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LIST OF ACRONYMS

| | | | |
|--------|--|----------|--|
| ABET | Adult Basic Education and Training | EDRMS | Electronic Data and Records Management System |
| AG | Auditor General | EIA | Environmental Impact Assessment |
| ATM | Automated Teller Machine | eNaTIS | Electronic National Traffic Information System |
| BAS | Basic Accounting System | EPWP | Expanded Public Works Programme |
| BBBEE | Broad Based Black Economic Empowerment | EXCO | Executive Council |
| BRT | Bus Rapid Transit | FIFA | Federation of the International Football Association |
| CEO | Chief Executive Officer | FIS | Fleet Information System |
| CFO | Chief Financial Officer | GCRA | Gauteng City Region Academy |
| CoT | City of Tshwane | GDPTRW | Gauteng Department of Public Transport, Roads and Works |
| CoJ | City of Johannesburg | GDRT | Gauteng Department of Roads and Transport |
| CRM | Customer Relations Management | GFIS | Gauteng Freeway Improvement Scheme |
| CRSA | Control & Risk Self Assessment | GTI | Gauteng Transport Infrastructure |
| CS | Corporate Support | GTS | Green Transport Summit |
| CSIR | Council for Scientific and Industrial Research | GPG | Gauteng Provincial Government |
| DDG | Deputy Director-General | GTMA | Gauteng Management Transport Authority |
| DEA | Department of Environmental Affairs | HDI | Historically Disadvantaged Individuals |
| DHSD | Department of Health and Social Development | HIV/AIDS | Human Immuno Deficiency Virus /Acquired Immuno Deficiency Syndrome |
| DLTCs | Drivers Learners Testing Centres | HOD | Head of Department |
| PDLTCS | Provincial Driver Learner Testing Centres | HR | Human Resource |
| DORA | Division of Revenue Act | ICT | Information and Communication Technology |
| DoH | Department of Health | IFM | Integrated Fare Management |
| DPSA | Department of Public Services and Administration | IGR | Intergovernmental Relations |
| DRP | Disaster Recovery Plan | INP | Intelligent Number Plates |
| EDMS | Enterprise Document Management System (g-Fleet) | IT | Information Technology |

| | | | |
|--------|---|-------|---|
| ITPS | Integrated Transport Plans | PVTC | Private Vehicle Testing Centres |
| ITS | Intelligent Transport Systems | RFID | Radio-Frequency Identification |
| IRPTN | Integrated Rapid Public Transport Network | SAICE | South African Institute of Civil Engineers |
| LTPS | Land Transport Permit System | SAPO | South African Post Offices |
| LMV | Light Motor Vehicle | SATS | South African Transport Solutions |
| MEC | Member of the Executive Council | SCM | Supply Chain Management |
| MOA | Memorandum of Agreement | SLA | Service Level Agreement |
| MOU | Memorandum of Understanding | SMS | Senior Management System |
| MPVH | Multipurpose Vehicle Hub | TAT | Turn around Time |
| MVLC | Motor Vehicle Licensing Centre | TETA | Transport Education Training Authority |
| MVRA | Motor Vehicle Registration Authority | TOLAB | Transport Operating Licence Administrative Body |
| NDOT | National Department of Transport | ToR | Terms of References |
| NOM | New Operating Model | UTF | Urban Transport Fund |
| NRTA | National Road Traffic Act | UTRCP | Ultra Thin Reinforced Concrete Pavement |
| OLAS | Operating Licence Administration System | VMS | Vehicle Management Services |
| ORTIA | O.R. Tambo International Airport | | |
| PDI | Previously Disadvantaged Individuals | | |
| PERSAL | Personnel Salaries | | |
| PFMA | Public Finance Management Act | | |
| PMDS | Performance Management Development System | | |
| PMU | Project Management Unit | | |
| PRASA | Public Rail Association of South Africa | | |
| PRF | Provincial Revenue Fund | | |
| PSBC | Public Service Bargaining Council | | |
| PSO | Project Support Office | | |
| PTP | Prioritised Township Project | | |

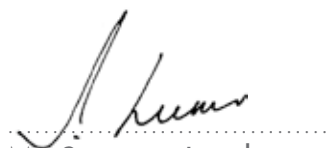


Section 1

General Information

1.1 Submission of the Annual Report to the Executive Authority

The Accounting Officer of the Gauteng Department of Roads and Transport (GDRT), Mr Stewart Lumka, hereby presents the Department's Annual Report for the year ended 31 March 2011 to the Executive Authority.



Mr Stewart Lumka
31 May 2011

1.2 Foreword by the Member of the Executive Council

Gauteng MEC for Roads and Transport

It is not always easy to report on progress, particularly when one has assumed office during the course of the financial year. In my case, this was in November 2010. The encouraging aspect, however, is that it allows a report based on the norms of continuity and change. In this context, I would like to acknowledge the sound political stewardship over the Gauteng Department of Roads and Transport (the Department) by my predecessor, MEC Bhekizwe Nkosi.





Ismail Vadi

An Annual Report is an essential oversight tool that allows the Legislature and the public to assess our performance. The public, through their elected representatives, has the right and a duty to hold us to account for every cent spent. We must be able to demonstrate that public funds expended, are based on the principle of real value for money. This Report provides a snapshot of the performance of the Department; highlighting its achievements and the challenges confronting it.

