riversdale Hospital: Ph1 Upgrade Admin & Ambulance Station (PIG) (2007/2008)	Health	13-Feb-2007	17-Sep-2007
Paarl Hospital: Ph2 Rationalization (HRP) (2007/2008)	Health	9-May-2006	10-May-2009

Table 36: Public Works Projects completed in 2006/07

Projects completed in 2006/07	Directorate
Bloekombos: Masibambane Secondary School (0996/2004)	Education
Bongaletu Primary School (168360/2006)	Education
Brackenfell High School (0023/2005)	Education
Bridgton Junior Secondary School (0020/2003)	Education
Bridgton Secondary School (1881/2003)	Education
Charleston Hill Secondary School (1946/2003)	Education
Conville Primary School (1302/2003)	Education
Delft Primary School No.1 (1076/2002)	Education
Delft Secondary School (1078/2002)	Education
Du Noon: Inkwenkwezi Secondary School (Completion contract) (1308/2002)	Education
Heideveld Secondary School (2015/2003)	Education
Heinz Park Primary School (0289/2003)	Education
Hexpark Primary School (Forum) (1952/2003)	Education
Highbury Secondary School (Extended site works) (1494/2004)	Education
Iingcingazethu Secondary School (0401/2003)	Education

Projects completed in 2006/07	Directorate
Kalkfontein Primary School (1307/2002)	Education
Kretzenshoop Primary School (1511/2003)	Education
Kuilsrivier: Highbury Secondary School (0126/2002)	Education
Ladismith Senior Secondary School (1134/2003)	Education
Manzomthombo Secondary School (0056/2005)	Education
Masibambisani Secondary School (0998/2004)	Education
Mfuleni Primary School (2326/2000)	Education
Murray Secondary School (1297/2003)	Education
Paarl: Groenheuwel Primary School (0132/2002)	Education
Panorama Primary School (0390/2003)	Education
Proteus Senior Secondary School (1133/2003)	Education
Simunye Secondary School (1017/2004)	Education
Victoriapark Primary School (0396/2003)	Education
Wallacedene: Imvumelwano Primary School (0106/2002)	Education
Wesfleur Primary School (1995/2003)	Education
Agric: Elsenburg: New Engineering Store : Build in ex. structure (153318/2006)	General
Cape Nature: Driftsands: Upgrade building plus Disabled Toilet (191959/2006)	General
Cape Nature: Grootvadersbosch Nature Reserve: Storm Damage Repairs 2006 (242240/2007)	General
Cape Nature: Potberg Nature Reserve: Storm Damage Repairs 2006 (243347/2007)	General
D.S.D: Vredenburg District Office and SASSA office (73873/2006)	General
Groote Schuur Hospital: Linear Accelerator (PIG) (2006/2007)	Health
Mowbray Maternity Hospital: Upgrade (PIG) (2006/2007)	Health

Table 37: Public Works: Summary of Projects

Sub-Programme	Projects Completed	Projects Started	Expected Completion Dates
Health	2	17	2 in April 2007 1 in May 2007 5 in June 2007 3 in July 2007 4 in Aug 2007 1 in Sept 2007 1 in May 2009
Education	30	16	1 in April 2007 3 in May 2007 2 in June 2007 2 in July 2007 4 in Aug 2007 3 in Sept 2007 1 in Oct 2009
General Buildings	5	4	2 in April 2007 1 in May 2007 1 in July 2007

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

The Departments of Health and of Education are responsible for the funding of their own maintenance. Public Works is responsible for the balance of maintenance at other departments. The

backlog in excess of R2bn previously reported is primarily for Health and Education facilities. Although the maintenance backlog for general buildings is still significant, no impact is made on this backlog due to limited funding.

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

30 new properties were purchased and no new properties were registered in the name of the Province. In the period under review 23 properties were sold.

No major projects regarding maintenance of moveable assets were undertaken.

SPECIFIC CHALLENGES AND RESPONSES

Challenge 1: Maintenance backlog

The backlog in excess of R 2bn primarily for Health and Education facilities. Although the maintenance backlog for general buildings is still significant, no impact is made due to limited funding.

Response to Challenge 1

Development of a comprehensive asset management strategy which encompasses aspects of maintenance and which, over time, reduces the maintenance backlogs.

PUBLIC TRANSPORT

A twelve-month contract was awarded to a service provider for the installation, testing and commissioning of the Intelligent Transport System (ITS) and the Integrated Fare Management System (IFMS). These systems will enable users to use a single ticket for different modes of public transport, and the Department to effectively monitor service delivery. The installation, commissioning and testing of the Intelligent Transport system and Integrated Fare Management systems has commenced and the costs implications are as follows:

- R18 million - delivery of the hard ware and software with installation and commissioning of the system.
- R16 million - full commissioning, installation, promotion, marketing roll out of the entire system.

The Intelligent transport system and Integrated Fare management systems are in the implementation phase therefore maintenance contract is not applicable at this stage.

GENERAL

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

The movable capital stock is in a relatively good condition.

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

**PART THREE: SHARED AUDIT COMMITTEE REPORT FOR THE FINANCIAL
YEAR ENDING 31 MARCH 2007**

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

APPOINTMENT OF THE SHARED AUDIT COMMITTEE

Department of Transport and Public Works (Vote 10) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 on 23 June 2003 which was subsequently extended by Cabinet Resolutions 95/2005 and 77/2007. The term of the Shared Audit Committee expires on 31 December 2007.

From 2008 this Department will be served by its own audit committee.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Shared Audit Committee is required to meet a minimum of 4 times per annum as per its approved Terms of Reference. During the current year 11 meetings were held and the members attended as shown below.

Member	Meetings Attended
Mr J.A. Jarvis (Chairperson)	11
Mr J. January	5
Mr P. Jones	10
Mr R. Warley	8

AUDIT COMMITTEE RESPONSIBILITY

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

EFFECTIVENESS OF INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the staff of the Provincial Government over a three-year period. Due to budget and capacity constraints there was a lack of adequate coverage of high risk areas identified by the Department. This increased the risk of a poor control environment with the associated potential losses.

At the end of December 2006 the Consortium contract was extended for a further 2 years to allow the development of the Internal Audit function to be completed.

The Shared Audit Committee's review of the 2007/08 Operational Internal Audit plan indicates that there should be a smoother transfer of skills during the next two years.

QUALITY ASSURANCE REVIEW

During the year under review the Institute of Internal Auditors (SA) (IIA) conducted a quality assurance review of the Internal Audit activity. The Institute issued an opinion of partial conformance with the Standards of Internal Audit. The Internal Audit Unit is in the process of implementing the recommendations made by the IIA.

INTERNAL AUDIT FINDINGS

During the financial year the Shared Audit Committee met with management periodically to track their progress in resolving outstanding critical and significant internal control issues previously raised by the Auditor General and Internal Audit.

All Internal Audit work in terms of the Operational Plan for the year under review was performed in close co-operation with management who gave a strong commitment to implement recommended corrective actions.

RISK MANAGEMENT

The Shared Audit Committee notes with concern that during the year under review the Department had not appointed a Chief Risk Officer to highlight and bring changes to the risk environment to the attention of management. The committee recommends that more focus be given to strengthening the risk management function.

AUDITOR GENERAL

The Auditor General has qualified the Annual Financial Statements for the year under review, under the following headings:

- Fixed Assets – Inadequate Asset Register.
- Tax Revenue Debtors (NATIS) – No detailed Debtor report
- Property Debtors – No reliance on the MDA system.
- Lease Commitments – Inaccurate source documents.

Other matters also reported, include the following:

- Non-compliance with the applicable legislation.
- Material correction made to the financial statements.
- Value for money matters
- Matter of Governance.
- Internal Control and
- Special Investigations

INFORMATION TECHNOLOGY

During the year under review Internal Audit carried out a comprehensive audit of IT facilities under the control of Centre for e-Innovation (Ce-I). The audit highlighted a growing crisis within IT and the need to replace outdated equipment, improve security, back-up information and develop plans to address the business needs of its customers including this Department. The Shared Audit Committee believes the way forward is for this Department's officials to participate in a project team to develop IT policies that address the needs of users on an ongoing basis.

IN YEAR MANAGEMENT REPORTING

The Shared Audit Committee has reviewed the In Year Management Reports and discussed these with Department officials. Sufficient progress is being made in the development and quality of these reports.

EVALUATION OF FINANCIAL STATEMENTS

The Shared 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 response thereto; and
- reviewed significant adjustments resulting from the audit.

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

APPRECIATION

The Audit Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Sihluma Sonke Consortium for the information they have provided for us to compile this report.



Mr. J.A. Jarvis

Chairperson of the Shared Audit Committee

Date: 17 September 2007

**PART FOUR: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007**

CONTENTS	PAGE
Report of the Accounting Officer	83
Report of the Auditor-General	98
Accounting Policies	106
Appropriation Statement	113
Notes to the Appropriation Statement	121
Statement of Financial Performance	122
Statement of Financial Position	123
Cash Flow Statement	124
Notes to the Annual Financial Statements	125
Disclosure Notes to the Annual Financial Statements	133
Annexures to the Annual Financial Statements	139

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

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

1. GENERAL REVIEW OF STATE OF AFFAIRS

Policy

The Strategic Infrastructure Plan, one of the lead strategies of the Provincial Growth and Development Strategy for which this Department is responsible, was launched. The first edition covered eleven infrastructure sectors and identified five key thrusts, which require priority focus. Inclusive in this was the need to ensure that transport, especially public transport, receives attention, as well as asset maintenance and management.

An interim institutional arrangement was established between the City of Cape Town and the Department, under the auspices of the Premier's Metropolitan Co-ordinating Forum, to focus on the co-ordination of transport issues within the metro area. This led to an intergovernmental agreement being developed between all three spheres of government in which it was agreed to establish a Public Transport Operating Entity in terms of provincial legislation, and a Transport Planning Advisory Council under the City of Cape Town.

The Department is a critical role player in delivering projects and programmes in support of the FIFA 2010 World Cup. A project director to co-ordinate departmental activities in this regard was appointed.

As part of implementation of the recommendations outlined by the Ntsebeza Committee of Enquiry, a Dispute Resolution Unit (DRU) was established to deal with the various road-based public transport challenges in relation to conflict. Furthermore, a totally new organisational structure was developed to give improved support to the Provincial Operating License Board (POLB) and the office of the Public Transport Registrar. This new structure provides for business processes and systems which are aimed at improving the efficiency of the POLB.

A draft Safety and Compliance Strategy has been developed to address the public transport safety environment

A Draft Public Transport Fare Policy was developed for subsidised road-based public transport.

The development of the skills levels within the public transport sector is critical to ensure the management and operation of a modern transport system. The formulation of a skills development strategy that responds to the skills requirements is underway. It will include a proper selection and recruitment criteria, impact assessment tools and quality management system.

Events

The TRAC-Program, aimed at stimulating young people to study engineering and related technical fields, was launched. TRAC SA is a national non-profit program which supports science, mathematics and technology in secondary schools

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

around South Africa using mobile laboratories to show learner's real life examples of transportation based science and mathematics problems.

The Learnership 1000 program was launched. Eight hundred trade specific learners were admitted to the program. Training commenced at 13 campuses of the 6 Further Education and Training Colleges through out the Province. This intervention focuses on skills development and contributes towards alleviating unemployment and poverty and impacts positively on the second economy. It is backed by the SETAs, the Department of Transport and Public Works partnered with ABSA, the City of Cape Town, the Department of Education and municipalities across the Western Cape to place, train and develop the learners. Successful applicants will receive training and gain first-hand experience during their placement.

A "Women in Construction" Summit was held aimed at accelerating and sustaining participation of women in the construction industry. Similarly and mindful that the property sector is a vibrant and growing sector that needs to be changed to enable black women to participate in it without stumbling blocks and handicaps an initiative to empower women in the property industry was also launched.

A successful "Transport Month" was held. The taxi ranks and public transport facilities in Grabouw and Oudtshoorn were opened to showcase the infrastructure that has been completed to accommodate the new taxi re-capitalisation vehicles. Bicycles were handed out at various venues to promote the use of non-motorised transport among the youth. The "Walking Bus" campaign was initiated, which focuses on escorting people safely to public transport facilities. The TETA Minibus Taxi Awards Ceremony was held to celebrate the achievement of 200 learners in the Western Cape's taxi industry who underwent training in professional driving, business administration and customer care. A Provincial Public Transport Lekgotla was held with public transport stakeholders in preparation for the National Transport Indaba in Soweto. The Department also participated in the International Standards Organisation Outreach Programme Workshop (ISO/TC204) for Intelligent Transport Systems held in Cape Town.

Implementation of the national taxi re-capitalisation process began through identification of and agreement on an appropriate site for the administration and scrapping of taxi vehicles. In addition, the taxi re-capitalisation scrapping process was launched in the Province.

Major Projects

To support the 2010 FIFA World Cup, planning for the redevelopment of the Somerset/City Hospital and Phillipi Stadium precincts commenced. Contributions of R30 million for the upgrading of the Athlone Soccer Stadium and R10 million for infrastructure planning in respect of the Green Point Soccer Stadium were made to City of Cape Town.

Construction on 16 new schools commenced of which four were completed.

Furthermore, the Hospital Revitalisation Programme is proceeding with the design of two new district hospitals – Khayelitsha and Mitchell's Plain, the upgrading of Valkenberg Hospital, and the second phase of the upgrading of Vredenberg Hospital.

Projects under construction are the upgrading of Worcester Hospital and Paarl Hospital, while the first phase of the upgrading of Vredenburg Hospital and the upgrading of George Hospital have been completed.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

To provide an environment for the improved functioning of provincial department's, construction of a provincial node in Beaufort West commenced. The node will accommodate a traffic centre, an ambulance station, a disaster management centre and an impoundment facility to support the safety and enforcement programme of the Department. Furthermore, a contract for the upgrading of the Beaufort West weighbridge infrastructure was awarded. It includes electronic weigh-in-motion equipment to speed up the weighing process by pre-selecting apparently overloaded vehicles – legally loaded vehicles are no longer unnecessarily inconvenienced by having to go through the full process. Computer systems and software to operate weighbridge activities were upgraded.

Planning commenced for a shared service centre in Athlone. The centre will provide for public transport and motor vehicle licensing, as well as office accommodation for some of the Provincial departments.

To broaden economic participation superfluous accommodation was leased to empowerment groups, for the development of a tourism node at Riebeeck West and the Gouritz River Bridge. Furthermore, and in addition to the Women in Construction programme that focuses on empowerment of women to enter the mainstream construction industry, a Women in Property project was launched. The aim thereof is to accelerate the empowerment of women in the property sector. In this context, empowerment of women was targeted through the disposal of five properties in George, Strand, Milnerton and Franschoek through the preferential procurement system.

Due to structure failure resulting from age and safety considerations a 3.1 kilometre section of the Trunk Road between George and the beginning of the Outeniqua Pass was reconstructed and officially opened to road users during 2006. This reconstruction completes the modernisation and upgrading of the Outeniqua Pass to present day standard. The value of the work completed is about R73 million.

Jan van Riebeeck Drive between the N1 and Paarl was reconstructed and upgraded to a dual carriage road to improve safety and capacity. The work completed during May 2006 is valued at about R44 million.

The N1 was rehabilitated between the City of Cape Town and Bellville to restore the structural integrity of this route, which carries the largest traffic volumes in the Western Cape. The work completed during July 2006 is valued at about R64 million

Due to the size of most of the roads infrastructure projects, the projects are inevitably multi year. The Rehabilitation of N2 (Phase II) and TR1 / Section I: George – Outeniqua Pass was completed.

Capital projects in the planning /design phase entailed: Upgrade to surfaced standard of road/sections of roads between Elandsbaai – Lambertsbaai (MR538), Pakhuispas and the Wupperthal Turnoff (MR542) and Ceres – Citrusdal (MR301 & MR 539); Upgrade of road between Somerset West and Sir Lowry's Pass (TR2/2) and TR28/1 past Mount Pleasant to Hermanus; Rehabilitation/Slope protection of TR2/10: White Bridge – Knysna and the Preliminary Planning of Koeberg Interchange and sections of N1 Corridor

Capital projects that reached the construction phase in 2006/07 but that will only be completed 2007/08 are: Upgrading to a surfaced standard of the Bredasdorp/Elim Link (Phase I); Rehabilitation of the provincial sections of the N2; Rehabilitation/Upgrading of MR23 – Wellington to Hermon; Rehabilitation of TR24 – Malmesbury to Hermon; Potsdam

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Interchange on the N7; N2 Gateway projects – Symphony Way and the upgrade to surfaced standard DR 1298 at Genadendal.

Due to the large backlog regarding maintenance of roads about 50% of the roads infrastructure budget is spent on maintenance. Spending on the maintenance of roads took place as follows: Routine maintenance of gravel roads - R 47m or 7%; routine maintenance of surfaced roads - R 251m or 39%; re-gravelling – R 101m or 15%; reseal – R 174m or 26%; bridge maintenance – R 20m or 3%; re-gravelling and reseal of proclaimed municipal roads (transfers) – R 8m or 1% and flood damage - R 57m or 9%.