The Department's core mandate is to provide, inter alia, a reliable, affordable, safe and accessible public transport system in Gauteng. In addition, it has to develop a roads network for the effective, efficient and seamless movement of people and goods within and beyond the province. These are the twin underpinnings for economic growth, social development and global competitiveness.

Last year was eventful. The Department played a critical role in the provision of safe and reliable public transport for the 2010 FIFA World Cup. Our success in hosting the Soccer World Cup demonstrated the potential we have to deliver a modern, integrated transport system. A number of transportation agencies within Gauteng - from aviation to land transport - exerted much effort to ensure that the best services were rendered to our foreign guests and to our citizens. Our integrated transport plan for the event, supported by Gautrain, the Rea Vaya busses,

Metrorail, Metrobus and public taxi services, allowed for the safe, reliable and seamless movement of spectators. The degree of collaboration among the three spheres of government, including the private sector, in an attempt to deliver a successful, world-class tournament, was certainly impressive. The upgrading of the Beyers Naudé Drive into a dual carriage road was also an important milestone. The impact on the neighbouring community of Zandspruit is huge. The Department was able to transfer skills to members of the community who participated in the programme. The upgrading of the road itself has led to a significant reduction in road accidents.

As part of addressing its public image, the Department is rectifying the matters needing attention as identified by the Auditor-General of South Africa, particularly its supply chain management processes. The Department is also working hard at settling valid outstanding accounts and clearing its accruals. I believe that transport as a whole impacts on the lives of South Africans no less than the provision of education, health, housing and other essential services. Potholes, congestion on our roads, lack of safety on taxis and trains, inadequate public transport, taxi violence, e-tolling; – all have a direct impact on the quality of life of our citizens. Recent public concerns regarding such issues have exerted pressure on the Department to focus its attention on addressing these pressing needs of our people. The past year, therefore, has been revealing to the Department. Our focus in the new financial year will be to further develop a seamless public transport system for the mass movement of people and goods.

Finally, I would like to thank the entire staff in the Department for their support, encouragement, and for teaching me so many new things about our roads and transport system. I express my sincere appreciation to my counterparts at the municipal and national levels of government for their collaborative approach and to the numerous stakeholders in the broader roads and transport family for their constructive interaction with the Department. Lastly, I express my sincere gratitude to the staff of my office for their consistent support and frank advice.

Sincerely

Ismail Vadi

Gauteng MEC for Roads and Transport

1.3 Introduction by the Acting Head of Department



Mr. Stewart Lumka
Acting Head of Department:
Roads and Transport

The highlight of 2010/11 financial year has been the highly successful management of the provision of the integrated and coordinated public transport services for the FIFA 2010 World Cup.

a reality on home soil. Thus, the strategic objective of building a Globally Competitive Gauteng transport infrastructure, networks, and systems became a major possibility.

Consequently, major achievements beyond the June/July 2010 FIFA World Cup are noted in this report. These include the further realization of the Integrated Public Transport Network (IPTN) through the commencement of the construction of Intermodal Public Transport Facilities. One is in Zandspruit and another in Bophelong. These will serve various modes of public transport such as minibus taxis and busses. The introduction of Gautrain also added to the impetus of the DRT's commitment to the provision of a world class integrated public transport system. Mobility between Gauteng centres of economic activity has been enhanced. However, the Department acknowledges the challenge to integrate the Gautrain to a broader public transport network. In fact, the Department has undertaken a review of the Strategic Road Network which partly accounted for the public transport needs and traffic volumes.

Beyond the advancement on the provision of public transportation, the Department has made strides in the strategic regulation of freight transportation. The implementation of the Freight strategy has begun in earnest in the West Rand District Municipal area. This will serve as a major point of reference for the further regulation and management of freight transportation. The DRT understands that to attain a globally competitive transportation system, both the mobility of people and goods must be managed efficiently to maximize ease of movement within and across Gauteng. Given the critical nature of economic mobility, the DRT is strategically working with the Development Bank of Southern Africa (DBSA); and Blue IQ in the implementation of its Freight strategy.

The success of the Department of Roads and Transport (DRT) in the provision of public transportation services is critical for several reasons:


- It indicated the capacity of the Department to work closely with municipalities in the quest to provide a well coordinated, integrated and effective public transportation system;
- It showed that the people of Gauteng are willing to leave their cars at home, and use public transport, on condition that such a service is prudent, timeous, effective, and safe;
- It indicated that the DRT can contribute immensely to enhancing Gauteng's global competitiveness through the provision of effective and safe public transportation;
- It highlighted the willingness of local government, and private transportation institutions to work together towards the provision of effective transportation both within, and across Gauteng; and
- It provided a practicality, of the conceptualisation, and management of an integrated public transportation system and services.

In essence, it provides for what in sports is referred to as a "morale booster". Suddenly, the effectiveness of what many both inside and outside government had experienced elsewhere in the developed world, was

It may be the case that given that there are still challenges facing Gauteng's road infrastructure, networks, public transport system and services,

doubts may therefore linger on the future of public transportation in Gauteng. However, existing evidence as contained in this report indicates that the seeds of a prosperous future have been sown. The current evidence indicates hope for a more progressive public transportation network and system.

I am convinced that the work of DRT, has bits and pieces of brilliance that will gradually collate to form a solid transportation infrastructure and network that will compete effectively in the global economy.



Mr Stewart Lumka
Acting Head of Department: Gauteng Department
of Roads and Transport



1.4 Information on the Gauteng Department of Roads and Transport (GDRT)

The mandate of the Gauteng Department of Roads and Transport (GDRT) is to contribute to the achievement of the Gauteng Provincial Government's (GPG) strategic priorities. This includes facilitating socio-economic growth in Gauteng. This is done through developing programmes and implementing projects that facilitate the easy mobility of goods and people within and across the province. Furthermore, the Department builds an enabling environment for transportation through the development of appropriate policies and a regulatory framework. The DRT regulates transportation in a manner that is responsive to a healthy environment. It also provides driver licensing, and public transport operating services.

The DRT has two entities: first is the g-Fleet Management. In the main, g-Fleet Management enhances the performance of the provincial and national government departments through the

provision of fleet, and fleet management services. The second is the Gautrain Management Agency (GMA) responsible for the building and management of the fast rail services - the Gautrain. The GMA is a schedule 3C entity accounting directly to the MEC.

The key focus areas of the GDRT and its entities are:

- Provision of road infrastructure systems;
- Provision of efficient and integrated multi-modal transport systems;
- Efficient planning, coordination and facilitation of funds for road and transport systems, including Gautrain;
- Efficient and prudent management of the Public Freight Transport;
- Development and implementation of Intelligent Transport Systems; and
- Provision of motor transportation and fleet management services to government departments.

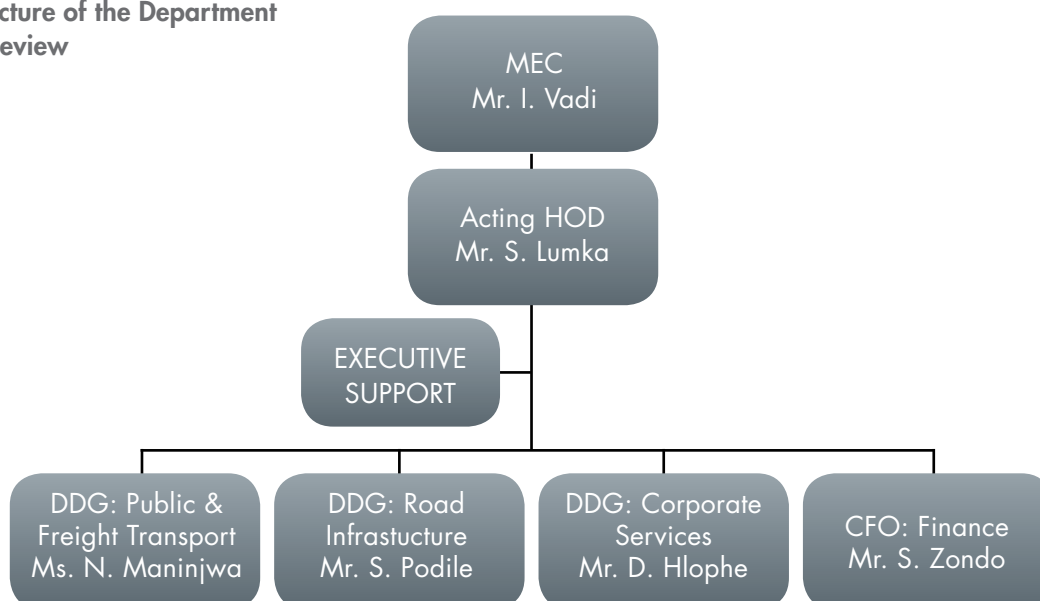
The 2010/11 financial year was highlighted by the provision of efficient public transportation services to the FIFA 2010 World Cup held throughout Gauteng.

The table below details the Department's visits abroad during the 2010/2011 Financial Year:

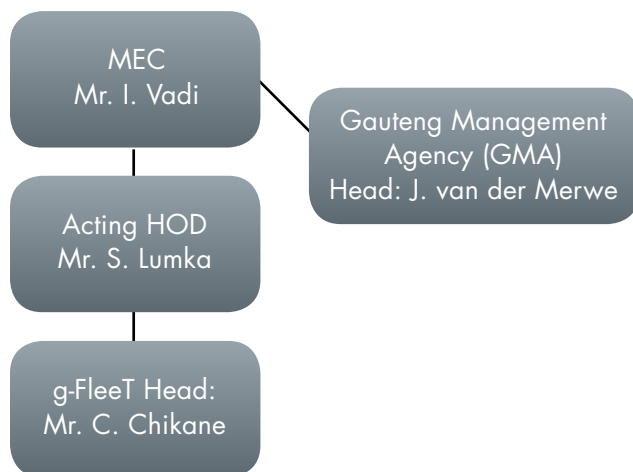
| Place | Date | Purpose |
|----------------|-------------------------|--|
| New Delhi | 28/07/2010 – 30/07/2010 | Exhibition and Conference: Driving Training Simulator |
| Canada – India | 29/11/2010 – 2/12/2010 | Study of PPP Management Model for DLTCs |

1.4.1 Departmental Structure

Organisational Structure of the Department for the year under review



1.4.2 Gautrain Management Agency and g-FleeT Management Structure



1.5 Vision, Mission and Values of the Department

The **VISION** of the GDRT is “World-class roads and transport infrastructure networks and systems that facilitate seamless mobility of goods and people within Gauteng”.