As part of the implementation of the Public Transport Improvement Programme (PTIP), a twelve-month contract was awarded to a service provider for the installation, testing and commissioning of the Intelligent Transport System (ITS) and the Integrated Fare Management System (IFMS). These systems will enable users to use a single ticket for different modes of public transport, and the Department to effectively monitor service delivery.

In relation to public transport infrastructure delivery, the detailed design of Sandkraal Road was completed and construction commenced to support public transport operations in terms of the George Mobility Strategy. Projects in rural areas were also completed, e.g. taxi ranks in Knysna, Grabouw, Theewaterskloof and Oudsthoorn.

Expenditure

The annual appropriation for 2006/07 was adjusted upwards from R2,064 billion to R2,321 billion or in nominal terms by 12%. In comparison of 2005/06 it was adjusted upwards from R1,712 billion to R1,797 billion or in nominal terms by 5%. The net appropriation expenditure for 2006/07 is 2,9% below the appropriation compared to 1.3% for the previous year. This under spending includes a portion of a national Provincial Infrastructure Grant for the purposes of repairing flood damage for roads infrastructure and nature conservation facilities. The grant was appropriated in the Adjustments Estimates. Of the total grant of R103,638 million, R45,311 million was not spend by 31 March 2007. Factors that contributed to this result include, but are not limited to the following: Additional burden on limited capacity, planning and design processes, contracting and construction phases running over more than one financial year: If the unspent portion of this grant is excluded from the total under spending, then the overall under spending for 2006/07 is 1%. Other under spending in relation to roads infrastructure delivery can be mainly attributed to late receipt of municipal claims in respect of maintenance on municipal proclaimed roads as well as a municipality that was unable to execute a roads construction project within the financial year. With regard to public transport delivery, transfers towards both the Dial-a-Ride service and the Entrepreneurial Development Programme for road based public transport modes were temporarily postponed. In relation to community-based programmes, the contracting processes for certain projects were finalised late in the financial year causing a spill over of the construction phase into the new financial year. Tables 1 and 1.2 below show the under spending per programme and per economic classification.

Flood damage is a natural phenomenon that occurs every year, since 2001, every time with devastating results. Apart from causing budget pressures it also places an undue burden on limited resources.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

With regard to roads infrastructure delivery it is estimated that contract prices increased at an average of 30%. This situation limited the ability to do what was originally planned for the year on the road network.

Table 1: Under spending per programme

Programme	2006/07		2005/06	
	R'000	%	R'000	%
1: Administration	1 246	1.7	3 231	6.2
2: Public Works	13 150	2.9	8 905	2.5
3: Roads infrastructure	39 710	3	4 941	0.5
4: Public Transport	5 463	3.3	1 866	1.00
5: Traffic management	50	0.01	106	0.1
6: Community Based Programme	7 787	11.4	5 065	7.9
TOTAL (* Including unspent flood damage grant)	67 406*	2.9*	24 114	1.3
TOTAL (**excluding unspent flood damage grant)	22 095**	1**	24 114	1.3

Table 1.2: Under spending per Economic classification

Economic classification	2006/07		2005/06	
	R'000	%	R'000	%
Current payments	12 120	1.1	2 022	0.2
Transfers and subsidies	9 347	4.9	12 881	6.4
Payments for capital assets Land and buildings	45 939	4.3	9 211	1.2
TOTAL	67 406	2.9	24 114	1.3

Departmental receipts

The net aggregate departmental receipts collected for 2006/07 is R 80,308million above the estimates. However, these collections include a once off claim from the City of Cape Town. If the latter is disregarded then the net aggregate departmental receipts for 2006/07 is R 57,308 million above the estimates. Tables 1.3 below show the percentage over collections of departmental receipts per classification. Over collection is mainly attributed to a growing motor vehicle population and increase collection of motor vehicle licenses due to improved collection activities, improved rental income collections. Increased demand for personalised motor vehicle license numbers and sale of land and buildings.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Table 1.3: Departmental receipts % over/under collection

Programme	2006/07		2005/06	
	R'000	%	R'000	%
			*	
Tax revenue	43 790	5.81	27 040	3.7
Sales of goods and services other than capital assets	9 442	23.73	18 821	71.8
Interest, dividends, rent on land	19	100	24	100
Sale of capital assets	3 462	21.29	6 441	26.84
Financial transactions in assets and liabilities	595		(197)	
TOTAL	**57 308	9.83	*52 129	6.66

*The surplus (R43,408m) of the Government Motor Transport replacement fund surrendered to the Provincial Revenue Fund has been excluded.

**R23,000m a once off claim from the City of Cape Town has been excluded to better compare the results.

Virements

Main division			Reason
From	To	R'000	
1: Administration	2: Public Works	3, 000	Acceleration of maintenance on general buildings
2: Public Works	3: Roads Infrastructure	12,752	Acceleration of Roads Infrastructure delivery
4: Public Transport	3: Roads Infrastructure	14,350	Acceleration of Roads Infrastructure delivery
5: Traffic Management	3: Roads Infrastructure	4,020	Acceleration of Roads Infrastructure delivery
	2: Public Works	409	Acceleration of maintenance on general buildings
6: Community Based Programme	3: Roads Infrastructure	5,900	Acceleration of Roads Infrastructure delivery

2. SERVICES RENDERED BY THE DEPARTMENT

Services

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

Tariffs

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

The tariffs for the Chapman's Peak Toll road were increased by CPI plus 0.4% with effect from 1 June 2006.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Inventory

Table 2: Value of inventory on hand at the weighted average cost

Description	2006/07 R'000	2005/06 R'000
Forms: Motor vehicle administration	1 234	518
Stationary: General	206	166
Material: Roads maintenance	2 976	2 083
TOTAL	4 416	2 767

3. CAPACITY CONSTRAINTS

The Provincial Cabinet approved a redesigned macro level functional model for the Department. This model forms the basis for the development of an organisational structure that will give greater effect to government strategies and objectives, ensuring alignment in meeting national and provincial priorities, enhancing capacity for high-level research and policy development, facilitating integrated planning and reduce inefficiencies and duplications.

Programmes to address the shortage of engineering, technical and other scarce skills over the short, medium and long term continued. In this regard focused strategies were developed to recruit and retain scarce skills occupations. As part of this strategy the Department awarded 127 bursaries. Supply chain management practitioners across functions of the department, totaling 56 were capacitating through a formal SCM course offered by a leading tertiary institution. In the roads infrastructure environment 24 staff members registered as category 18.1 learners with the Construction Education Training Authority. Opportunities were created to recruit graduate engineers and technicians. To facilitate professional registration, retired built environment professionals were appointed to provide mentoring of new recruits, e.g. 5 engineers and 2 technicians were mentored to prepare them for professional registration.

A new Provincial Operating Licence Board (POLB) was appointed. The Office of the Provincial Transport Registrar was also reorganised resulting in an effective institutional structure, human resource development plan and new office staff being appointed and appropriately skilled to deal with the projects relating to improved regulation and governance of the industry. To improve front office service delivery, the operating licence centre was reorganised into a public transport service centre. In this regard, a new organisational establishment was designed and implemented with a staff complement of 103. A period of vigorous training and development was embarked upon to orientate and capacitate new staff members to understand the systems and dynamics within the public transport industry. A centre manager at Senior Management Service level was appointed.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

With the introduction of Rational Portfolio Manager (RPM) as a project management tool and a central repository of project information for the department, project managers and line managers are able to immediately access and obtain consolidated information on all projects that fall under their direct or indirect control. A practical example of how the system is able to save time and effort is in the handling of requests for information on the status of, or progress on current departmental projects in a geographic area. Whereas in the past, such information would have required technical personnel to prepare and consolidate the information into a report, it now takes a few minutes for a project administrator to draw a report. Through the introduction of RPM and uniform project management processes, the Department has therefore managed to work smarter and in so doing mitigate against the negative impact of capacity constraints to a certain extent.

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 will be 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 R135,736 million (2005/06 R171,321 million), R127,529 million (2005/06 R166,377 million), was transferred to municipalities in the Province of the Western Cape for the maintenance of proclaimed roads, public transport infrastructure and for community development projects. The details of these transfer payments are set out in Annexure 1B and part 2, Programme Performance, paragraph 2.11, of the Annual Report.

6. 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. However, in terms of Section 21.1.2 of the concession agreement a designated event¹ has been in place since the opening of the toll road. The designated event will remain in place until such time that the Record of Decision for the construction of the permanent toll plazas that was issued on the 3 July 2005 is either confirmed or amended by the Minister of Environmental Affairs and Tourism in response to appeals against the Record of Decision. This ruling is a prerequisite for the transfer of commercial

¹ *In terms of the designated event all toll revenue accrues to the Province; the Concessionaire is paid a fix sum monthly based on the financial base case; the Province is responsible for the construction of the temporary toll structure, additional costs relating to the operation of the temporary toll structure, and escalation relation to the construction of the permanent toll plaza.*

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

risk to the Concessionaire. Until then, the Province remains responsible for shortfalls in toll income. The total amount spent on the designated event since the opening of Chapman's Peak is R27 236 million.

7. CORPORATE GOVERNANCE ARRANGEMENTS

Risk Management

Following the Departments intentions to strengthen risk management, as reported in 2005/06, an Enterprise Risk Management Unit was established. The Unit is resourced with a Chief Risk Officer (CRO) supported by four risk analysts. The CRO was appointed effective from 2 May 2007 and the recruitment process of the risk analysts is underway.

A Strategic Risk Assessment was conducted on 06 February 2007. The purpose of which was to identify all risks that could adversely affect the achievement of the Department's strategic objectives. The Strategic Risk Report was issued on 16 April 2007 and tabled in the Top Management on 7 May 2007. Henceforth, risk response strategies will be developed.

Fraud Prevention

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

The Provincial Fraud Investigative Unit initiated a process whereby management letters from the Auditor General were examined to determine areas that should be subjected to forensic investigative auditing. The approach, which was followed, was to identify matters where a reasonable possibility exists that losses were incurred and financial misconduct had occurred. The auditable areas identified are traveling and subsistence claims, duplicate invoices and payments and isolated transfer payments and disposal of land. The outcome of the initiative is pending.

Internal Audit

The Department makes use of a Shared Internal Audit Service institutionally vested in and resourced by the Provincial Treasury. The internal audit plan, approved by the Audit Committee, is based on the risk assessment contained in the Consolidated Risk Report, 2004 inclusive of a reprioritisation of such risks.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Audit committee

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

Internal Control

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

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

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

To strengthen and improve internal control, the Financial Control component was reorganised and the recruitment process is underway.

Conflict of interest

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

Code of conduct

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

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

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Safety, health and environmental issues

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

8. ASSET MANAGEMENT

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

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

E-Prop System, to record immovable roads assets

- Fleetman System, to record government motor vehicles

9. EVENTS AFTER THE REPORTING DATE

Application was made for rollover (R67,406 million) and revenue retention (R80,308 million) to be carried over to 2007/08 mainly for economic infrastructure delivery purposes.

The Provincial Capital Fund Ordinance Amendment, Act 2007 (Act 1 of 2007) provides in section 1(2) that the rental is not charged for the use of provincial buildings by the Central Medical Stores Trading Account with effect from 1 April 2000.

The eNatis, being the Electronic National Traffic Information System, was implemented by the National Department of Transport on 12 April 2007. Despite preparing all eNaTIS users timely for the new system, challenges were faced during implementation. The situation was defused to an extent through the placement of departmental staff at some of the registering authorities, driving licence testing centres and motor vehicle testing stations. Western Cape backlogs have throughout been at a minimum, rarely exceeding 6000 transactions as a result of eNaTIS users working overtime.

The national Department of Transport, in terms of the Road Traffic Management Corporation Act, 1999 (Act 20 of 1999), made Road Traffic Management Regulations (Government Notice No. R. 386 of 30 April 2007) that introduces a transaction fee of R30.00 on the baseline fees (i.e. the fees charged by provinces for the licensing of a motor vehicle) in respect of each licence application (taking account of exceptions). The transaction fees collected must be paid over to the Road Traffic

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Management Corporation by a registering authority within six weeks following the month in which the fees were received. The Department, to limited extent, also acts as a registering authority. The regulations come into operation on 1 July 2007.

10. PERFORMANCE INFORMATION

An annual performance plan (2006/07 – 2008/09) was tabled in the Provincial Parliament. This performance plan attempted to align departmental activities, outputs and goals with provincial and national policy priorities and the budget. The performance of the Department, per programme, is detailed in Part 2 of the annual report.

11. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA): RECOMMENDATIONS

The table below show the recommendations and progress on the Fourth Report of the Standing Committee on Public Accounts (SCOPA) on the discussion of the Annual Report of the Department for 2005/06. This Report was tabled and adopted by the House on 5 December 2006.

Recommendations	Subject	Progress
<p>The Department should:-</p> <ul style="list-style-type: none"> ▪ Investigate the possibility of developing their own capacity to develop SMS performance contracts. ▪ Attach sufficient priority to having performance agreements in place before the start of a new performance year ▪ Provide the Committee with reasons why performance agreements had not been finalised and what steps have been taken to prevent that similar situations do not re-occur in ensuing years. 	<p>1.1 Non- compliance with the SMS Handbook: Signing of performance agreements.</p>	<p>The finalisation of the 2006/07 performance agreements were delayed due to a specific intervention to improve the quality of the agreements and to ensure alignment of it with the strategic goals, objectives and outputs of the department. The Department is currently developing the capacity to provide support staff competent in drafting performance agreements. A process to assist all SMS members to finalise their performance agreements has been embarked upon. In addition, a program of action was developed to guide SMS members through a process that will ensure completion of the performance agreements by the end of March 2007.</p>

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

<p>The Provincial Treasury should discuss the matter of acceptance of securities with the Department and compile clear regulations in this regard.</p> <p>The Department must provide all the relevant information and documentation with regard to the Western Cape Nursing College and Valkenburg Hospital projects to the Committee.</p> <p>A hearing be held once all the additional information is received on the abovementioned projects and that the members of the Tender Board and the secretariat at the time attend the meeting.</p>	<p>1.2 Project management: Follow-up of matters reported in the previous year in respect of the:</p> <ul style="list-style-type: none"> ▪ Western Cape Nursing College ▪ Valkenburg Hospital 	<p>The recommended engage of the Provincial Treasury with the Department on the acceptance of securities and compilation of clear regulations in this regard is supported. Such regulations are pending. However, the Provincial treasury provide the Department with a tool to assess the financial standing of preferred contractors, particularly in light of securities/ guarantees required to be paid up- front, prior to the commencement of construction work. This document is currently under discussion.</p> <p>The Committee was provided with the required information. Notification of the intended hearing is pending.</p> <p>Members of the Tender Board and the secretariat at the time that are expected to attend the hearing were under the control of the Provincial Treasury.</p> <p>With regard to claims against the contractors re Valkenberg Hospital and the Western Cape College of Nursing projects, the Department has received a legal opinion from the State Attorney and it is evaluating the actions to be taken in order to resolve the matter.</p> <p>With regard to claim against the guarantor re Valkenberg Hospital the State Attorney instructed Council to act on behalf of the Department and to summons the guarantor to honour the guarantee.</p>
--	--	--

12. OTHER

The Department provides an Agency Service to the national Department of Transport (NDoT). The Department processes bus subsidy claims each month on behalf of the NDoT. Claims are submitted by the sole public transport operator in accordance with the requirements of NDoT. An independent audit certificate that accompanies the claims, verifies the

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

number of passenger tickets sold. The claims are then processed by the Department, using the computer based Subsidy Management System (SUMS) programme, which in turn verifies the claims in terms of accuracy. The information is stored in a database, which is forwarded to NDoT.

The Roads Capital Account (RCA), established in terms of the Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962) is accounted for in a separate fund to the Department. This account owns certain items of equipment utilised in the rehabilitation and maintenance of roads. The RCA does not provide services to other departments. Its assets are used by the Department to also enable district municipalities to maintain roads. Consequently its performance is not reported in the formats required for trading entities. The Roads Capital Account expenditure is detailed in the following additional information

DESCRIPTION	2006/07 (R'000)
INCOME	64 974
EXPENDITURE	
COMPENSATION OF EMPLOYEES	7 351
GOODS AND SERVICES	24 715
TRANSFER PAYMENTS	5
MACHINERY AND EQUIPMENT	32 903
TOTAL	64 974
CURRENT ASSETS	
CAPITAL	17 658
CLAIMS RECOVERABLE	2 047
TOTAL	19 705
OPERATIONAL FUNDS	
GENERAL ACCOUNT OF FUND	19 705

Negotiations commenced with the Construction Industry Development Board (CIDB) regarding the establishment of a contractor development outreach centre in the Western Cape.

Supply chain management (SCM) was introduced to the department through the regulated *Framework for SCM*, which took effect 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

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

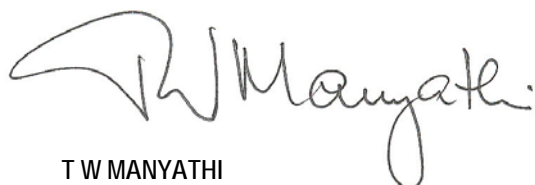
that produces and delivers goods and services to customers. Implementation of SCM as contemplated in the framework is an ongoing process, which requires going through a transition period.