The **MISSION** of the GDRT is “To provide an environmentally sustainable road infrastructure and integrated transport systems and services that are reliable, accessible, safe and affordable which promotes socio-economic development in Gauteng”.

The **VALUES** that guide the work of the staff and contractors working on behalf of the Department are

- Good Governance
- Responsiveness
- Innovative
- Accountability
- Passion
- Professionalism
- Commitment

1.6 Legislative Mandate

The legislative mandate of the GDRT is drawn from Schedule 4 and 5 of the constitution of the Republic of South Africa (Act 106 of 1996) which grants all

provinces with concurrent (ie. together with National Government) and exclusive (ie. Provincial only) competencies. There is a list of the National and provincial policies and legislature that inform the mandate of the GDRT.

National Policy and Legislative Mandates

- Urban Transport Act, Act 78 of 1977.
- Cross-Border Road Transport Act, Act 4 of 1998.
- Road Traffic Act, Act 29 of 1989.
- Public Finance Management Act, Act 1 of 1999.
- Construction Industry Development Board Act, Act 38 of 2000.
- Environmental Conservation Act, Act 73 of 1989.
- Rating of State Property Act, Act 79 of 1984.
- Road Traffic Management Corporation Act, Act 20 of 1999.
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998.
- National Road Traffic Act, Act 93 of 1996.
- National Road Traffic Safety Act, Act 12 of 1972.
- Government Immoveable Assets Management Act, Act 19 of 2007.
- White Paper – Creating an Enabling Environment for Reconstruction and Development in the Construction Industry.
- White Paper on National Transport Policy.
- National Land Transport Strategic Framework.

Provincial Policy and Legislative Mandates

- Gauteng Transport Framework Revision Act, Act 8 of 2002.
- Gauteng Public Passenger Road Transport Act, Act 7 of 2001.
- Gauteng Transport Infrastructure Act, Act 8 of 2001.
- Gauteng Planning and Development Act, Act 3 of 2003.
- Provincial Road Traffic Act, Act 10 of 1997.
- Gauteng Road Infrastructure Act, Act 8 of 2001.
- Road Traffic Act, Act 29 of 1989.
- Road Traffic Safety Act, Act 12 of 1972.
- Road Traffic Management Corporation Act, Act 20 of 1999.
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998.
- Urban Transport Act, Act 78 of 1977.
- Gautrain Management Agency Act, Act 5 of 2007.
- Gauteng Transport Framework Revision Amendment Act, 2007.
- Gauteng Toll-Roads Bill 2005.

- Gauteng White Paper on Transport Policy.
- Gauteng Transport Legislative Framework.
- Gauteng Legislation on Development Planning.

1.7 Entities reporting to the MEC / Department of Roads and Transport

GAUTRAIN MANAGEMENT AGENCY

The Gautrain Management Agency (GMA) was fully established, by the then Member of the Executive Council for Roads and Transport, in terms of Section 42(1) of the GMA Act, on the 1st January 2009. The 2010/11 financial year Annual Report is a stand alone report of the GMA as a listed Schedule 3(c) Provincial Public Entity. The core objectives of the GMA are to manage, co-ordinate and oversee the Gautrain Project, through the implementation of the Concession Agreement between the Gauteng Provincial Government and the Bombela Concession Company, to ensure that the objectives of the project are met. The GMA is committed to sound corporate governance and responsible financial management.

g-FleeT MANAGEMENT

g-FleeT Management, previously known as the Gauteng Government Motor Transport is a trading entity that operates under the auspices of the GDRT. The mandate of g-FleeT is to provide world class motor transportation and fleet management services to Government Departments.

1.8 Stakeholder Management

The Department's stakeholders include individuals, groups and organisations, which have an interest in, and influence the Department's activities in one way or another. Conversely the Department's actions also influence and affect the stakeholders.

These stakeholders include:

- The community in general;
- The Gauteng Provincial Legislature;
- National Departments;
- Local Government in Gauteng Province;
- Other Provincial Departments;
- Clients/Customers;
- Trade Unions;
- Special interest groups i.e. bus, taxi, commuters;
- Regulatory Bodies;
- Private Sector Institutions;
- Suppliers;
- Investment and Financial sectors;
- Employees.

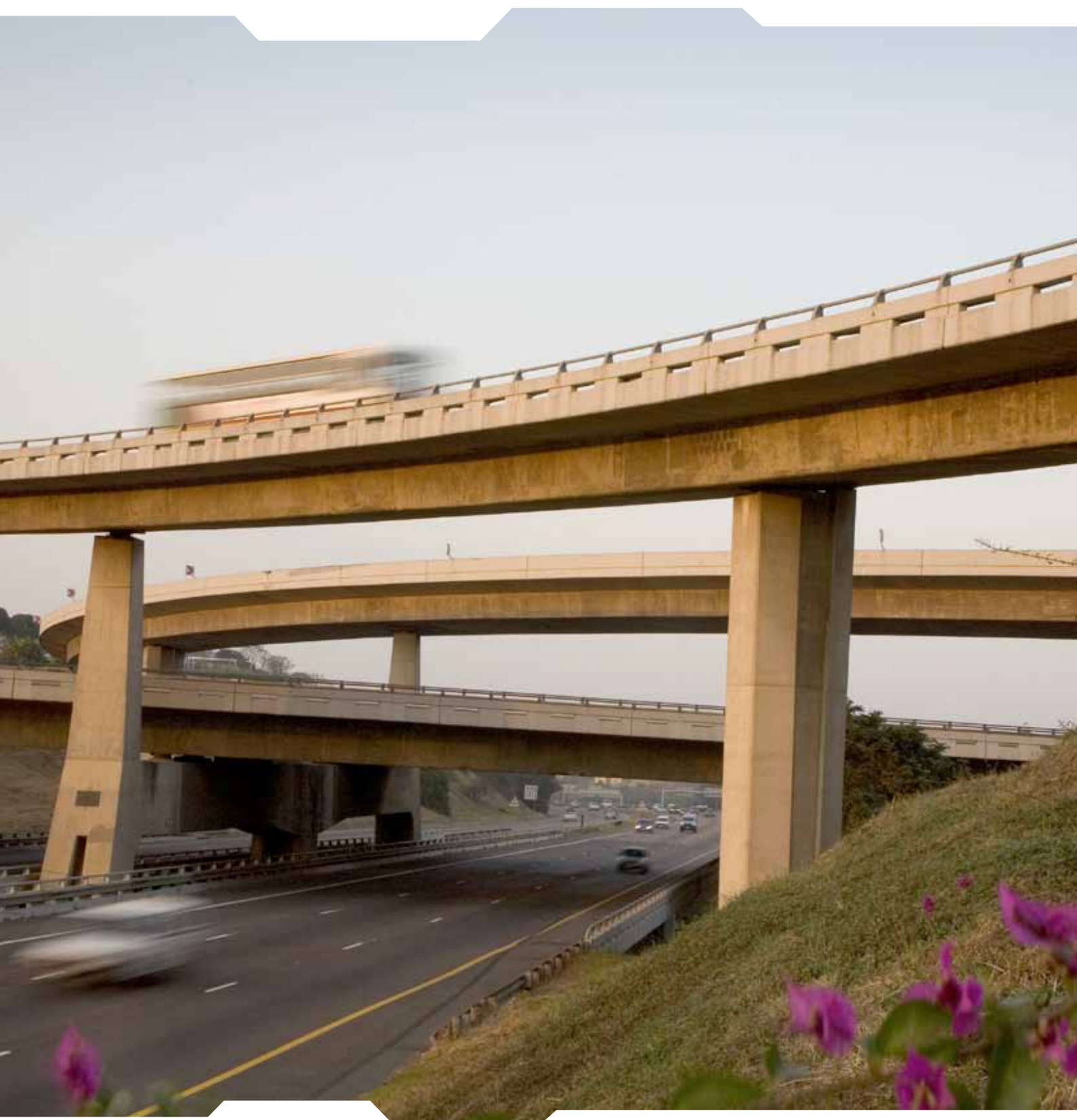
The Department strives to build, consolidate and maintain partnerships with all its stakeholders across all sectors of society in order to ensure that all stakeholders have equal access to information and that the Department is able to render a structured and comprehensive service.

Integration of stakeholders

| STAKEHOLDERS | ROLE OF GDRT |
|------------------------|--|
| The Public/Communities | <ul style="list-style-type: none"> • Works with existing community structures in all Gauteng Regions to ensure community involvement and participation in public governance. |
| National Departments | <ul style="list-style-type: none"> • Implements relevant national policies, legislation, decisions and directives. |
| Provincial Departments | <ul style="list-style-type: none"> • Participates in all inter-department activities. • Co-ordinates implementation of roads and transport related EPWP projects. • Provides EPWP related technical, professional and planning advice, and support. |
| Local Government | <ul style="list-style-type: none"> • Political Task teams such as the Mayoral Task Team on Transport to ensure inter-Governmental co-ordination and collaboration at a political level. • Administrative task teams are required to facilitate joint project implementation at local level. • Task teams are required i.r.o. the implementation of EPWP at local community level. |
| Corporate Sector | <ul style="list-style-type: none"> • Establish concrete and structured partnerships with the corporate sector in order to coordinate joint ventures. |
| Legislature | <ul style="list-style-type: none"> • Regular contact, communication and reporting to relevant standing committee of the GPL and to house sittings of the Legislature. |