A revised Interim Agency Service Agreement was distributed to all registering authorities, public motor vehicle testing stations and driving licence testing centres, totaling establishments, during late March 2007 to solicit final comment and or obtain confirmation of acceptance. Returns are expected mid 2007. The aforementioned process follows an initial process whereby comments were requested and received during 2006 from the said parties based on a draft Interim Agency Service Agreement. Meanwhile, the development of a Service Level Agreement, inclusive of service standards and agency service fees, which will eventually replace the interim agreement, is underway.

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. licences that are payable in advance of which the due date has not been 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. *Arrear registration fees*, i.e. where notification was received of re-registration but where such re-registration has not materialised. *Registration penalties*, i.e. penalties that relate to arrear re-registration fees. The following are examples of the route 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; irreparable accident damage, old, unused, 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 conclusion of other traffic related transactions linked to the identity numbers until the unrecorded transactions have been rectified. A help desk serves motor vehicle owners to resolve such matters.

13. APPROVAL

The annual financial statements set out on pages 106 to 150 are hereby approved.



T W MANYATHI
ACCOUNTING OFFICER
31 May 2007

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 10 - WESTERN CAPE DEPARTMENT OF TRANSPORT AND PUBLIC WORKS FOR THE YEAR ENDED 31 MARCH 2007

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 statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 106 to 150.

Responsibility of the accounting officer 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 basis of accounting and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999). 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
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) 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 647 of 2007*, issued in *Government Gazette no. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

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

Basis of accounting

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

Basis for qualified opinion

Fixed assets

9. The department could not provide an adequate audit trail in the form of an asset register for intangible assets. As a result, I am unable to verify the rights, completeness and accuracy of the opening and the closing balance for intangible assets in note 27 to the financial statements.

10. An adequate asset register in agreement with disclosure note 26: *Non-residential buildings* could not be provided by the department. The asset register provided contained missing information including properties with no erf numbers and properties with no values. Consequently, I am unable to verify the rights and completeness of assets which has resulted in a limitation of the audit scope.

11. Payments totalling R8,7 million in respect of the public private partnership were classified as capital expenditure and included in the disclosure note 26.1: *Additions To Tangible Capital Assets*. These payments were in respect of the compensation for lost revenue for the period that the road was closed, and not enhancements to assets. Therefore assets and capital expenditure are overstated by R8,7 million and operating expenditure is understated by the same amount.

Tax revenue debtors

12. The department could not provide a detailed debtor report from NATIS for debtors recorded as at 31 March 2007. As NATIS is an online real-time system, if the report is not requested on that day, it cannot be recreated. A subsequent report provided could not be reconciled to the R214,4 million disclosed in note 22: *Receivables for departmental revenue*. Of this amount, the department has estimated R160,8 million to be doubtful. Consequently, I am unable to verify the existence and valuation of the amount disclosed.

Property debtors

13. The department utilises the MDA system to manage all leases in respect of properties controlled 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. As a result, I am unable to verify the completeness of the property debtors disclosed in note 22: *Receivables for departmental revenue*.

Lease commitments

14. The lease commitments for buildings and other fixed structures disclosed in note 21: *Lease Commitments* are misstated by an undeterminable amount. The extent of the misstatement could not be calculated as the nature of the error pertains to the inaccuracy of the source documents used to prepare the financial statements.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

Qualified opinion

15. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects the financial position of the department of Transport and Public Works as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa as set out in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

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

16. The accounting officer has not fully complied with section 38(1)(a)(i) of the PFMA which requires that the department has and maintains an effective, efficient and transparent system of financial and risk management and internal control pertaining to departmental cell phones and subsidised motor vehicles.
17. The department has failed to keep proper records in respect of cell phone contracts and subsidised motor vehicles in contravention of section 40(a) of the PFMA.

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

Performance Management and Development is prescribed by the SMS Handbook issued in terms of regulation 1D of chapter 4 of the Public Service Regulations, 2001. These regulations were issued in terms of section 41 of the Public Service Act, 1994. In this regard, the following matters were raised:

18. Non-signing of performance contracts: At the date of reporting, performance agreements in respect of 2007-08 performance period were not yet finalised for three senior management members, as it had not been finally concluded by the appropriate authority. A similar matter was reported in the prior year.
19. Absence of personal development plans: Personal development plans included in the performance agreements for the 2007-08 performance period were not available, as required by section 8 (8.3) part 2 of the SMS Handbook.
20. Pay progression to SMS members: Five SMS members received a pay progression effective from 1 April 2006 without their performance assessments being approved by the appropriate authority.

Material corrections made to the financial statements submitted to audit

21. The financial statements, approved by the accounting officer as submitted for audit on 31 May 2007 have been significantly revised in respect of the following misstatements identified during the audit:
- Outstanding property rentals as disclosed in note 22: *Receivables for Departmental Revenue* was adjusted by R10,4 million as the department utilised the incorrect schedule in its preparation of the AFS. Consequently, the unrecoverable amount was adjusted by R18,2 million.
 - Other fixed structures as disclosed in note 26, originally disclosed as R21,6 billion was restated to R31,5 billion, to ensure consistency in the reporting of the replacement value of these structures.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

- Transport assets totalling R12,4 million were removed from note 26 to the financial statements, as these assets pertain to the Roads Capital Account, and consequently do not form part of the department's financial statements.

Value for money matters

Human resource management

22. The department had an approved HR plan as required by the Public Service Regulations, 2001, Part III B.2; however, it was outdated. Furthermore, the vacancy rate of the department as at 31 March 2007 averaged 17 per cent, in comparison to the 5 per cent norm.

Supply chain management

23. My evaluation of the tender process has revealed the following inconsistencies:
- external professional estimations are in all instances under-utilised in the cost estimation process;
 - the cost estimation process applied, is in contravention of the National Supply Chain Management Practice Note SCM 2 of 2006 and Provincial Procurement Circular: Practice Note No. 5/2007;
24. My evaluation of the tender process, particularly with respect to the Kuyasa Primary School contract has revealed the following inconsistencies:
- three versions of a evaluation spreadsheet was compiled to determine the appropriate cost estimation;
 - reasons for not applying the recommendations of an appropriate tender committee during the awarding process, were not properly motivated and documented;
 - the 15-month project was handed over to the contractor in January 2006, with a finalisation date of April 2007. As at 31 March 2007, payments totalling R5 192 341.00 (60% of contract value) were made to the contractor. I was unable to ascertain the stage of completion of the project;
 - no penalties were instituted against the contractor.

Matters of governance

Open competition in the awarding of contracts

25. I would like to highlight that the accounting officer's systems documentation does not clearly define what should be regarded as an urgent expense. As a result an expense totalling R3,3 million followed a limited bidding process as the expense was regarded as urgent. Furthermore, the cost mentioned above was classified as *Consultants, contractors and special services* as a specialist was utilised and consequently the expenditure was accounted for in terms of the service provider and not the nature.
26. In performing an analysis of subsistence and travel (S&T) expenditure incurred by the department, I identified three service providers to whom 25 per cent (R4,2 million) of total S&T payments were made. These service providers were utilised on a monthly basis; however, the department did not have a contract or service level agreement with any of the suppliers.
27. According to the procurement process, amounts in excess of R200 000 are required to be subjected to a competitive bidding process; however, the nature and amount of particular S&T transactions are individually immaterial, but collectively significant. In the absence of a central contract, the department is not achieving the objective of procuring in the most effective manner.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

SCOPA-resolutions

28. In a follow-up of a SCOPA sitting in November 2006, specific information was requested from the department pertaining to the Western Cape Nursing College and Valkenberg Hospital projects. Before the March sitting this information was handed to SCOPA. However, this information has not been subject to audit.

Accounting framework

29. The Roads Capital Account was created in accordance with Provincial Capital Fund Ordinance No. 3 of 1962 and is managed by the department. However, the ordinance does not prescribe the accounting framework for a capital account. The PFMA is silent on the treatment of a capital account.

30. The department separately identifies transactions pertaining to the Roads Capital Account in its trial balance; however, these transactions and balances are effectively excluded in the preparation of the financial statements. The accounts, as shown in the trial balance, has income of R64 974 095, current expenditure of R32 071 002, capital expenditure of R32 903 092 and assets of R19 704 633, and has been disclosed in the report of the accounting officer.

Internal control

Control environment

31. In terms of the PFMA the accounting officer is required to ensure that an effective and efficient system of internal control is in place. This would require that policies and procedures be put in place to achieve this. The absence of adequate documentation of such policies and procedures has resulted in officials not implementing adequate controls. The effectiveness of control activities over the asset register is not adequate. This is evident from the matters reported on the asset registers.

Control activities

32. The effectiveness of control activities over property debt management is not adequate. This is evident from the matters reported on the property debtors, and the following additional findings:

- valid lease agreements do not exist for all debtors managed on the MDA system.
- properties listed on the vacancy schedule appear on the occupied properties list and vice versa. Consequently, reliable information pertaining to the occupied and vacant properties could not be obtained from the MDA system.
- inappropriate control measures for the management of debtors implemented; tenants have continued to occupy premises beyond the expiry date of their lease contract.

Special investigations in progress or completed

33. A forensic investigation is in progress to probe the sale of the Tamboerskloof property. The investigation aims to establish whether the sale was concluded at arms-length. The investigation was still ongoing at the reporting date.

34. The department utilised a consultant to investigate contracts pertaining to prior year issues raised by both SCOPA and the Auditor-General, inter alia the Western Cape Nursing College and the Valkenberg Hospital. The investigation was still ongoing at the reporting date.

35. A forensic investigation is in progress to probe the purchase of the ISM building. The investigation was still ongoing at the reporting date.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

36. As reported in the prior year audit report, par. 6.1, a forensic report indicating possible misappropriation of revenue, related fruitless and wasteful expenditure or irregular payments in the property management division of the department was brought to my attention. The department referred the matter to legal services for further guidance. The investigation was still ongoing at the reporting date.

Delay in finalisation of audit

37. Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected entities. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

38. I have audited the performance information as set out on pages 6 to 76.

Responsibility of the accounting officer

39. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the Western Cape Department of Transport and Public Works.

Responsibility of the Auditor-General

40. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

41. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

42. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Measurable objectives not consistent

43. Whilst comparing the measurable objectives on the Budget Statements, the Annual Performance Plan and the Annual Report, the following were identified:

- All the measurable objectives in the Budget Statement are not consistent with those in the Strategic Plan/Annual Performance Plan and the Annual Report.
- Certain measurable objectives disclosed under programme 5: Traffic Management in the Annual Performance Plan is not consistent with those in the Annual Report.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

These inconsistencies are as follows:

Measurable objective per APP	Measurable objective per Annual Report
Increased representation from level 7 upwards	Fill all vacant post with skilled, qualified, competent and a representative personnel complement.
Effective human resource development	Capacitate all branch personnel in various skills appropriate to their fields of specialisation.

Objectives reported in the annual report, but not pre-determined as per the annual performance plan and/or budget

44. The following objectives are reported in the Annual Report although it was not included as predetermined objectives in the annual performance plan and/or the Budget Statement:

Programme	Sub- programme	Outputs	
		Annual Performance Plan	Annual Report
Roads infrastructure (programme 3)	Maintenance programme (sub-programme 3.5)	1. None	1. EPWP employment
Public transport (programme 4)	Infrastructure programme (sub-programme 4.3)	2. None	2. No. of public transport infrastructure projects completed.
Public transport (programme 4)	Empowerment and communication programme (sub-programme 4.4)	3. None	3. Training courses offered.
Traffic management (programme 5)	Transport Administration and licensing (sub-programme 5.3)	4. None	4. No. of vehicle licenses issued. No. of license compliance inspections executed. No. of arrear license fee cases followed up.
Traffic management (programme 5)	Overload control (sub-programme 5.4)	5. None	5. No. of vehicles which are overweight. No. of weighbridges in use. No. of hours weighbridges operated.

Lack of sufficient appropriate audit evidence

45. Programme 3: Roads Infrastructure was selected to verify the accuracy of performance information as reported in Part 2 of the Annual Report. We were unable to obtain sufficient appropriate audit evidence in relation to the performance information of the department because the system relevant for generating information on the targets was not adequate for purposes of the evaluation.

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

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

APPRECIATION

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



J Diedericks for Auditor-General

Cape Town

31 August 2007



AUDITOR-GENERAL

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

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 2 of 2006.

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

2.2.1 Tax revenue

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

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

2.2.2 Sales of goods and services other than capital assets

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

2.2.3 Fines, penalties & forfeits

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

2.2.4 Interest, dividends and rent on land

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

2.2.5 Sale of capital assets

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

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

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

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

2.3 Local and foreign aid assistance

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

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

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

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

Inappropriately expensed amounts using local and foreign aid assistance and any utilised amounts are recognised as payable in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

Social contributions include the employees contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

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

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

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

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the 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 amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

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

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

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

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

4.5 Loans

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

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.7 Capital assets

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 capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

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

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

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

**ACCOUNTING POLICIES
for the year ended 31 March 2007**

7. Related party transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

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

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

9. Public private partnerships

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

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

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

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

Appropriation per programme									
	Adjusted Appropriation	Shifting of Funds	Virement	2006/07			Expenditure as % of final appropriation	2005/2006	
				Final Appropriation	Actual Expenditure	Variance		Final Appropriation	Actual Expenditure
				R'000	R'000	R'000		R'000	R'000
1. Administration									
Current payment	67,514	(609)	(3,000)	63,905	62,875	1,030	98.4%	44,684	43,241
Transfers and subsidies	3,542	120	-	3,662	3,643	19	99.5%	5,663	4,236
Payment for capital assets	3,230	489	-	3,719	3,522	197	94.7%	2,038	1,677
2. Public Works									
Current payment	276,862	(41)	3,409	280,230	280,032	198	99.9%	248,338	247,958
Transfers and subsidies	40,349	41	-	40,390	40,388	2	100.0%	844	832
Payment for capital assets	139,010	-	(12,752)	126,258	113,308	12,950	89.7%	107,425	98,912
3. Roads Infrastructure									
Current payment	390,057	(7,567)	-	382,490	373,452	9,038	97.6%	269,184	269,179
Transfers and subsidies	33,733	-	-	33,733	28,447	5,286	84.3%	45,650	40,720
Payment for capital assets	845,955	7,567	37,022	890,544	865,158	25,386	97.1%	624,616	624,610
4. Public Transport									
Current payment	114,248	(12,324)	(14,350)	87,574	86,230	1,344	98.5%	63,548	63,467
Transfers and subsidies	56,247	10	-	56,257	52,250	4,007	92.9%	121,947	120,443
Payment for capital assets	8,901	12,314	-	21,215	21,103	112	99.5%	5,390	5,109
5. Traffic Management									
Current payment	219,452	(334)	(4,429)	214,689	214,673	16	100.0%	183,408	183,333
Transfers and subsidies	45,192	-	-	45,192	45,161	31	99.9%	9,290	9,284
Payment for capital assets	2,987	334	-	3,321	3,318	3	99.9%	833	808
6. Community Based Programmes									
Current payment	42,078	(84)	-	41,994	41,500	494	98.8%	26,271	26,233
Transfers and subsidies	8,876	84	-	8,960	8,958	2	100.0%	16,831	11,829
Payment for capital assets	23,204	-	(5,900)	17,304	10,013	7,291	57.9%	21,405	21,380
Total	2,321,437			2,321,437	2,254,031	67,406	97.1%	1,797,365	1,773,251
Reconciliation with Statement of Financial Performance									
Departmental receipts				80,308	-			95,537	-
Actual amounts per Statements of Financial Performance (Total revenue)				2,401,745	-			1,892,902	-
Actual amounts per Statements of Financial Performance (Total expenditure)					2,254,031				1,773,251

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

**APPROPRIATION STATEMENT
for the year ended 31 MARCH 2007**

Appropriation per economic classification									
	2006/07						2005/2006		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	210,345	(23,160)	(4,574)	182,611	181,113	1,498	99.2%	160,315	159,118
Goods and services	899,733	1,724	(13,796)	887,661	877,040	10,621	98.8%	674,523	673,700
Financial transactions in assets and liabilities	133	477	-	610	609	1	99.8%	595	593
Transfers and subsidies to:									
Provinces and municipalities	135,736	8	-	135,744	127,529	8,215	93.9%	171,321	166,377
Departmental agencies and accounts	45,154	-	-	45,154	45,154	-	100.0%	9,260	9,260
Public corporations and private enterprises	2,500	82	-	2,582	1,582	1,000	61.3%	12,000	5,500
Non-profit institutions	-	4	-	4	4	-	100.0%	50	50
Households	4,549	161	-	4,710	4,578	132	97.2%	7,594	6,157
Payment for capital assets									
Buildings and other fixed structures	952,841	11	26,044	978,896	934,861	44,035	95.5%	697,536	693,203
Machinery and equipment	18,147	13,829	4,020	35,996	34,550	1,446	96.0%	11,542	10,912
Software and other intangible assets	10,615	7,885	1,058	19,558	19,467	91	99.5%	9,036	8,981
Land and subsoil assets	41,684	(1,021)	(12,752)	27,911	27,544	367	98.7%	43,593	39,400
Total	2,321,437	-	-	2,321,437	2,254,031	67,406	97.1%	1,797,365	1,773,251