1.9 Monitoring Mechanism

| NAME OF ENTITY / PERSON(S) | MONITORED BY / ACCOUNTABLE OR REPORTS TO | MONITORING MECHANISM : FREQUENCY AND METHOD OF ACCOUNTING |
|---|---|--|
| MEC | Premier Executive Council (EXCO) Standing Committees at the Provincial Legislature Members of the Provincial Legislature Auditor-General National Minister and MEC counterparts in other Provinces | Regulatory Progress Reports to the Premier (bilateral meetings, etc) Annual Reports Strategy plans and the Department's budget Provincial EXCO and Sub-committee meetings Standing Committee and Legislature meetings and reports MINMEC meetings |
| HoD | MEC HoD's Forum | Strategic plans and the Department's budget Monthly reports Quarterly reports Annual reports Provincial Sub-committee meetings Provincial HoD forum meetings MinMEC meetings Exco Lekgotlas and Bosberaads Submissions to Exco Performance Contract signed with MEC |
| Deputy Directors-General (DDGs), Programme Managers and Chief Directors (CDs) of the GDRT | HoD | Strategic plans and the Branch / Programme budget Monthly reports Quarterly reports Annual reports Supervision meetings and Executive Management Team (EMT) meetings Annual Performance Plans Performance Contracts signed with senior manager accountable to HoD |
| Directors (Sub-programme Managers or Directors) of the GDRT | DDG/CD | Strategic plans and the Directorate's budget Monthly reports Quarterly reports Annual reports Broad Management Team (BMT) Annual Performance Plans Performance Contracts signed with senior manager accountable to DDG/CD |



Section 2

2. Programme performance

2.1 Voted Funds

| Programmes | Adjusted Appropriation R'000 | Final Appropriation R'000 | Actual Amount Spent R'000 | Over/Under Expenditure (2010/11) R'000 |
|---------------------------------|---|--------------------------------------|--------------------------------------|---|
| 1. Administration | 223 032 | 205 190 | 174 771 | 30 419 |
| 2. Road Infrastructure | 1 537 357 | 1 600 032 | 1 582 634 | 17 398 |
| 3. Public and Freight Transport | 1 899 642 | 1 795 239 | 1 495 454 | 299 785 |
| 4. Gautrain Rapid Rail Link | 3 655 218 | 3 714 788 | 3 714 788 | - |
| Responsible MEC | Mr. Ismail Vadi | | | |
| Administering Dept | Department of Roads and Transport | | | |
| Accounting Officer | Mr. Stewart Lumka | | | |

2.2 Aim of vote

The aim of the Vote is to build and maintain Roads and Transport infrastructure; and provide efficient and effective Roads and Transport systems and services. This will be done in a manner that creates decent jobs and facilitates sustainable economic growth and development across the Province. Implementation and service delivery will occur through smart partnerships with communities, transport stakeholders, business and other role players.

2.3 Summary of Programmes

2.3.1 Key measurable objectives, programmes and achievements

Key Measurable Objectives

The GDRT delivers on its mandate, vision and mission through four (4) main measurable strategic objectives.

These are:

- Development of a modern integrated transport system that provides high quality, accessible, efficient, safe, affordable and environmentally sound transport services;
- Contribution to the overall achievement of economic growth by investing in the development of road infrastructure systems, thereby improving Gauteng to be a competitive city region;
- Provision of sustainable transport infrastructure that will improve the quality of life by minimizing environmental hazards; and
- Building the technical capacity of the department to ensure good governance.

Programmes through which strategic objectives are achieved:

Programme 1: ADMINISTRATION

The purpose of this programme is to provide overall management and administrative support functions to the Office of the MEC and to the Department. This programme area includes all corporate support functions necessary to perform the core functions of

the Department. Examples of these support functions are: Policy and Legislation, Corporate Communication and Media Liaison, Human Resources Planning and Development and Information Systems and Technology.

Programme 2: ROADS

The purpose of this programme is to provide a balanced and equitable road network in the Gauteng Province that will support economic growth and social empowerment. This is done by promoting accessibility that is sustainable, integrated and environmentally sensitive. The programme area includes all core functions related to the construction and maintenance of roads infrastructure.

Programme 3: PUBLIC AND FREIGHT TRANSPORT

The purpose of this programme is to plan, regulate and facilitate the provision of public and freight transport services and infrastructure. This is done in partnership with the national and local spheres of government as well as private sector institutions. The programme area includes all core functions related to the provision of public transport such as public transport services, transport, administration and Registration and Licensing.

Programme 4: GAUTRAIN

The Gautrain Management Agency (GMA), is a schedule 3D entity, in terms of the Public Finance Management Act No. 1 of 1999, responsible to oversee the construction and operation of Gautrain. It is duly responsible for the implementation of the first rapid rail link in South Africa. The Gautrain Rapid Rail Link is a major economic and transport infrastructure initiative, responsible for creating a large number of jobs, developing critical skills, and attracting further investments in both the province and the country.

Achievements in relation to strategic objectives:

The GDRT registered a number of key achievements for the 2010/2011 financial year notwithstanding, the fact that the Department was undergoing a major re-

configuration process. These achievements, in relation to each of the GDRT's strategic objectives, are summarised below. Some of the challenges experienced are also highlighted.

1. Development of a modern integrated transport system that provides high quality, accessible, efficient, safe, affordable and environmentally sound transport services.

The FIFA 2010 World Cup

The Department was able to provide a world class public transportation services to the FIFA 2010 World Cup. Working closely with municipalities across the province, the DRT was able to provide a well integrated and coordinated public transportation services to the satisfaction of both domestic and international public transport users.

Bus Subsidies

The Department is focused on providing subsidised bus public transport services with the objective of making Public Transport more affordable to the people of Gauteng. A total of 34 subsidised Public Transport contracts (26 tendered contracts and 8 interim contracts), were subsidized and managed during the 2010/11 financial year. Of the 34 contracts, two contracts were ceded from North West Province during the demarcation process that occurred in 2007, 19 contracts were ceded from NDOT and 13 were awarded by the province.

The current bus subsidized services are operating in the three metros, namely: City of Johannesburg, City of Tshwane and Ekurhuleni as well as Sedibeng District Municipality. Currently 150 women are operating 3 contracts with 10 buses sub-contracted to PUTCO bus services as part of the women empowerment. They are monitored on a daily basis and bus contract monitoring meetings are also held on monthly basis.

During the period under review, over 9 million passengers utilised the bus services that are subsidised within this demographic as per the following details:

| Area | No of routes | No of passengers | Average monthly subsidy expenditure |
|-----------------|--------------|------------------|-------------------------------------|
| City of Joburg | 988 | 2 149 886 | R34 032 396 |
| City of Tshwane | 5 115 | 6 933 810 | R95 144 357 |
| Ekurhuleni | 103 | 116 581 | R2 201 207 |
| Sedibeng | 131 | 282 730 | R5 024 283 |

Taxi Recapitalisation Project (TRP)

The project seeks to contribute to the development of a modern integrated transport system that provides high quality, accessible, efficient, safe, affordable and environmentally sound transport services. The project also contributes to the promotion of economic empowerment of the Taxi industry in the public transport sector by means of a once-off scrapping incentive. The scrapping process, which entails the physical scrapping of old taxi vehicles and the payment of the scrapping allowance commenced in 2006 in the Province. This is one of the key pillars in the implementation of the TRP. During the 2010/11 financial year, the Department has scrapped 1911 taxis. DRT has, therefore, benefitted the public by providing safer, reliable and affordable taxi public transport through the introduction of compulsory safe taxi vehicle specifications.

PUBLIC TRANSPORT INFRASTRUCTURE

The construction of the following public transport infrastructure facilities commenced in the year 2010/11: Intermodal Public Transport Facilities; and Non Motorised Transport in the form of walkways and cycle lanes. Below is a brief description of these:

Intermodal Facilities

The construction at the following sites, Beyers Naude (Zandspruit) and Bophelong has started. These will be completed in the year 2011/12. The Beyers Naude contract costs R30.8 m, and the Bophelong contract costs R26.4m. At the project inception, a total of 30 locals have been employed through the projects.

Non Motorised Transport Programme

A total of 5km Walk Ways in the West Rand area have been completed. This has generated employment for 104 people. 10 contractors were appointed at a combined contract sum of R0.8m in January 2011 to construct 500 bicycle racks (bicycle storage facilities) at 10 schools in West Rand Municipality wherein a total of 60 people have been employed. The storage capacity of each facility is 50 bicycles. These facilities have been built to complement the Shovakalula bicycle distribution programme wherein a total of 3 000 bicycles have been procured at a cost of R3.5m and distributed to learners in West Rand and Metsweding district municipalities. A further 1025 bicycles received from the National Department of Transport were distributed to learners in Ekurhuleni and Randfontein.

GREEN TRANSPORT INITIATIVES

With the international focus on climate changes and within the context the Gauteng integrated Energy Strategy launched in 2010, the Department has embraced the "green" drive towards creating environmentally friendly and sustainable transport technologies that maximise the use of sustainable fuel efficient vehicles in the public transport system. Thus contributing to lower carbon emissions and reducing the carbon footprint of Gauteng. To this effect the department has undertaken the following projects to further the green transport initiative.

Green transport Pilot Project

The Department hosted a Green Transport Summit (GTD) during the October Public Transport Month annual initiative.



During the summit experts in green transport shared knowledge and information on possible approaches that could be pursued by the province to enhance its greening of transport.

The Department has entered into a Memorandum of Agreement (MOA) with South African National Energy Research Institute (SANERI). This MOA has already led to a research on the Compressed Natural Gas (CNG). The preliminary report indicates possible savings of 40% in fuel price. It also records, a possible 16% on energy efficiency, as well as reduction in carbon and other toxins.

REVENUE MAXIMISATION STRATEGY

The Department has successfully collected net revenues of R1, 727, 668, 000, which is 2% above the target of R1, 634, 135, 000. Motor vehicle licenses contributed the most with R 1, 669, 872, 000 or 96.65% of the total revenue.

The Department is the major contributor, through its 62% revenue contribution, to the provincial revenue fund outside appropriated funds from National Treasury or other spheres of Government. The revenue collected by the Department is surrendered to the Provincial Treasury for allocation to various service delivery projects within the Gauteng Provincial Government.

South African Post Offices (SAPO)

The Department has appointed 110 Post Offices in the year 2010/11. This makes it accumulatively to 259 Post offices appointed to date. This is an effort to enhance the, and improve service delivery and accessibility to motor vehicle license renewal services.

SERVICE DELIVERY IMPROVEMENT INITIATIVES

Driving Learner Testing Centres and Automation of Services

The Department has, in conjunction with municipalities, developed a DLTCs Turn Around Strategy. This initiative is responding to the government's call of taking services to the people, thereby promoting access to Government services, service improvement and eliminating fraud and corruption at the Driving Learner Testing Centres.