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 1: Administration	2006/07							2005/2006	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Prov. Minister									
Current payment	5,666	292		5,958	5,642	316	94.7%	4,153	3,861
Transfers and subsidies	2	41		43	43	-	100.0%	18	17
Payment for capital assets	50	38		88	87	1	98.9%	573	541
1.2 Head of Department									
Current payment	23,431	(302)	(255)	22,874	22,856	18	99.9%	12,807	12,362
Transfers and subsidies	4	6		10	7	3	70.0%	82	81
Payment for capital assets	1,912	451		2,363	2,360	3	99.9%	251	236
1.3 Corporate support									
Current payment	38,417	(599)	(2,745)	35,073	34,377	696	98.0%	27,724	27,018
Transfers and subsidies	3,536	73		3,609	3,593	16	99.6%	5,563	4,138
Payment for capital assets	1,268	-		1,268	1,075	193	84.8%	1,214	900
Total	74,286	-	(3,000)	71,286	70,040	1,246	98.3%	52,385	49,154

Economic Classification	2006/07							2005/06	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	34,502	(6,083)	(3,000)	25,419	25,086	333	98.7%	22,762	21,655
Goods and services	33,008	5,178	-	38,186	37,490	696	98.2%	21,855	21,519
Financial transactions in assets and liabilities	4	296	-	300	299	1	99.7%	67	67
Transfers and subsidies to:									
Provinces and municipalities	22	-	-	22	15	7	68.2%	53	52
Non-profit institutions								50	50
Households	3,520	120	-	3,640	3,628	12	99.7%	5,560	4,134
Payment for capital assets									
Machinery and equipment	1,558	799	-	2,357	2,162	195	91.7%	2,001	1,655
Software and other intangible assets	1,672	(310)	-	1,362	1,360	2	99.9%	37	22
Total	74,286	-	(3,000)	71,286	70,040	1,246	98.3%	52,385	49,154

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 2: Public Works	2006/07							2005/2006	
	Adjusted	Shifting of	Virement	Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme support									
Current payment	29,868	(1,330)	-	28,345	193	99.3%	-	26,168	26,141
Transfers and subsidies	16	94	-	110	110	-	100.0%	97	91
Payment for capital assets	3,500	-	-	3,500	3,487	13	99.6%	6,742	6,740
2.2 Health									
Current payment	13,737	(179)	-	13,558	13,557	1	100.0%	10,701	10,697
Transfers and subsidies	5	3	-	8	7	1	87.5%	166	164
Payment for capital assets									
2.3 Education									
Current payment	15,543	2,476	990	19,009	19,008	1	100.0%	13,834	13,828
Transfers and subsidies	314	(70)	-	244	244	-	100.0%	64	62
Payment for capital assets									
2.4 Agriculture									
Current payment	2,000	771	-	2,771	2,771	-	100.0%	2,246	2,245
Payment for capital assets	11,379	311	-	11,690	11,689	-	100.0%	14,943	11,054
2.5 Social development									
Current payment	3,000	(452)	-	2,548	2,547	1	100.0%	2,085	1,755
Payment for capital assets								1,126	697
2.6 Other infrastructure									
Current payment	55,582	(2,044)	2,419	55,957	55,956	1	100.0%	50,962	50,959
Transfers and subsidies	40,008	14	-	40,022	40,022	-	100.0%	498	498
Payment for capital assets	74,547	(1,397)	-	73,150	60,581	12,569	82.8%	60,372	60,371
2.7 Property management									
Current payment	157,132	717	-	157,849	157,848	1	100.0%	142,342	142,333
Transfers and subsidies	6	-	-	6	5	1	83.3%	19	17
Payment for capital assets	49,584	1,086	(12,752)	37,918	37,551	367	99.0%	24,242	20,050
Total	456,221	-	(9,343)	446,878	433,728	13,150	97.1%	356,607	347,702

Economic Classification	2006/07							2005/2006	
	Adjusted	Shifting of	Virement	Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	65,738	(2,393)		63,345	63,151	194	99.7%	51,246	51,211
Goods and services	211,092	2,293	3,409	216,794	216,790	4	100.0%	197,039	196,695
Financial transactions in assets and liabilities	32	59		91	91	-	100.0%	53	52
Transfers and subsidies to:									
Provinces and municipalities	40,041	-	-	40,041	40,040	1	100.0%	135	126
Households	308	41	-	349	348	1	99.7%	709	706
Payment for capital assets									
Buildings and other fixed structures	96,115	11	-	96,126	83,556	12,570	86.9%	76,441	72,122
Machinery and equipment	3,511	(1,597)	-	1,914	1,901	13	99.3%	4,966	4,965
Software and other intangible assets		1,586	-	1,586	1,586	-	100.0%	1,776	1,776
Land and subsoil assets	39,384	-	(12,752)	26,632	26,265	367	98.6%	24,242	20,049
Total	456,221	-	(9,343)	446,878	433,728	13,150	97.1%	356,607	347,702

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 3: Roads Infrastructure	2006/07						2005/2006		
	Adjusted	Shifting of	Virement	Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme support									
Current payment	16,340	(2,057)	-	14,283	14,108	175	98.8%	10,076	10,073
Transfers and subsidies	295	19	-	314	313	1	99.7%	542	536
Payment for capital assets	2,127	866	-	2,993	2,856	137	95.4%	3,351	3,351
3.2 Planning									
Current payment	3,473	(599)	-	2,874	2,865	9	99.7%	2,157	2,157
Transfers and subsidies	2,702	-	-	2,702	2,702	-	100.0%	2,605	2,604
Payment for capital assets	35,290	-	8,638	43,928	43,746	182	99.6%	24,178	24,176
3.3 Design									
Current payment	15,720	(2,352)	-	13,368	13,317	51	99.6%	13,112	13,111
Transfers and subsidies	105	(19)	-	86	20	66	23.3%	229	228
Payment for capital assets	67,290	6,174	6,770	80,234	79,948	286	99.6%	55,966	55,964
3.4 Construction									
Transfers and subsidies	20,746	-	-	20,746	16,866	3,880	81.3%	31,500	28,500
Payment for capital assets	440,774	(8,639)	-	432,135	432,134	1	100.0%	219,556	219,555
3.5 Maintenance									
Current payment	354,524	(2,559)	-	351,965	343,162	8,803	97.5%	243,839	243,838
Transfers and subsidies	9,885	-	-	9,885	8,546	1,339	86.5%	10,774	8,852
Payment for capital assets	300,474	9,166	21,614	331,254	306,474	24,780	92.5%	321,565	321,564
Total	1,269,745	-	37,022	1,306,767	1,267,057	39,710	97.0%	939,450	934,509

Economic Classification	2006/07						2005/2006		
	Adjusted	Shifting of	Virement	Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	70,214	(8,590)	-	61,624	61,385	239	99.6%	58,200	58,198
Goods and services	319,746	901	-	320,647	311,848	8,799	97.3%	210,509	210,507
Financial transactions in assets and liabilities	97	122	-	219	219	-	100.0%	475	474
Transfers and subsidies to:									
Provinces and municipalities	33,043	1	-	33,044	27,847	5,197	84.3%	44,594	39,666
Households	690	(1)	-	689	600	89	87.1%	1,056	1,054
Payment for capital assets									
Buildings and other fixed structures	834,184	-	31,944	866,128	841,347	24,781	97.1%	595,858	595,855
Machinery and equipment	3,122	5,641	4,020	12,783	12,265	518	95.9%	2,798	2,797
Software and other intangible assets	6,349	2,947	1,058	10,354	10,267	87	99.2%	6,609	6,607
Land and subsoil assets	2,300	(1,021)	-	1,279	1,279	-	100.0%	19,351	19,351
Total	1,269,745	-	37,022	1,306,767	1,267,057	39,710	97.0%	939,450	934,509

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 4: Public Transport	2006/07							2005/2006	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme support									
Current payment	3,972	(487)	-	3,485	3,481	4	99.9%	4,533	4,531
Transfers and subsidies	4			4	2	2	50.0%	4	4
Payment for capital assets	39	596	-	635	596	39	93.9%	4	-
4.2 Planning									
Current payment	38,767	(15,067)	(3,000)	20,700	20,300	400	98.1%	24,257	24,256
Transfers and subsidies		3	-	3	2	1	66.7%	266	264
Payment for capital assets	8,722	8,354	-	17,076	17,070	6	100.0%	190	52
4.3 Infrastructure									
Current payment	8,444	(2,085)	(3,330)	3,029	2,992	37	98.8%	1,092	1,091
Transfers and subsidies	49,738			49,738	46,737	3,001	94.0%	109,653	109,653
Payment for capital assets				-	-	-	0.0%	4,393	4,330
4.4 Empowerment and institutional man									
Current payment	24,492	1,029	(5,020)	20,501	20,391	110	99.5%	11,936	11,861
Transfers and subsidies	1,501	6	-	1,507	505	1,002	33.5%	2,005	504
Payment for capital assets	65	-	-	65		65	0.0%	233	232
4.5 Operator safety and compliance									
Current payment	10,159	(3,041)	-3,000	4,118	3,685	433	89.5%	3,884	3,883
Transfers and subsidies	5,000	1	-	5,001	5,001	-	100.0%	10,002	10,001
Payment for capital assets		1,453	-	1,453	1,452	1	99.9%	60	60
4.6 Regulation and control									
Current payment	28,414	7,327	-	35,741	35,381	360	99.0%	17,846	17,845
Transfers and subsidies	4	-	-	4	3	1	75.0%	17	17
Payment for capital assets	75	1,911	-	1,986	1,985	1	99.9%	510	435
Total	179,396	-	(14,350)	165,046	159,583	5,463	96.7%	190,885	189,019

Economic Classification	2006/07							2005/2006	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	18,796	(3,274)	-	15,522	15,291	231	98.5%	12,529	12,526
Goods and services	95,452	(9,050)	(14,350)	72,052	70,939	1,113	98.5%	51,019	50,941
Transfers and subsidies to:									
Provinces and municipalities	54,747	4	-	54,751	51,745	3,006	94.5%	119,686	119,683
Public corporations and private enterprises	1,500			1,500	500	1,000	33.3%	2,000	500
Non-profit institutions	-	4	-	4	4	-	100.0%		
Households	-	2	-	2	1	1	50.0%	261	260
Payment for capital assets									
Buildings and other fixed structures							0.0%	4,331	4,330
Machinery and equipment	8,901	9,122	-	18,023	17,912	111	99.4%	1,059	779
Software and other intangible assets	-	3,192	-	3,192	3,191	1	100.0%	-	-
Total	179,396	-	(14,350)	165,046	159,583	5,463	96.7%	190,885	189,019

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 5: Traffic Management	2006/07						2005/2006		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Programme support									
Current payment	1,955	289	-	2,244	2,243	1	100.0%	1,965	1,959
Transfers and subsidies	3	-	-	3	1	2	33.3%	3	3
Payment for capital assets	340	(114)	-	226	225	1	99.6%	138	124
5.2 Safety engineering									
Current payment	1,038	(84)	-	954	944	10	99.0%	814	812
Transfers and subsidies	1	-	-	1	1	1	0.0%	2	2
Payment for capital assets	16	96	-	112	111	1	99.1%	137	136
5.3 Transport admin and licensing									
Current payment	193,891	4,902	(1,574)	197,219	197,219		100.0%	160,811	160,803
Transfers and subsidies	45,188	-	-	45,188	45,160	28	99.9%	9,285	9,279
Payment for capital assets	2,631	352	-	2,983	2,982	1	100.0%	558	548
5.4 Overload control									
Current payment	22,568	(5,441)	(2,855)	14,272	14,267	5	100.0%	19,818	19,759
Total	267,631	-	(4,429)	263,202	263,152	50	100.0%	193,531	193,425

Economic Classification	2006/07						2005/2006		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	12,977	(334)	(1,574)	11,069	11,059	10	99.9%	9,801	9,787
Goods and services	206,475	-	(2,855)	203,620	203,614	6	100.0%	173,607	173,546
Transfers and subsidies to:									
Provinces and municipalities	7	1	-	8	6	2	75.0%	25	24
Departmental agencies and accounts	45,154	-	-	45,154	45,154	-	100.0%	9,260	9,260
Households	31	(1)	-	30	1	29	3.3%	5	-
Payment for capital assets									
Machinery and equipment	393	(136)	-	257	255	2	99.2%	234	232
Software and other intangible assets	2,594	470	-	3,064	3,063	1	100.0%	599	576
Total	267,631	-	(4,429)	263,202	263,152	50	100.0%	193,531	193,425

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

**DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Programme 6: Community Based Programmes	2006/07						2005/2006		
	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	7,091	(866)	-	6,225	5,904	321	94.8%	7,571	7,535
Transfers and subsidies	4	-	-	4	3	1	75.5%	15	14
Payment for capital assets	262	-	-	262	-	262	0.0%	499	484
6.2 Training programmes									
Current payment	23,950	940	-	24,890	24,850	40	99.8%	5,352	5,352
Transfers and subsidies	1,001	83	-	1,084	1,083	1	99.9%	10,002	5,001
Payment for capital assets	400	(56)	-	344	-	344	.00%	-	-
6.3 Empowerment impact assessment									
Current payment	9,744	54	-	9,798	9,797	1	100.0%	12,442	12,441
Transfers and subsidies	7,871	-	-	7,871	7,871	-	100.0%	6,812	6,812
Payment for capital assets	22,542	-	-5,900	16,642	9,958	6,684	59.8%	20,906	20,896
6.4 Community development									
Current payment	1,293	(212)	-	1,081	949	132	87.8%	906	905
Transfers and subsidies	-	1	-	1	1	-	100.0%	2	2
Payment for capital assets	-	56	-	56	55	1	98.2%	-	-
6.5 Emerging contractor development									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Total	74,158	-	(5,900)	68,258	60,471	7,787	88.6%	64,507	59,442

Economic Classification	2006/07						2005/2006		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	8,118	(2,486)	-	5,632	5,141	491	91.3%	5,777	5,741
Goods and services	33,960	2,402	-	36,362	36,359	3	100.0%	20,494	20,492
Transfers and subsidies to:									
Provinces and municipalities	7,876	2	-	7,878	7,876	2	100.0%	6,828	6,826
Public corporations and private enterprises	1,000	82	-	1,082	1,082	-	100.0%	10,000	5,000
Households	-	-	-	-	-	-	0.0%	3	3
Payment for capital assets									
Buildings and other fixed structures	22,542	-	(5,900)	16,642	9,958	6,684	59.8%	20,906	20,896
Machinery and equipment	662	-	-	662	55	607	8.3%	484	484
Software and other intangible assets	-	-	-	-	-	-	-	15	-
Total	74,158	-	(5,900)	68,258	60,471	7,787	88.6%	64,507	59,442

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexures 1B to 1F, to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

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

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Programme 2: Public Works	446,878	433,728	13,150	2.9%

The Provincial Infrastructure Grant for repairing flood damage at Nature Conservation facilities was appropriated in the Adjustment Estimates. Flood damage repairs placed an additional burden on limited capacity and required planning and design processes to be completed, caused contracting and construction phases to run over more than one financial year.

Programme 3:	1,306,767	1,267,057	39,710	3.0%
---------------------	-----------	-----------	--------	------

The Provincial Infrastructure Grant for repairing flood damage in respect of Roads Infrastructure was appropriated in the Adjustment Estimates. Flood damage repairs placed an additional burden on limited capacity and required planning and design processes to be completed, caused contracting and construction phases to run over more than one financial year. Late receipt of municipal claims in respect of maintenance on municipal claimed roads, as well as a municipality that was unable to execute a roads construction project within the financial year.

Programme 4:	165,046	159,583	5,463	3.3%
---------------------	---------	---------	-------	------

Transfers to both the Dial-a-ride service and the Entrepreneurial development programme for road based public transport modes in the Western Cape were temporally postponed.

Programme 6: Community Based Programmes	68,258	60,471	7,787	11.4%
--	--------	--------	-------	-------

The contract processes for certain projects were finalised late in the financial year causing a spill over of the phase construction into the new financial year.

4.2 Per economic classification	2006/07 R'000	2005/06 R'000
Current expenditure		
Compensation of employees	1,498	1,197
Goods and services	10,621	823
Financial transactions in assets and liabilities	1	2
Provinces and municipalities	8,215	4,944
Public corporations and private enterprises	1,000	6,500
Households	132	1,437
Buildings and other fixed assets	44,035	4,333
Machinery and equipment	1,446	630
Software and other intangible assets	91	55
Land and subsoil assets	367	4,193

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

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	2,321,437	1,797,365
Departmental revenue	2	80,308	95,537
TOTAL REVENUE		<u>2,401,745</u>	<u>1,892,902</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	3	181,113	159,118
Goods and services	4	877,040	673,700
Financial transactions in assets and liabilities	5	609	593
Total current expenditure		<u>1,058,762</u>	<u>833,411</u>
Transfers and subsidies	6	178,847	187,344
Expenditure for capital assets			
Buildings and other fixed structures	7	934,861	693,203
Machinery and Equipment	7	34,550	10,912
Software and other intangible assets	7	19,467	8,981
Land and subsoil assets	7	27,544	39,400
Total expenditure for capital assets		<u>1,016,422</u>	<u>752,496</u>
TOTAL EXPENDITURE		<u>2,254,031</u>	<u>1,773,251</u>
SURPLUS		147,714	119,651
SURPLUS FOR THE YEAR		<u>147,714</u>	<u>119,651</u>
Reconciliation of Net Surplus for the year			
Voted funds	12	67,406	24,114
Departmental Revenue	13	80,308	95,537
SURPLUS FOR THE YEAR		<u>147,714</u>	<u>119,651</u>

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

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		194,371	168,851
Unauthorised expenditure	<i>8</i>	961	961
Cash and cash equivalents	<i>9</i>	189,067	162,377
Prepayments and advances	<i>10</i>	181	323
Receivables	<i>11</i>	4,162	5,190
TOTAL ASSETS		<u>194,371</u>	<u>168,851</u>
LIABILITIES			
Current liabilities		194,371	168,851
Voted funds to be surrendered to the Revenue Fund	<i>12</i>	67,406	24,114
Departmental revenue to be surrendered to the Revenue Fund	<i>13</i>	23,806	80,612
Payables	<i>14</i>	103,159	64,125
TOTAL LIABILITIES		<u>194,371</u>	<u>168,851</u>
NET ASSETS		<u>-</u>	<u>-</u>

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

**CASH FLOW STATEMENT
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3,199,069	2,645,543
Annual appropriated funds received	1	2,321,437	1,797,365
Departmental revenue received		877,632	848,178
Net (increase)/decrease in working capital		40,204	(5,167)
Surrendered to Revenue Fund		(978,275)	(893,441)
Current payments		(1,058,762)	(833,411)
Transfers and subsidies paid		(178,847)	(187,344)
Net cash flow available from operating activities	15	1,023,389	726,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capital assets		(1,016,422)	(752,496)
Proceeds from sale of capital assets	2	19,723	30,441
Net cash flows from investing activities		(996,699)	(722,055)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		26,690	4,125
Cash and cash equivalents at the beginning of the period		162,377	158,252
Cash and cash equivalents at end of period	16	189,067	162,377

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

1. Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Administration	71,286	71,286	-	52,385
Public Works	446,878	446,878	-	356,607
Roads Infrastructure	1,306,767	1,306,767	-	939,450
Public Transport	165,046	165,046	-	190,885
Traffic Management	263,202	263,202	-	193,531
Community Based Programmes	68,258	68,258	-	64,507
Total	<u>2,321,437</u>	<u>2,321,437</u>	<u>-</u>	<u>1,797,365</u>

1.2 Conditional grants	<i>Note</i>	2006/07	2005/06
Total grants received	<i>ANNEXURE 1A</i>	<u>234,286</u>	<u>95,857</u>

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

2. Departmental revenue to be surrendered to revenue fund

	<i>Note</i>	2006/07 R'000	2005/06 R'000
Tax revenue		797,291	758,594
Sales of goods and services other than capital assets	2.1	49,226	45,034
Interest, dividends and rent on land	2.2	19	24
Sales of capital assets	2.3	19,723	30,441
Financial transactions in assets and liabilities	2.4	26,917	44,526
Transfer received	2.5	4,179	-
Total revenue collected		<u>897,355</u>	<u>878,619</u>
Less: Departmental Revenue Budgeted	13	<u>817,047</u>	<u>783,082</u>
Departmental revenue collected		<u>80,308</u>	<u>95,537</u>

2.1 Sales of goods and services other than capital assets

	2006/07	2005/06
Sales of goods and services produced by the department	49,195	44,994
Sales by market establishment	30,845	-
Administrative fees	16,706	14,956
Other sales	1,644	30,038
Sales of scrap, waste and other used current goods	31	40
Total	<u>49,226</u>	<u>45,034</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

2.2	Interest, dividends and rent on land	<i>Note</i>	2006/07	2005/06
	Interest		19	24
	Total		19	24
2.3	Sale of capital assets		2006/07	2005/06
	Land and subsoil assets		19,723	30,441
	Total		19,723	30,441
2.4	Financial transactions in assets and liabilities Nature of loss recovered		2006/07	2005/06
			R'000	R'000
	Other receipts (including Government Motor Transport Replacement Fund and Recoverable Revenue)		26,917	44,526
	Total		26,917	44,526
2.5	Transfers received		2006/07	2005/06
	Other governmental units		3,359	-
	Public corporations and private enterprises		820	-
	Total		4,179	-
3	Compensation of employees		2006/07	2005/06
			R'000	R'000
3.1	Salaries and Wages			
	Basic salary		128,994	111,933
	Performance award		5	2,513
	Service Based		479	468
	Compensative/circumstantial		3,466	3,661
	Periodic payments		2,331	1,102
	Other non-pensionable allowances		23,889	18,901
			159,164	138,578
3.2	Social contributions		2006/07	2005/06
			R'000	R'000
3.2.1	Employee contributions			
	Pension		14,858	13,679
	Medical		7,048	6,818
	Bargaining council		43	41
	Insurance		-	2
			21,949	20,540
	Total compensation of employees		181,113	159,118
	Average number of employees		1,458	1,419

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

4. Goods and services

	<i>Note</i>	2006/07 R'000	2005/06 R'000
Advertising		7,414	5,515
Attendance fees (including registration fees)		-	1
Bank charges and card fees		139	155
Bursaries (employees)		220	222
Communication		14,406	15,068
Computer services		16,657	16,526
Consultants, contractors and special services		107,566	62,366
Courier and delivery services		117	92
Tracing agents & Debt collections		11	10
Drivers' licences and permits		16	26
Entertainment		84	1,064
Catering		4,601	-
External audit fees	4.1	4,945	2,901
Equipment less than R5000		10,994	4,730
Freight service		4	1
Inventory	4.2	28,772	20,567
Legal fees		1,119	2,506
License agency fees		161,307	128,476
Maintenance, repairs and running cost		318,501	237,497
Medical services		340	122
Operating leases		124,793	109,159
Personnel agency fees		116	245
Photographic services		2	1
Plant flowers and other decorations		83	77
Printing and publications		164	479
Professional bodies and membership fees		28	18
Resettlement cost		710	370
Road laboratories		19	6
Subscriptions		269	350
Owned leasehold property expenditure		40,154	42,135
Translations and transcriptions		68	90
Transport provided as part of the departmental activities		1,977	8
Travel and subsistence	4.3	16,572	14,172
Venues and facilities		5,925	5,510
Protective, special clothing & uniforms		788	258
Training & staff development		8,159	2,977
		<u>877,040</u>	<u>673,700</u>

4.1 External audit fees

	2006/07 R'000	2005/06 R'000
Regularity audits	4,130	2,901
Performance audits	815	-
Total external audit fees	<u>4,945</u>	<u>2,901</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
4.2 Inventory (purchased during the year)			
Agricultural		2,842	2,220
Domestic consumables		433	365
Fuel, oil and gas		99	129
Laboratory consumables		82	25
Other consumables		791	617
Parts and other maintenance material		13,855	9,961
Stationery and printing		9,770	6,495
Road construction and supplies		899	755
Medical supplies		1	-
		<u>28,772</u>	<u>20,567</u>
		2006/07 R'000	2005/06 R'000
4.3 Travel and subsistence			
Local		15,628	13,734
Foreign		944	438
Total travel and subsistence		<u>16,572</u>	<u>14,172</u>
		2006/07 R'000	2005/06 R'000
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct		25	342
- Theft	5.4	25	28
- Other material losses	5.1	-	314
Other material losses written off	5.2	189	189
Debts written off	5.3	395	62
		<u>609</u>	<u>593</u>
		2006/07 R'000	2005/06 R'000
5.1 Other material losses			
Nature of losses	Disciplinary steps taken/criminal proceedings	R'000	R'000
Fraud	Official dismissed, criminal charges pressed	-	314
		<u>-</u>	<u>314</u>
		2006/07 R'000	2005/06 R'000
5.2 Other material losses written-off			
Nature of losses			
Other losses (18 cases)		-	53
Accidents: Government Motor Transport vehicles (21cases)		43	74
Damage to departmental PA vehicles (14 cases)		95	62
Interest Property Management (1 case)		51	-
		<u>189</u>	<u>189</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

5.3	Debts written off	<i>Note</i>	2006/07	2005/06
	Nature of debts written off		R'000	R'000
	Other debts (18 cases)		100	23
	Staff debts (54 cases)		295	39
			395	62
5.4	Details of theft		2006/07	2005/06
			R'000	R'000
	Theft (2 cases)		1	3
	Electronic scale		-	25
	Water pump		24	-
			25	28
6.	Transfers and subsidies		2006/07	2005/06
			R'000	R'000
	Provinces and municipalities	<i>ANNEXURE 1B</i>	127,529	166,377
	Departmental agencies and accounts	<i>ANNEXURE 1C</i>	45,154	9,260
	Public corporations and private enterprises	<i>ANNEXURE 1D</i>	1,582	5,500
	Non-profit institutions	<i>ANNEXURE 1E</i>	4	50
	Households	<i>ANNEXURE 1F</i>	4,578	6,157
			178,847	187,344
7.	Expenditure for capital assets		2006/07	2005/06
			R'000	R'000
	Buildings and other fixed structures	26	934,861	693,203
	Machinery and equipment	26	34,550	10,912
	Land and subsoil assets	26	27,544	39,400
	Software and other intangible assets		19,467	8,981
	Capitalised Development Costs	27	17,524	8,592
	Computer Software	27	1,9437	389
	Total		1,016,422	752,496
8	Unauthorised expenditure		2006/07	2005/06
			R'000	R'000
8.1.	Reconciliation of unauthorised expenditure			
	Opening balance *		961	961
	Unauthorised expenditure awaiting authorisation		961	961

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

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

9.	Cash and cash equivalents	<i>Note</i>		2006/07	2005/06
				R'000	R'000
	Consolidated Paymaster General Account			1,099	(1,801)
	Cash on hand			7	7
	Cash with commercial banks *			187,961	164,171
				<u>189,067</u>	<u>162,377</u>
	*Cash with Commercial Banks are in fact monies that the Provincial Revenue Fund has invested with commercial banks on behalf of the department and that any interest thereon is reflected in the Financial Statements of Provincial Treasury.				
				2006/07	2005/06
				R'000	R'000
10.	Prepayments and advances				
	Description				
	Travel and subsistence			181	323
				<u>181</u>	<u>323</u>
11.	Receivables			2006/07	2005/06
				R'000	R'000
		Less than	One to		
		one year	three		
			years		
			Older than		
			three years		
				Total	Total
	Staff debtors	11.1	147	112	319
				578	879
	Other debtors	11.2	903	657	276
				1,836	2,528
	Claims Recoverable	ANNEXURE 3	1,748	-	-
				1,748	1,783
				<u>2,798</u>	<u>5,190</u>
				2006/07	2005/06
				R'000	R'000
11.1	Staff debtors				
	Salary tax debt			4	-
	Salary reversal control			9	5
	Debt Accounts			565	874
				<u>578</u>	<u>879</u>
				2006/07	2005/06
				R'000	R'000
11.2	Other debtors				
	Disallowances: Miscellaneous			657	290
	Disallowances: Damages & Losses			200	936
	Dishonoured Cheques			212	331
	Agency Service Control Account			342	365
	Claims Recoverable: Households & Non-Profit Institutions			340	464
	Claims Recoverable: Local Governments			85	142
				<u>1,836</u>	<u>2,528</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

		<i>Note</i>	2006/07	2005/06
			R'000	R'000
12.	Voted funds to be surrendered to the Revenue Fund			
	Opening balance		24,114	80,747
	Transfer from Statement of Financial Performance		67,406	24,114
	Paid during the year		<u>(24,114)</u>	<u>(80,747)</u>
	Closing balance		<u><u>67,406</u></u>	<u><u>24,114</u></u>
13.	Departmental revenue to be surrendered to the Revenue Fund		2006/07	2005/06
	Opening balance		R'000	R'000
	Transfer from Statement of Financial Performance		80,612	14,687
	Departmental revenue budgeted	2	80,308	95,537
	Paid during the year		817,047	783,082
	Closing balance		<u>(954,161)</u>	<u>(812,694)</u>
			<u><u>23,806</u></u>	<u><u>80,612</u></u>
14.	Payables – current			
	Description		2006/07	2005/06
			R'000	R'000
			Total	Total
		<i>Notes</i>	30 Days	30+ Days
	Advances received	14.1	-	-
	Clearing accounts	14.2	269	-
	Other payables	14.3	-	102,890
			<u>269</u>	<u>102,890</u>
			<u><u>103,159</u></u>	<u><u>64,125</u></u>
14.1	Advances received		2006/07	2005/06
	Provincial Transport Fund		R'000	R'000
			-	40,596
			<u>-</u>	<u>40,596</u>
14.2	Clearing accounts		2006/07	2005/06
			R'000	R'000
	Salary Income Tax (Persal)		268	162
	Salary Financial Institutions (Persal)		1	-
	Salary ACB recalls (Persal)		-	5
			<u>269</u>	<u>167</u>
14.3	Other payables		2006/07	2005/06
		<i>Note</i>	R'000	R'000
	Debt: Receivable Interest		121	150
	Guarantees for rehabilitation		4,101	5,217
	Trading Account: GMT		98,218	17,995
	Tender Deposits		450	-
			<u>102,890</u>	<u>23,362</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	2006/07	2005/06
	R'000	R'000
15. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	147,714	119,651
Add back non-cash/cash movements not deemed operating activities	875,675	606,529
(Increase)/decrease in receivables – current	1,028	819
(Increase)/decrease in prepayments and advances	142	(113)
Increase/(decrease) in payables – current	39,034	(5,873)
Proceeds from sale of capital assets	(19,723)	(30,441)
Surrenders to Revenue Fund	(978,275)	(893,441)
Expenditure on capital assets	1,016,422	752,496
Other non cash items	817,047	783,082
Net cash flow generated by operating activities	<u>1,023,389</u>	<u>726,180</u>
16. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General Account	1,099	(1,801)
Cash on hand	7	7
*Cash with commercial banks	187,961	164,171
	<u>189,067</u>	<u>162,377</u>

*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.

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the financial statements.

		<i>Note</i>	2006/07 R'000	2005/06 R'000
17. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	<i>ANNEXURE 2A</i>	707	996
Claims against the department		<i>ANNEXURE 2B</i>	19,967	3,396
Inter-Governmental Payables (unconfirmed balances)		<i>ANNEXURE 4</i>	6	8,342
			<u>20,680</u>	<u>12,734</u>
18. Commitments			2006/07 R'000	2005/06 R'000
Current expenditure				
Approved and contracted			74,061	64,061
Approved but not yet contracted			22,964	20,400
			<u>97,025</u>	<u>84,461</u>
Capital expenditure				
Approved and contracted			816,831	377,112
Approved but not yet contracted			48,737	9,902
			<u>865,568</u>	<u>387,014</u>
Total Commitments			<u>962,593</u>	<u>471,475</u>
19. Accruals			2006/07 R'000	2005/06 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of employees	12	-	12	0
Goods and services	21,057	1,460	22,517	32,911
Buildings and other fixed structures	66,163	1,766	67,929	20,864
Machinery and equipment	-	264	264	19,021
Software and other intangible assets	-	-	-	322
Land and subsoil assets	63	-	63	133
	<u>87,295</u>	<u>3,490</u>	<u>90,785</u>	<u>73,251</u>
Listed by programme level				
Programme 1 – Administration			1,257	3,325
Programme 2 – Public Works			20,366	9,459
Programme 3 – Roads Infrastructure			61,106	41,521
Programme 4 – Public Transport			821	1,275
Programme 5 – Traffic Management			7,011	17,476
Programme 6 – Community Based Programmes			224	195
			<u>90,785</u>	<u>73,251</u>
Inter-Governmental Payables (confirmed balances)		<i>ANNEXURE 4</i>	2,919	1,645
Total			<u>2,919</u>	<u>1,645</u>

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	<i>Note</i>	2006/07 R'000	2005/06 R'000
20. Employee benefits			
Leave entitlement		2,948	2,560
Thirteenth cheque		5,644	5,171
Capped leave commitments		21,272	20,907
Total		29,864	28,638

21. Lease Commitments

21.1 Operating leases	Buildings and other fixed structures	Machinery and equipment	Total R'000
2006/2007			
Not later than 1 year	78,012	1,269	79,281
Later than 1 year and not later than 5 years	175,404	1,412	176,816
Later than five years	-	-	-
Total value of lease liabilities	253,416	2,681	256,097
2005/2006			
Not later than 1 year	55,043	1,176	56,219
Later than 1 year and not later than 5 years	137,295	883	138,178
Later than five years	65,588	-	65,588
Total value of lease liabilities	257,926	2,059	259,985

	2006/07 R'000	2005/06 R'000
22. Receivables for departmental revenue		
Tax revenue	214,463	238,018
Licence fees	51,649	52,913
Licence arrears	70,307	80,947
Licence penalties	87,136	98,774
Registration fees	2,864	2,841
Registration penalties	2,507	2,543
Sales of goods and services other than capital assets	40,997	39,338
Outstanding property rentals	40,997	39,338
Total	255,460	277,356

*The total amount of R 173,685m included in the above may not be recoverable and has not been written-off.

Outstanding licence fees last year on NATIS amounts to R 160,847m

Outstanding property rentals amounts to R 12,838m

	<i>No of individuals</i>	2006/07 R'000	2005/06 R'000
23. Key management personnel			
Political Office Bearers	1	857	737
Officials			
Level 15 to 16	3	2,387	2,260
Level 14	6	3,576	3,361
Total		6,820	6,358

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

24. 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. However, 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. The designated event will remain in place until such time that the Record of Decision for the construction of the permanent toll plazas that was issued on the 3 July 2005 is either confirmed or amended by the Minister of Environmental Affairs and Tourism in response to appeals against the Record of Decision. This ruling is a prerequisite for the transfer of commercial risk to the Concessionaire. Until then, the Province remains responsible for shortfalls in toll income.

	<i>Note</i>	2006/07 R'000	2005/06 R'000
Other			
Payments relating to designated events that were processed during the financial year		8,747	13,260
TOTAL		8,747	13,260

		2006/07 R'000	2005/06 R'000
25. Provisions			
Potential irrecoverable debts			
Staff debtors		106	220
Other debtors		-	126
Total		106	346

26. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	47,892,052	9,981,957	194,559	-	58,068,568
Dwellings	312	-	-	-	312
Non-residential buildings	26,341,212	21,763	194,559	-	26,557,534
Other fixed structures*	21,550,528	9,960,194	-	-	31,510,722
MACHINERY AND EQUIPMENT	33,126	(1,958)	34,560	10,509	55,219
Transport assets**	1,907	(1,907)	10,479	10,479	-
Computer equipment	19,484	-	5,183	30	24,637
Furniture and office equipment	5,936	(38)	17,706	-	23,604
Other machinery and equipment	5,799	(13)	1,192	-	6,978
LAND AND SUBSOIL ASSETS	3,012,227	-	27,544	19,723	3,020,048
Land	3,012,227	-	27,544	19,723	3,020,048
TOTAL TANGIBLE ASSETS	50,937,405	9,979,999	256,663	30,232	61,143,835

*Note should be taken that other fixed structures gets re-evaluated yearly on replacement value

**Note should be taken that the transport assets is the yellow fleet and is taken up in the iPlant movable asset register. These assets belong to Roads Capital Account.

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

26.1

ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	934,861	164,715	(905,017)	-	194,559
Non-residential buildings	83,556	164,715	(53,712)	-	194,559
Other fixed structures	851,305	-	(851,305)	-	-
MACHINERY AND EQUIPMENT	34,550	10	-	-	34,560
Transport assets	10,479	-	-	-	10,479
Computer equipment	5,183	-	-	-	5,183
Furniture and office equipment	17,706	-	-	-	17,706
Other machinery and equipment	1,182	10	-	-	1,192
LAND AND SUBSOIL ASSETS	27,544	-	-	-	27,544
Land	27,544	-	-	-	27,544
TOTAL	996,955	164,725	(905,017)	-	256,663

26.2

DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Sold (Cash)	Non-Cash	Total Cost	Cash Received Actual Cost
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	-	10,509	10,509	-
Transport assets	-	10,479	10,479	-
Computer equipment	-	30	30	-
Other machinery and equipment	-	-	-	-
LAND AND SUBSOIL ASSETS	19,723	-	19,723	19,723
Land	19,723	-	19,723	19,723
TOTAL	19,723	10,509	30,232	19,723

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

26.3

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

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

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

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

27 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
CAPITALISED DEVELOPMENT COSTS	-	8,592	17,524	-	26,116
COMPUTER SOFTWARE	9,087	(8,592)	1,943	-	2,438
TOTAL INTANGIBLE ASSETS	9,087	-	19,467	-	28,554

27.1

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
CAPITALISED DEVELOPMENT COSTS	17,524	-	-	-	17,524
COMPUTER SOFTWARE	1,943	-	-	-	1,943
TOTAL	19,467	-	-	-	19,467

27.2

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS				
COMPUTER SOFTWARE	106	8,981	-	9,087
TOTAL	106	8,981	-	9,087

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

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

NAME OF GRANT	GRANT ALLOCATION					SPENT			2005/06	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Infrastructure Grant	126,329	1,065	103,638	3,254	234,286	234,286	189,446	80.9 %	95,857	91,538
Total	126,329	1,065	103,638	3,254	234,286	234,286	189,446		95,857	91,538

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	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	113,593	-	22,151	135,744	127,529	93.9%	127,529	58,701	46.0%	171,279
Total	113,593	-	22,151	135,744	127,529		127,529	58,701		171,279

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Government Motor Transport	-	-	45,154	45,154	45,154	100.0 %	9,260
Total	-	-	45,154	45,154	45,154		9,260

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Independent Development Trust	1,000	-	82	1,082	1,082	100%	-	1,082	10,000
Casidra (Pty) Ltd	-	1,500	-	1,500	500	33.3%	-	500	2,000
Total	1,000	1,500	82	2,582	1,582			1,582	12,000

A memorandum of agreement was entered into between the Department and Casidra on 28 March 2006 to facilitate entrepreneurial development for all roads based public transport modes in the Western Cape. Subsequently a business plan was developed and accepted on 11 September 2006.

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS

	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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 ORGANISATIONS							
Transfers							
Gamka East Primary	-	-	4	4	4	100%	-
Mali Project – Timbaktu	-	-	-	-	-	0.0%	50
Total	-	-	4	4	4		50

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Social Benefits	741	-	13	754	629	83.4 %	1,399
Bursaries (non-employees)	3,500	-	73	3,573	3,569	99.9 %	5,500
Claims against the State	280	-	27	307	307	100.0 %	358
Ex-gratia Payments	20	-	(17)	3	-	0.0 %	23
Donations & Gifts	8	-	65	73	73	100.0 %	314
Total	4,549	-	161	4,710	4,578		7,594

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Received in cash			
ABSA Bank	Learnership 1000 Programme	300	-
Standard Bank	Woman in construction summit	500	-
NMC Pty Limited	Woman in construction summit	20	-
TOTAL		820	-

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1H

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR
THE YEAR ENDED 31 MARCH 2007**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
	R'000	R'000
Gifts - Argus Cycle Tour – Home for All Development Team	-	260
Gifts - Personnel awards	15	21
Gifts - Departmental Sports Tournament	-	11
Gifts - Budget speech	41	7
Gifts - Taxi victim funeral		6
Gifts - Foreign dignitaries		6
Gifts - Miscellaneous	7	2
Gifts - Counseling and Voluntary Testing (VCT)	10	-
Subtotal	73	313
Remissions, refunds and payments made as an act of grace		
Re-imbusement of personal loss due to theft of cell phones while on duty	-	4
Injury on duty	-	3
Subtotal	-	7
Total	73	320

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 2 A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced /released during the year	Closing balance 31 March 2007	Realised losses not Recoverable i.e claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	132	132	28	35	125	-
First Rand: FNB	Housing	191	191	-	43	148	-
ABSA	Housing	334	334	-	140	194	-
Nedbank	Housing	190	190	-	50	140	-
Old Mutual Bank	Housing	149	149	-	49	100	-
	Total	996	996	28	317	707	-

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2007 R'000
Claims against the department Road accident related claims	3,396	19,485	2,914		19,967
Total	3,396	19,485	2,914	-	19,967

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 3
INTER-GOVERNMENTAL RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
Provincial Government Western Cape						
Department of Health	169	473	-	-	169	473
Department of Local Government & Housing	133	250	-	-	133	250
Provincial Treasury	-	104	-	-	-	104
Department of Community Safety	246	123	-	-	246	123
Department of the Premier	743	-	-	-	743	-
Department of Agriculture	-	16	-	-	-	16
Department of Culture Affairs & Sport	166	329	13	-	179	329
Department of Local Government	-	-	-	-	-	-
Department of Economic Development & Tourism	230	-	22	237	252	237
Department of Social Development	-	-	20	-	20	-
Other Departments						
SA Police Services	1	-	-	-	1	-
Gauteng Province: Public Works	-	2	-	-	-	2
Kwazulu Natal Province: Works Department	-	4	-	-	-	4
Limpopo Province: Roads & Transport	-	1	-	-	-	1
National Treasury: Pensions	5	-	-	-	5	-
Other government entities						
Nature Conservation Board	-	-	-	244	-	244
TOTAL	1,693	1,302	55	481	1,748	1,783

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 4
INTER-GOVERNMENTAL PAYABLES**

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
Provincial Government Western Cape						
Department of Health	483	483	-	118	483	601
Department of the Premier	1	17	-	45	1	62
Department of Culture Affairs & Sport	6	8	1	57	7	65
Department of Agriculture	-	-	-	19	-	19
Department of Local Government & Housing	2,154	796	2	7,972	2,156	8,768
Department of Community Safety	218	23	-	-	218	23
Department of Environmental Affairs & Development Planning	11	-	-	-	11	-
Other Departments						
National Department of Justice & Constitutional Development	46	-	-	77	46	77
National Department of Safety & Security	-	-	-	54	-	54
SA Police Services	-	-	3	-	3	-
National Treasury	-	318	-	-	-	318
Total	2,919	1,645	6	8,342	2,952	9,987

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 38: Main Services Provided and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
<p>Public Works The acquisition of land and accommodation through purchases or leases, and disposal of superfluous properties</p> <p>To provide new and maintain existing accommodation and services which is of a high standard.</p>	<p>National Department of Land Affairs; National Department of Public Works; Local Authorities; Building industry; Contractors; Consultants; Tenants; Service providers; Legislature; Public and Public Entities</p>	<p>Potential tenants Potential service providers Emerging contractors</p>	<p>Provide a high standard of service in respect of provincial properties</p> <p>Execution of functions in terms of broad policy framework and in line with departmental strategic goals</p>	<p>Obtaining of 8 Section 28(1) certificates (=330properties) to endorse properties in the name of the Western Cape Provincial Government</p> <p>Acquisitions Purchased properties to the value of R40m Rental of properties to the value of R129.5m</p> <p>Disposal Sold properties to the value of R20m Rented out properties to the value of R31.3m</p> <p>Major capital and maintenance projects were completed at the following institutions: Capital projects: - Health care institutions: 2 projects completed, 17 started; - Educational institutions: 30 projects completed, 16 started; - Other provincial buildings: 5 projects completed, 4 started.</p> <p>Maintenance projects: - Health care institutions: 158 projects - Educational institutions: 484 projects - Other provincial buildings: 291 projects.</p>
<p>Roads Infrastructure Provide, maintain and manage a provincial road network</p>	<p>Road users; Agents (district municipalities); Contractors; Local authorities; Private sector; Communities</p>	<p>Potential HDI ⁶ contractors, Previously disadvantaged communities</p>	<p>Routine maintenance, periodic maintenance, rehabilitation and construction of gravel and surfaced roads according to engineering and developmental prescripts and through socially just, developmental and empowering processes</p>	<p>The major projects completed: - Rebuilding of Main Road 201 between Market Street and N1; - Reseal of the Lichtenburg Road between Phisantekraal and R44; - Rebuilding of 4km of the Outeniqua Pass between George and Blanco turnoff; - Pedestrian bridge over Bosmandam Road; - N1 Rehabilitation; - Upgrade of the Tierfontein Intersection on the N7</p> <p>48% (by value) of all maintenance and construction projects were awarded to emerging and established HDI contractors.</p> <p>The majority of the maintenance and construction projects have been registered to comply with the EPWP principles relating to skills transfer and maximisation of work opportunities.</p>
<p>Improve road safety and road</p>	<p>Road users; Local authorities;</p>		<p>Eliminate high accident locations;</p>	<p>In conjunction with the City of Cape town and National Department of Transport ongoing</p>

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
infrastructure protection measures	South African Police Service ⁷ Department of Community Safety Provincial Traffic Centres; Vehicle Testing Stations; Private sector		Record and evaluate accident statistics; Managing overload control stations	processes to ensure that the accident data gathering yields quality data by providing feed back and training at police service stations throughout the Province. Upgrading of two weighbridge sites is on the go or planned. Weigh-in-motion electronic surveillance systems were introduced, enabling early on-road identification of possibly overloaded vehicles. Electronic data management systems introduced at the weighbridges have made automatic reporting possible and eliminated the possibility of fraudulent transactions.
<u>Motor vehicle administration</u>	Motoring public; Local Authorities; Motor dealers; Importers and builders of motor vehicles; Vehicle fleet owners; Private companies	Personnel of national departments; Insurance companies; Financial institutions	Licence fee collection; Special vehicle registration numbers.	Altogether 10 612 cases of arrear licence fees were collected. R12,3m was collected in the process. New electronic equipment for the recording of motor vehicle registration and licensing transactions was deployed at the 76 registering authorities in the Province in anticipation of the new electronic National Traffic Information System (eNaTIS). The Department participated in the testing of new computerized transactions for the registration and licensing of motor vehicles that are due to be implemented as part of the eNaTIS and completed the training of approximately 400 users to operate the new system early in the new financial year. Altogether 76 632 additional vehicles were registered and licensed in the Province during the report year. Altogether 7 000 new personalised licence number were sold, resulting in revenue amounting to R10,7 million.
<u>Road Traffic Law Administration</u>	Driving licence holders; Public transport service providers; Goods conveyors; Sports and events organizers; Filming entrepreneurs	Personnel of national departments; Transport companies; Traffic law enforcement officers.	Issuance of permits and licences.	New electronic equipment for the recording of learner's and driving licence transactions was deployed at the 55 driving licence testing centres in the Province in anticipation of the new electronic National Traffic Information System (eNaTIS). The Department participated in the testing of the new computerised transactions for learner's and driving licences as part of the eNaTIS and completed the training of approximately 250 users to operate the new system early in the new financial year. Fraud and corruption in the issuing of learner's and driving licences were detected at a number of driving licence testing centres and motor vehicle testing stations. The largest project currently under investigation by the Department's Compliance Monitoring Unit is Khayelitsha, where the City of Cape Town has opted to close its activities at the centre and to move the operations elsewhere with replacement officers to perform the functions.
<u>Public Transport</u> Delivery of an	Provincial	Transport	Delivery of	Completed Integrated Transport Plans for the

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
integrated, accessible, safe, reliable, affordable and sustainable public transport system and quality public transport infrastructure provision	Operating License Board; Provincial Public Transport Registrar; General public; Road based public transport operators; Metro Rail and South African Rail Commuter Corporation; Passengers; Local Authorities; Planning Authorities; National Department of Transport; Other Provincial Departments; Airports Company of South-Africa (ACSA) Contractors and consultants Western Cape Provincial Taxi Council; Western Cape Provincial Metered Taxi Council; Rail commuters, Public Transport vehicle Manufacturers	Authorities; Private business/ commerce; Labour parties	legislated required plans Public transport infrastructure development Creating a public transport model for each area Development, implementation and monitoring of public transport contracts Establishment of and support to institutional structures Registration of public transport operators	City of Cape Town and the District Municipalities. Funding in excess of R50m was provided in terms of the above agreements for infrastructure projects. Draft Conceptual Operational Plan Development document completed. Infrastructure Needs Development Plan - concept level complete in respect of Sandkraal Road Commenced with travel demand and socio-economic surveys. Commenced with Implementation Plan for Central Karoo Mobility Strategy. A communication strategy for marketing and branding of the Public Transport Improvement Programme has commenced. Finalized detailed designs into the restructuring of subsidized bus services. Administration of bus subsidy payments in excess of R450 million. Awarded contract for the installation of Intelligent Transport System and Integrated Fare Management System A pilot programme for Skills Development Training for the mini-bus taxi and metered taxi operators, sliding door operators and drivers was implemented. 42 Learnership programmes in Professional Driving was concluded and placement with bus operators finalised. 465 bicycles were distributed to learners and community organisations to enhance mobility within the rural communities. Cassidra: Mini-bus taxi operators have been enrolled at the University of Western Cape for an Entrepreneurial Programme: Venture Creations. Recruited 92 staff members at the Public Transport Centre to implement and maintain improved operator licensing systems and client interaction.
<u>Community Based Public Works Programmes (CBPWP)</u> Implementation of Community Access Road Programmes; Implementation of the Contractor	Communities; Targeted suppliers; National Roads Agency Local Authorities; Students following	Scholars Entrepreneurs; Future/potential contractors; Communities.	Creation of economic empowerment opportunities through community development	60 community projects were completed, whereby opportunities were given to 1930 persons to be engaged in temporary work opportunities, as well as skills development. 800 Trade Specific learnerships were initiated under the Learnership 1000

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
Development Programme; Implementation of a Road Maintenance Programme (Zenzele); Implementation of a School Maintenance Programme	courses in construction/ built environment; Other Branches within the Department		projects	programme.
<u>Corporate Affairs</u> Human resource management	Minister; Western Cape Parliament; Committees of Legislature; Government Departments; Line functionaries; General public; Staff and Social partners.	Casual workers in Expanded Public Works Programmes; SETA's	Pro-active personal intervention and leadership in human resource matters	In order to align business processes with the strategic intent of the Government of the western Cape, the Department commenced with the process of reorganising its macro organisational structure. The results of this intervention will be implemented in the 2007/08 report year. Built upon this, the review of the operational structures will then proceed. Roll out of the first phase of the Livelink system brought substantial benefits in moving towards a paperless environment and improved work flow processes. In this regard the electronic tracking of recruitment and appointment processes was introduced. To enhance efforts to attract and retain people with scarce skills a component was established for placement of candidate engineers and other professionals-in-training. The aim is to expose young graduates to the actual working environment and, through intensive mentoring programmes, enable them to become registerable with the relevant professional bodies.
Facilitation of labour relations issues, and representing the Department at formal consultation forums			Time frames and procedures with regard to labour relations issues are prescribed in collective agreements.	Institutional forums are functioning. Timeframes and procedures are adhered to.
Addressing and mainstreaming Human Rights issues			As taken up in the Constitution	Voluntary Counselling and Testing sessions were arranged to enhance awareness amongst staff of their status around HIV and Aids. A total of 641 staff members were tested. An Employee Assistance Programme was introduced to assist employees, their immediate family and household members experiencing difficulties at work or in their private life. It is envisaged that this service will have positive spin-offs in terms of service output.
Training and development of all staff to perform competently as well as development of people (potential staff) interested in	Minister; Western Cape Parliament; Committees of Legislature; Government Departments;	Casual workers in Expanded Public Works Programmes; SETA's; training service providers; students and	Facilitate training for all staff according to agreed Workplace Skills Plan (WSP) and ensure timeous nomination for	To enhance competencies of staff, 935 training interventions were arranged in terms of the WSP. This included 18 employees who successfully completed the accredited Junior Management Programme, some 30 employees who attended Further Education and Training, and 239 employees who

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
<p>following technical and professional careers in the built sector</p> <p>Provide information requested in terms of the Promotion of Access to Information Act</p>	Line functionaries; General public; Staff and Social partners.	learners	<p>appropriate training</p> <p>Development of scarce skills particularly in the built environment, where difficulties are experienced in recruitment and retention of people in these occupations</p> <p>Information provided in terms of prescribed processes and time frames</p>	<p>received ABET training.</p> <p>As part of its Masakh'sizwe program, the Department has awarded 127 bursaries to full time students in fields of engineering, architecture, etc. In addition to the above, 59 staff members were awarded new bursaries to undergo part time formal studies, while bursary commitments of 56 staff members, awarded in a previous financial year, were maintained.</p> <p>Successful partnerships with external stakeholders assisted the Department in the accommodation of bursars in career opportunities where the Department did not have appropriate vacancies and/or mentors to accommodate them.</p> <p>Through the Workplace Learning Programme the Department employed 75 students as part of their formal internship programmes.</p> <p>Time frames and procedures for the provision of information are adhered to. In order to enhance this further, phase 1 of the Enterprise Content Management system was implemented. This brought substantial benefits in moving towards a paperless environment. In this regard progress was made with the introduction of electronic work flow, specifically pertaining to recruitment and appointment processes. The immediate spin-off in this regard is the imaging and tracking of personal data and eliminating delays.</p>
<p><u>Financial Management</u></p> <p>Preparation of annual Medium Term Expenditure Framework Budget, adjustments estimates, monthly in year monitoring reports, departmental strategic plan, annual performance plan, quarterly performance and infrastructure reports and certain parts of the annual report</p> <p>Preparation and submission of annual financial statements</p> <p>Financial control, Financial inspections, internal control, loss control, post</p>	Provincial Parliament, Provincial Minister, Accounting Officer, Programme Managers; Provincial and National Treasury; Line functionaries; Auditor-general; Private and public sector.	General public; Academic institutions; Non governmental organisations	<p>Timely submission of quality informative reports and plans, on prescribed legislated formats and within prescribed timeframes;</p> <p>National Treasury normative measures</p>	<p>All reports were submitted within the prescribed timeframes</p> <p>Annual Financial Statements submitted on 31 May 2007 as prescribed</p> <p>9 Finance Instructions issued; 5 financial inspections conducted; 35 compliance post audit inspections and 16 process and control maps completed.</p>

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual achievement against standards
audit and process, and control mapping in respect of risk management Facilitating the process of demand, acquisition, logistics, disposal, risk and performance management pertaining to goods and services	Minister, Provincial Legislature Accounting Officer, Programme Managers; Provincial and National Treasury; Departmental line functionaries; Auditor-general; Private and public sector.		The Accounting Officer's System as standard for all aspects pertaining to Supply Chain Management and associated delegations. Standardised bid documentation issued for the procurement of generic goods and services	Establishment and setting of norms and standards for the Bid Adjudication Committee for bids higher than (>) R2m and less than (<) R2m. The implementation of the CIDB contractor register and register of projects was promoted amongst role players in the construction industry. The Accounting Officer's Delegations for Supply Chain Management was reviewed and finalised, and rolled out to all SCM practitioners and all relevant role players. The review of the Accounting Officer's System and Preferential Procurement Implementation Plan was initiated.

Table 39: Consultation Arrangements with Customers

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

Table 40: Service Delivery Access Strategy

Access Strategy	Actual Achievements
To provide a strategic framework for infrastructure development	The Department is the lead department in the Strategic Infrastructure Plan, which provides for the identification and development of infrastructure projects in conjunction with essential role players.
To increase direct interaction with more communities	Through expanded public works projects, some 1930 persons were engaged in temporary work opportunities, as well as skills development projects.
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.

Table 41: Service Information Tool

Types of Information Tool	Actual Achievements
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 expo's, exhibitions at schools and other educational institutions, as well as community festivals were held to promote functional activities and career opportunities
Publications in general media (print, TV, etc)	Radio talks and media interviews 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.
Establishment of various help desk facilities	The following are operational: <ul style="list-style-type: none"> - Helpdesk for reporting of faults in provincial buildings - Telecommunication helpdesk - Helpdesk to assist prospective tenderers with completion of tender documents - Helpdesk to assist with motor vehicle licensing - Helpdesk for the Saamstaan-project Helpdesks handle telephonic, electronic and personal enquiries.
Electronic publications	Publications on Intranet and Internet; User applications on certain services via Web and the new Provincial Web Portal. Phase 1 of the Livelihood programme to facilitate file tracking and archiving of information in electronic format, was rolled out.

Table 42: Complaints Mechanism

Complaints Mechanism	Actual Achievements
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: <ul style="list-style-type: none"> - Electronic Helpdesk - Telephone Helpdesk - Nodal point to facilitate requests to access information - Imbizo's and matsema to outlying district offices
A system of performance management was utilised to measure the actual performance and service delivery of staff on all levels.	<ul style="list-style-type: none"> - 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 (Table 43) and by salary bands (Table 44). 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 43: Personnel Costs by Programme, 2006/07

Programme	Total Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Employee Compensation as a Percent of Total Expenditure (R'000)	Average Compensation Cost per Employee (R'000)
1: Administration	70 040	25 086	2 624	35,8%	162
2: Public Works	433 728	63 151	223	14,5%	162
3: Roads Infrastructure	1 267 056	61 385	926	4,8%	94
4: Public Transport	159 582	15 291	0	9,6%	119
5: Traffic Management	263 152	11 059	1	4,2%	143
6: CBPWP	60 471	5 141	0	8,5%	171
7: Roads Capital Account	64 974	7 351	13	11,3%	103
Total	2 319 003	188 464	3 787	8,1%	126

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

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

Table 44: Personnel Costs by Salary Bands, 2006/07

Salary Band	Compensation of Employees (R'000)	% of Total Employee Compensation Cost	Average Compensation Cost per Employee (R'000)
Lower skilled (Levels 1-2)	27 446	14,5%	56
Skilled (Levels 3-5)	27 751	14,7%	75
Highly skilled production (Levels 6-8)	57 459	30,5%	148
Highly skilled supervision (Levels 9-12)	60 504	32,1%	266
Senior Management (Levels 13-16)	15 304	8,2%	527
Total	188 464	100%	126

The following tables provide a summary per programme (Table 45) and salary bands (Table 46), 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 45: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 2006/07

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	16 854	67,2%	126	0,5%	305	1,2%	1 088	4,3%
2: Public Works	44 183	70,0%	639	1,0%	746	1,2%	2 600	4,1%
3: Roads Infrastructure	43 531	70,9%	809	1,3%	1 304	2,1%	2 131	3,5%
4: Public Transport	10 279	67,2%	87	0,5%	82	0,5%	509	3,3%
5: Traffic Management	7 863	71,1%	196	1,7%	135	1,2%	564	5,1%
6: CBPWP	3 603	70,1%	32	0,6%	37	0,7%	154	3,0%
7: Roads Capital Account	5 342	72,7%	8	0,1%	190	2,6%	376	5,1%
Total	131 655	69,8%	1 897	1,0%	2 799	1,5%	7 422	3,9%

Table 46: Salaries, Overtime, Home Owners Allowance and Medical Assistance by Salary bands, 2006/07

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)	20 217	10,7%	429	0,2%	727	0,4%	629	0,3%
Skilled (Levels 3-5)	20 472	10,8%	328	0,2%	619	0,3%	1 438	0,7%
Highly skilled production (Levels 6-8)	41 853	22,2%	515	0,3%	669	0,4%	3 032	1,6%
Highly skilled supervision (Levels 9-12)	40 086	21,3%	625	0,3%	229	0,1%	1 939	1,1%
Senior Management (Levels 13-16)	9 027	4,8%	0	-	555	0,3%	384	0,2%
Total	131 655	69,8%	1 897	1,0%	2799	1,5%	7 422	3,9%

EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 47), salary band (Table 48) and critical occupations (Table 49). Departments have identified critical occupations that need to be monitored. Table 49 provides establishment and vacancy information for the critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

Table 47: Employment and Vacancies by Programme, 31 March 2007

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
1: Administration	191	134	29,8%	22
2: Public Works	395	331	16,2%	53
3: Roads Infrastructure	888	651	26,7%	5
4: Public Transport	168	117	30,3%	9
5: Traffic Management	89	77	13,5%	0
6: CBPWP	27	15	44,4%	12
7: Roads Capital Account	81	71	12,3%	0
Total	1 839	1 396	24,1%	101

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

Table 48: Employment and Vacancies by Salary Bands, 31 March 2007

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	588	489	16,8%	0
Skilled (Levels 3-5)	436	318	27,1%	47
Highly skilled production (Levels 6-8)	473	362	23,4%	24
Highly skilled supervision (Levels 9-12)	309	201	34,9%	27
Senior Management (Levels 13-16)	33	26	21,2%	3
Total	1 839	1 396	24,1%	101

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

Table 49: Employment and Vacancies by Critical Occupation, 31 March 2007

Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
QS Technicians	4	2	50%	3
Quantity Surveyors	9	7	22,2%	1
Engineers	50	24	52%	4
Architects	13	8	38,4%	3
Senior Management Service	33	25	24,2%	4
Total	109	66	39,4%	15

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 in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 50) 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 50: Job Evaluation, 1 April 2006 to 31 March 2007

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)	588	3	0,5%	-	-	-	-
Skilled (Levels 3-5)	436	47	10,7%	1	2,1%	1	2,1%
Highly skilled production (Levels 6-8)	473	69	14,6%	2	2,9%	-	-
Highly skilled supervision (Levels 9-12)	309	26	8,4%	2	7,7%	-	-
Senior Management Service (Band A)	24	5	20,8%	4	80%	-	-
Senior Management Service (Band B)	6	-	-	-	-	-	-
Senior Management Service (Band C)	2	-	-	-	-	-	-
Senior Management Service (Band D)	1	-	-	-	-	-	-
Total	1839	150	8,2%	9	6,0%	1	0,6%

Note: The majority of posts have been job evaluated in previous years. During this report year only new posts or post where job content was substantially changed, were evaluated.

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

Table 51: Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Indian	Coloured	White	Total
Female	-	-	1	-	1
Male	-	-	2	1	3
Total	-	-	3	1	4

Note: Some of the upgraded posts were vacant, therefore the number of posts upgraded are not equal to the number of employees.

Employees with a disability	0
-----------------------------	---

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 52: Employees whose salary Level Exceed the Grade Determined by Job Evaluation, 1 April 2006 to 31 March 2007 (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				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 (Table 53) and by critical occupations (Table 54).

Table 53: Annual Turnover Rates by Salary Band for the Period 1 April 2006 to 31 March 2007

Salary Band	Number of Employees per Band as on 1 April 2006	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1-2)	508	28	40	7,8%
Skilled (Levels 3-5)	321	170	78	24,3%
Highly skilled production (Levels 6-8)	347	102	62	17,8%
Highly skilled supervision (Levels 9-12)	199	51	34	17,1%
Senior Management Service (Band A)	18	2	2	11,1%
Senior Management Service (Band B)	6	1	3	50%
Senior Management Service (Band C)	2	0	0	-
Senior Management Service (Band D)	1	0	0	-
Total	1 402	354	219	15,6%

Note: Number of employees on 1 April 2006 includes employees appointed on fixed term contracts, additional to the establishment.

Table 54: Annual Turnover Rates by Critical Occupation for the Period 1 April 2006 to 31 March 2007

Occupation	Number of Employees per Band as on 1 April 2006	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
QS Technicians	5	5	3	60%
Quantity Surveyors	4	2	1	25%
Engineers	26	10	5	19,2%
Architects	10	7	2	20%
Senior Management Service	27	3	5	18,5%
Total	72	27	16	22,2%

Table 55: Reasons Why Staff are Leaving the Department

Termination Type	Number	% of Total
Death	7	3,2%
Resignation	45	20,6%
Expiry of contract	102	46,6%
Dismissal – operational changes	0	0
Dismissal – misconduct	6	2,7%
Dismissal – inefficiency	0	0
Discharged due to ill-health	2	0,9%
Retirement	26	11,9%
Transfers to other Public Service Departments	29	13,2%
Other	2	0,9%
Total	219	100%
Total number of employees who left as a % of the total employment		15.6

Table 56: Promotions by Critical Occupation

Occupation	Employees as at 1 April 2006	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	5	0	-	2	40
Quantity Surveyors	4	2	50%	1	25
Engineers	26	2	7,7%	17	65,4
Architects	10	0	-	9	90
Senior Management Service	27	0	-	20	74,1
Total	72	4	5,5%	49	68,1

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

Table 57: Promotions by Salary Band

Salary Band	Employees as at 1 April 2006	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
Lower skilled (Levels 1-2)	508	10	1,9%	422	83,1%
Skilled (Levels 3-5)	321	43	13,4%	192	59,8%
Highly skilled production (Levels 6-8)	347	33	9,5%	215	61,9%
Highly skilled supervision (Levels 9-12)	199	5	2,5%	138	69,3%
Senior Management (Levels 13-16)	27	0	-	20	74,1%
Total	1 402	91	6,5%	987	70,4%

EMPLOYMENT EQUITY

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

Table 58: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Categories as on 31 March 2007

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators and senior officials	5	8	0	9	3	1	0	3	29
Professionals and managers	3	14	1	52	1	4	0	7	82
Technicians and associate professionals	27	81	0	61	31	60	1	40	301
Clerks and Administrative officer workers	28	67	0	15	47	137	3	54	351
Craft and related trade workers	22	106	1	55	1	3	0	2	190
Plant and machine operators and assemblers	13	33	0	0	0	2	0	0	48
Elementary occupations	209	195	0	3	9	80	0	0	496
Total	307	504	2	195	92	287	4	106	1497
Employees with disabilities	3	8	-	5	1	1	-	-	18

Table 59: Total Number of Employees (including employees with disabilities) in each of the Following Occupational Bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15 & 16)	1	1	0	1	0	0	0	0	3
Senior Management (Levels 13 & 14)	4	7	0	8	3	1	0	3	26
Professionally qualified and experienced specialists and mid-management	14	80	1	101	3	15	0	14	228
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	28	91	1	71	33	81	2	79	386
Semi-skilled and discretionary decision making	54	136	0	11	44	108	2	10	365
Unskilled and defined decision making	206	189	0	3	9	82	0	0	489
Total	307	504	2	195	92	287	4	106	1 497

Table 60: Recruitment for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15 & 16)	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13 & 14)	0	1	0	1	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	8	14	0	20	1	8	0	0	51
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	27	0	4	22	16	2	7	102
Semi-skilled and discretionary decision making	16	24	0	4	52	69	0	5	170
Unskilled and defined decision making	3	3	0	1	2	19	0	0	28
Total	51	69	0	30	78	112	2	12	354

Employees with disabilities	0	0	0	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---	---	---	---

Table 61: Promotions for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15 & 16)	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13 & 14)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	1	0	2	0	1	0	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	8	0	4	1	9	0	6	33
Semi-skilled and discretionary decision making	5	11	0	2	9	16	0	0	43
Unskilled and defined decision making	1	8	0	0	0	1	0	0	10
Total	11	28	0	8	10	27	0	7	91

Employees with disabilities	0	0	0	0	0	1	0	0	1
-----------------------------	---	---	---	---	---	---	---	---	---

Table 62: Terminations for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Levels 15 & 16)	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13 & 14)	0	1	0	3	0	0	0	1	5
Professionally qualified and experienced specialists and mid-management	12	5	0	9	2	3	0	3	34
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18	19	0	7	10	7	0	1	62
Semi-skilled and discretionary decision making	9	15	0	1	20	31	0	2	78
Unskilled and defined decision making	14	19	0	1	0	6	0	0	40
Total	53	59	0	21	32	47	0	7	219

Employees with disabilities	0	0	0	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---	---	---	---

Table 63: Disciplinary Action for the Period 1 April 2006 to 31 March 2007

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	21	26	0	3	5	6	0	1	62

Table 64: Skills Development for the Period 1 April 2006 to 31 March 2007

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators and senior officials and managers	0	6	0	4	0	0	0	0	10
Professionals	2	9	0	32	0	1	0	16	60
Technicians and associate professionals	17	42	0	28	13	20	0	13	133
Clerks	22	64	0	17	31	24	0	22	180
Elementary occupations	196	296	0	2	6	32	0	20	552
Total	237	417	0	83	50	77	0	71	935

Employees with disabilities	1	1	0	0	0	1	0	0	3
-----------------------------	---	---	---	---	---	---	---	---	---

PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 65), salary bands (Table 66) and critical occupations (Table 67).

Table 65: Performance Rewards by Race, Gender and Disability, 1 April 2006 to 31 March 2007 (Senior Management included)

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Number of Employees in Group as at 31 March 2007	% of Total Within Group	Cost (R'000)	Average Cost per Employee (R's)
African	178	399	44,6%	260	1 462
Male	165	307	21,2%	223	1 355
Female	13	92	14,1%	37	2 825
Indian	2	6	33,3%	10	4 782
Male	1	2	50%	6	5 806
Female	1	4	25%	4	3 757
Coloured	337	791	42,6%	1 064	3 158
Male	223	504	44,2%	659	2 954
Female	114	287	39,7%	405	3 556
White	197	301	65,4%	1 242	6 307
Male	126	195	64,6%	874	6 935
Female	71	106	66,9%	368	5 192
Total	714	1497	47,7%	2 579	3 608
Employees with a disability	4	18	22,2%	14	3 528

Table 66: Performance Rewards by Salary Bands for Personnel Below Senior Management Service, 1 April 2006 to 31 March 2007

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)	239	489	48,8%	280	R1 170	1,0%
Skilled (Levels 3-5)	152	365	41,6%	362	R3 009	1,3%
Highly skilled production (Levels 6-8)	209	386	54,1%	957	R4 579	1,6%
Highly skilled supervision (Levels 9-12)	114	228	50%	977	R8 572	1,6%
Total	714	1468	48%	2576	R3 608	1,5%

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 67: Performance rewards by Critical Occupations, 1 April 2006 to 31 March 2007

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)
Industrial Technicians	3	5	60%	14	4 697
Quantity Surveyors	5	8	62,5%	66	13 365
Engineers	15	28	53,5%	198	13 222
Architects	7	11	63,6%	92	13 143
Senior Management Service	0	29	-	-	-
Total	30	81	37%	371	12 375

Note: Assessment of SMS performance was delayed, resulting in payment of performance rewards in the following report year

Table 68: Performance Related Rewards (cash bonus), by Salary band for Senior Management Service

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	NONE					
Band B						
Band C						
Band D						
Total						

Note: Assessment of SMS performance was delayed, resulting in payment of performance rewards in the following report year.

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 69: Foreign Workers, 1 April 2006 to 31 March 2007, by Salary Band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower skilled (Levels 1-2)	0	0	0	0	0	-
Skilled (Levels 3-5)	0	0	0	0	0	-
Highly skilled production (Levels 6-8)	0	0	0	0	0	-
Highly skilled supervision (Levels 9-12)	1	100%	1	100%	0	-
Senior Management (Levels 13-16)	0	0	0	0	0	-
Total	1	100%	1	100%	0	-

Table 70: Foreign Workers, 1 April 2006 to 31 March 2007, by Major Occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Engineer	1	100%	1	100%	0	-
Total	1	100%	1	100%	0	-

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

LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2006 TO 31 DECEMBER 2006

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 71) and disability leave (Table 72). In both cases, the estimated cost of the leave is also provided.

Table 71: Sick Leave, 1 January 2006 to 31 December 2006

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)	3 141	84,0%	363	74,2%	8,6	565
Skilled (Levels 3-5)	2 352	76,8%	297	81,3%	7,9	633
Highly skilled production (Levels 6-8)	2 313	75,7%	322	83,4%	7,2	1 147
Highly skilled supervision (Levels 9-12)	1 078	78,1%	149	65,4%	7,2	1 067
Senior Management (Levels 13-16)	182	94,5%	15	51,7%	12,1	368
Total	9 066	79,5%	1 146	76,5%	7,9	3 780

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

Table 72: Disability Leave (temporary and permanent), 1 January 2006 to 31 December 2006

Salary Band	Total Days	% Days With Medical Certification	Number of Employees Using Disability Leave	% of Total Employees Using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	691	100%	36	7,3%	19,2	124
Skilled (Levels 3-5)	403	100%	26	7,1%	15,5	108
Highly skilled production (Levels 6-8)	385	100%	47	12,2%	8,2	191
Highly skilled supervision (Levels 9-12)	116	100%	10	4,4%	1,6	115
Senior Management (Levels 13-16)	72	100%	1	3,4%	72	21
Total	1 667	100%	120	8,0%	13,9	559

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

Table 73 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 73: Annual Leave, 1 January 2006 to 31 December 2006

Salary Band	Total Days Taken	Average per Employee
Lower skilled (Levels 1-2)	12 035	25
Skilled (Levels 3-5)	7 138	20
Highly skilled production (Levels 6-8)	8 201	21
Highly skilled supervision (Levels 9-12)	4 616	20
Senior Management (Levels 13-16)	507	18
Total	32 497	22

Table 74: Capped Leave, 1 January 2006 to 31 December 2006

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 2006
Lower skilled (Levels 1-2)	1 092	13	31
Skilled (Levels 3-5)	207	7	47
Highly skilled production (Levels 6-8)	421	8	51
Highly skilled supervision (Levels 9-12)	350	15	88
Senior Management (Levels 13-16)	185	185	134
Total	2 255	12	50

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

Table 75: Leave Payouts for the Period of 1 April 2006 to 31 December 2006

Reason	Total Amount (R'000)	Number of Employees	Average payment per Employee (R'000)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2006/07	571	28	R20 397
Current leave payout on termination of service for 2006/07	84	25	R3 350
Total	655	53	R12 356

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

Table 76: 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>Specific categories of staff were not identified. All staff are regarded to be at risk of contracting HIV and related diseases.</p> <p>Some of the work force in the outlying district offices may relatively be at a higher risk, because of the spread and nature of operations</p>	<p>The HIV and AIDS Coordinator conducts six-monthly VCT campaigns to encourage staff to know their status. In addition there are monthly communiqués related to HIV and AIDS sent out to all staff.</p> <p>The specific measures taken in this regard for general staff include:</p> <ul style="list-style-type: none"> ▪ First Aiders using gloves when treating injuries ▪ Awareness raising at VCT campaigns ▪ Serialised communication to all staff through the e-mail system <p>Area managers are encouraged to raise the matter of HIV and Aids in general meetings.</p>

Table 77: 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		Mr J du Plessis: Senior Manager Human Resource Management																				
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>Yes, the Department employs a full-time HIV & AIDS Co-ordinator who chairs a monthly Focal Unit Meeting.</p> <p>The Committee comprises 15 members who represent all sectors of the Department, as well as trade unions.</p> <p>HIV & AIDS ARE INCORPORATED WITHIN THE COMPONENT SPECIAL PROGRAMMES WHICH HAS A TOTAL BUDGET FOR 3 SUB-COMPONENTS. THE BUDGET FOR HIV & AIDS FOR THE YEAR UNDER REVIEW WAS SET AT APPROXIMATELY R 427 333.00.</p>																				
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		<p>An Employee Assistance Programme (EAP) was launched in July 2006. A competent and professional external service provider has been contracted to render related EAP services to staff and immediate family members, and any others living in the same house/household.</p> <p>The Department has employed a full-time EAP Coordinator who is attached to the Special Programmes unit, together with the HIV and AIDS Coordinator.</p>																				
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		<table border="0"> <tr><td>JS Van Stade</td><td>Chairperson</td></tr> <tr><td>W Canterbury</td><td>Financial Management</td></tr> <tr><td>J van Eeden</td><td>Roads Infrastructure</td></tr> <tr><td>C Osman</td><td>Public Transport</td></tr> <tr><td>D Muller</td><td>Ceres District Office</td></tr> <tr><td>M Frieslaar</td><td>Ceres District Office</td></tr> <tr><td>D Lippert</td><td>Oudtshoorn Office</td></tr> <tr><td>S Claassen</td><td>Oudtshoorn Office</td></tr> <tr><td>L Rhode</td><td>George Office</td></tr> <tr><td>M Jansen</td><td>George Office</td></tr> </table>	JS Van Stade	Chairperson	W Canterbury	Financial Management	J van Eeden	Roads Infrastructure	C Osman	Public Transport	D Muller	Ceres District Office	M Frieslaar	Ceres District Office	D Lippert	Oudtshoorn Office	S Claassen	Oudtshoorn Office	L Rhode	George Office	M Jansen	George Office
JS Van Stade	Chairperson																						
W Canterbury	Financial Management																						
J van Eeden	Roads Infrastructure																						
C Osman	Public Transport																						
D Muller	Ceres District Office																						
M Frieslaar	Ceres District Office																						
D Lippert	Oudtshoorn Office																						
S Claassen	Oudtshoorn Office																						
L Rhode	George Office																						
M Jansen	George Office																						

Question	Yes	No	Details, if Yes
			<p>L Nicholson Public Transport (Goulburn Centre) S Morse Roads Infrastructure (Bellville) L Thomas Public Works G Anderson Government Motor Transport</p> <p>Union Representatives are: R Fortuin Nehawu C Petersen PSA W Taylor PSA</p>
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		There exists no HIV and AIDS discrimination during the recruitment process and after placement.
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		<p>Fourteen (14) staff members have tested positive, but none has disclosed the positive status as yet. We are awaiting voluntary disclosure to allow us to introduce our treatment, care and support intentions in practice. In the meantime, the work environment is being 'sculptured' to facilitate voluntary disclosure.</p> <p>The Departmental HIV & AIDS Policy and the Workplace Programmes specifically address this matter.</p> <p>Issues pertaining to discrimination and stigmatisation are discussed at monthly meetings, VCT sessions and at celebratory events.</p> <p>EAP is a further instrument which is immediately available to assist HIV positive staff.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Yes, on a regular basis and also at every possible opportunity. In total, 641 staff members (43% of complement) have been tested by departmental initiatives. Fourteen staff members have tested positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		<p>VCT will remain a priority area for our department.</p> <p>VCT sessions are always preceded by intensive awareness sessions where the issue of healthy lifestyles is addressed. It also forms an integral part of presentations at the induction sessions of new employees.</p> <p>Progress on the departmental workplace programmes is monitored through performance assessment reviews held between the HIV and AIDS Coordinator and the manager concerned (Special Programmes).</p>

LABOUR RELATIONS

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

Table 78: Misconduct and Disciplinary Headings Finalised, 1 April 2006 to 31 March 2007

Outcomes of Disciplinary Hearings	Number	% of Total
Written warning	20	32,3%
Final written warning	23	37,1%
Suspended without pay	1	1,6%
Fine	0	-
Demotion	1	1,6%
Dismissal	6	9,7%
Not guilty	0	-
Case withdrawn	0	-
Pending cases	11	17,7%
Total	62	100%

Table 79: Types of Misconduct Addressed at Disciplinary Hearings

Type of Misconduct	Number	% of Total
Excessive absenteeism	31	50%
Fraud	16	25,8%
Substance abuse	3	4,8%
Negligence	12	19,4%
Total	62	100%

Table 80: Grievances Lodged for the Period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of grievances resolved	12	-
Number of grievances not resolved	12	100%
Total number of grievances lodged	12	100%

Note: Grievances related to temporary incapacity leave in terms of the Policy on Incapacity Leave and Ill Health Retirement (PILIR) that had to be referred back to the external Health Risk Manager to resolve.

Table 81: Disputes Lodged with Councils for the Period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of disputes upheld	1	12,5%
Number of disputes dismissed	2	25%
Number of disputes not resolved	5	62,5%
Total number of disputes lodged	8	100%

Table 82: Strike Actions for the Period 1 April 2006 to 31 March 2007

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 83: Precautionary Suspensions for the Period 1 April 2006 to 31 March 2007

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

SKILLS DEVELOPMENT

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

Table 84: Training Needs Identified, 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of Employees as at 31 March 2007	Training Needs Identified at Start of Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Senior Management (Levels 13-16)	Female	7		-		-
	Male	22		-		-
Highly skilled supervision (Levels 9-12)	Female	32		8		8
	Male	196		53		53
Highly skilled production (Levels 6-8)	Female	195		173		173
	Male	191		642		642
Skilled (Levels 3-5)	Female	164		399		399
	Male	201		386		386
Lower skilled (Levels 1-2)	Female	91		90		90
	Male	398		236		236
Sub-Total	Female	489		670		670
	Male	1 008		1317		1317
Total		1 497		1987		1987

Note: It is possible to identify more than one programme/course per employee.

Table 85: Training Provided, 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of Employees as at 31 March 2007	Training Provided Within the Reporting Period			
			Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Senior Management (Levels 13-16)	Female	7		-		-
	Male	22		10		10
Highly skilled supervision (Levels 9-12)	Female	32		17		17
	Male	196		43		43
Highly skilled production (Levels 6-8)	Female	195		46		46
	Male	191		87		87
Skilled (Levels 3-5)	Female	164		77		77
	Male	201		103		103
Lower skilled (Levels 1-2)	Female	91		58		58
	Male	398		494		494
Sub-Total	Female	489		198		198
	Male	1 008		737		737
Total		1 497		935		935

INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 86: Injury on Duty, 1 April 2006 to 31 March 2007

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only		
Temporary / Total disablement	42	100%
Permanent Disablement		
Fatal		
Total	42	100%

UTILISATION OF CONSULTANTS

Table 87: Report on Consultant Appointments Using Appropriated Funds

Project Title / Consultant	Total Number of Consultants that Worked on the Project	Duration: Work Period	Contract Value in Rands
ARG Design	4	28/8/06 – 31/3/07	R57 893
Backeberg Consulting	4	1/4/2006 – 31/3/2007	R1 094 740
Charles CI Machutchon	1	1/4/2006 – 31/3/2007	R307 200
CM3 Consulting Engineers	1	1/4/2006 – 31/3/2007	R322 560
D Lillie, 2010 Project Director	1	1/4/2006 – 31/3/2007	R502 725
J Henn, Transuris	1	1/12/06 – 31/3/07	R27 641
Joseph J Neethling Architect & Acoust	1	1/4/2006 – 31/3/2007	R348 000
Lewis & De Kroon	4	1/4/2006 – 31/3/2007	R40 607
Letshabile	6	1/4/2006 – 31/3/2007	R56 509
Mosi-OA-Tunya	1	27/11/2006 – 31/3/2007	R45 053
ProQS	1	06/05/2006 – 31/5/2006	R1 300
Revel Fox Architects	2	1/4/2006 – 31/3/2007	R173 890
Sippel & De Lange	1	1/4/2006 – 31/3/2007	R29 739
S Luckett, Masak'iSizwe Project	1	1/12/06 – 31/3/07	R167 575
Thorold Architects	1	12/4/06 – 4/12/06	R77 738
Total Number of Projects	Total Individual Consultants	Total Duration / Period	Total Contract Value in Rands
15	30	-	R3 253 170

Table 88: Analysis of Consultant Appointments Using Appropriated Funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title / Consultant	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Worked on the Project
ARG Design	100%	100%	2
Backeberg Consulting	0	0	3
Charles CI Machutchon	0	0	0
CM3 Consulting Engineers	0	0	0
D Lillie, 2010 Project Director	0	0	0
J Henn, Transuris	100%	100%	1
Joseph J Neethling Architect & Acoust	0	0	0
Lewis & De Kroon	30%	30%	2
Letshabile	-	-	4
Mosi-OA-Tunya	-	-	1
ProQS	0	0	0
Sippel & De Lange	-	-	0
S Luckett, Masak'iSizwe Project	0	0	0
Revel Fox Architects	25%	25%	1
Thorold Architects	0	0	0

Table 89: Report on Consultant Appointment Using Donor Funds

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Donor and Contract Value in Rands
NONE			

Table 90: Analysis of Consultant Appointments Using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Worked on the Project
NONE			