Establishment of grade F DLTC at Maponya Mall

The Maponya Mall is the first urban mall to accommodate a Thusong Service Centre, an initiative by the Department of Public Service and Administration.

The centre is the first intergovernmental initiative involving all three spheres of government providing services to the people under one roof. The Department of Roads and Transport is providing the renewal of driver's licences and renewal of vehicle licences services at the centre. The project is 100% complete and has been operational since 01 February 2011.

Service Level Agreements with vehicle testing stations

The Department has entered into Service Level Agreements with 97 Private Vehicle Test Stations in order to standardise processes for vehicle testing; combating fraud and corruption; service delivery standards and capacity.

Roll out of Live Capturing Units (LCU's)

In an attempt to reduce processing time, and eliminating fraud and corruption in the Driver Learner and Testing process, NDOT has developed a computerised Live Capturing Unit which captures all personal and biometric information required for a driving license. The LCU includes an eye test, photograph and the signature of an applicant.

The system has been rolled out to all Driver Learner Testing Stations in the Province resulting in faster turnaround times for issuing of driver licence cards.

Intelligent number plate project

The Intelligent Number Plate project (INP) was initiated to address the need to regulate the number plate industry and thereby reduce incidences of fraudulent number plates. The number plate regulations were amended and gazetted in October 2010. In terms of the regulations, all suppliers are required to register with the Department. 125 number plate suppliers have been registered and have signed the Service Level Agreement. The new number plate series was also launched in November 2010 as the current one was exhausted.

FREIGHT ACCESS STRATEGY

The Department began to implement the Freight Strategy, which aims to enhance freight transport and lower the cost of doing business in Gauteng. It is currently being implemented within West Rand District Municipality with the aim of stimulating economic growth in the region while improving freight transport movements. The project is being implemented in partnership with Blue IQ, Development Bank of South Africa (DBSA) and West Rand District Municipality.

STRATEGIC ROAD NETWORK

The review of the Strategic Road Network was achieved in the financial year under review. The process included the review of all national, provincial and local municipal Class 1, 2, 3 roads. The prioritised plan took into account economic importance, social values, national and provincial policies, public transport needs and traffic volumes. The outcomes gave top 20 Class 1, top 30 Class 2 and top 40 Class 3 roads.

REGISTRATION AND REGULATION OF PUBLIC TRANSPORT SYSTEM

Establishment of the Provincial Regulatory Entity (PRE)

The primary function of the PRE as defined in the National Land Transport Act is to monitor and oversee public transport in the Province of Gauteng and to receive and decide on applications relating to operating licenses for intra-provincial transport where no Municipality exists to which the operating license has been assigned.

According to the National Land Transport Regulations published in December 2009 every MEC must establish a Provincial Regulatory Entity (PRE) within the relevant provincial department, to perform the functions of that entity in the province. The PRE must consist of dedicated officials of the provincial department, appointed either on a full-time or part-time basis by virtue of their specialized knowledge, training or experience of public transport or related matters and is accountable to the head of the provincial government.

The PRE will provide continued Improvement in the regulation of public transport services. It is envisaged that the PRE will be in place by the 1st of July 2011.

The Regulation and legalisation of public transport operators

The purpose of the project is to ensure that all public transport associations and operators operate with proper valid operating licenses. This will create proper coordination and cooperation amongst all operators and stakeholders leading to an efficient and effective legalised public transport service.

The Department has verified 18 Taxi associations in the West Rand and 5 have been identified for full registration in the next financial year. The following associations/operators have been registered:

- 88 Metered taxis;
- 166 Learner Transport Operators;
- 356 Tourism operators; and
- 11 Bus Operators.

The Democratisation of all modes of public transport and operators

The democratisation of associations is an election process of executive members for associations and their management. This democratisation is to ensure that association members' interests are promoted and to develop a structure and procedures to enable operators to communicate dissatisfaction within the association. The election is for the duration of four years. The Department has democratised 46 associations in 2010/11 financial year.

Monitoring Route Compliance

The project focuses on verifying and auditing all routes for minibus taxis. The objective of the project is to monitor and audit routes as allocated to associations according to their operating licenses. This will reduce taxi related violence and criminality in the taxi industry and also ensure that Law enforcement is implemented in conjunction with Community Safety. The verification and auditing of routes process has been conducted in the West Rand and Sedibeng. To date the Department has verified 223 routes in the West Rand and 236 routes in Sedibeng bringing the total to 459 routes.

2. Contribution to the overall achievement of economic growth by investing in the development of road infrastructure systems, thereby improving Gauteng to be a competitive city region.



CONSTRUCTION

The projects that were implemented in the 2010/11 financial year were all aimed at improving access to residents of developing areas and improve mobility by upgrading roads which have been identified as part of the Strategic Public Transport Network (SPTN). In addition to that, all the projects that the department embarked on

were labour intensive in support of the national goal of job creation. Skills development and small contractor development was also enforced on the projects as the department's contribution towards BEE and skills development.

The planned roads for the year under review, with the feedback for each road, are as follows:

Cayman road (D2529) Phase 2



▲ D2529 Locality plan

- ▶ Installation of profile pegs in preparation for the sub-base (Left). Upper Selected Layer ready for the sub base (Right)



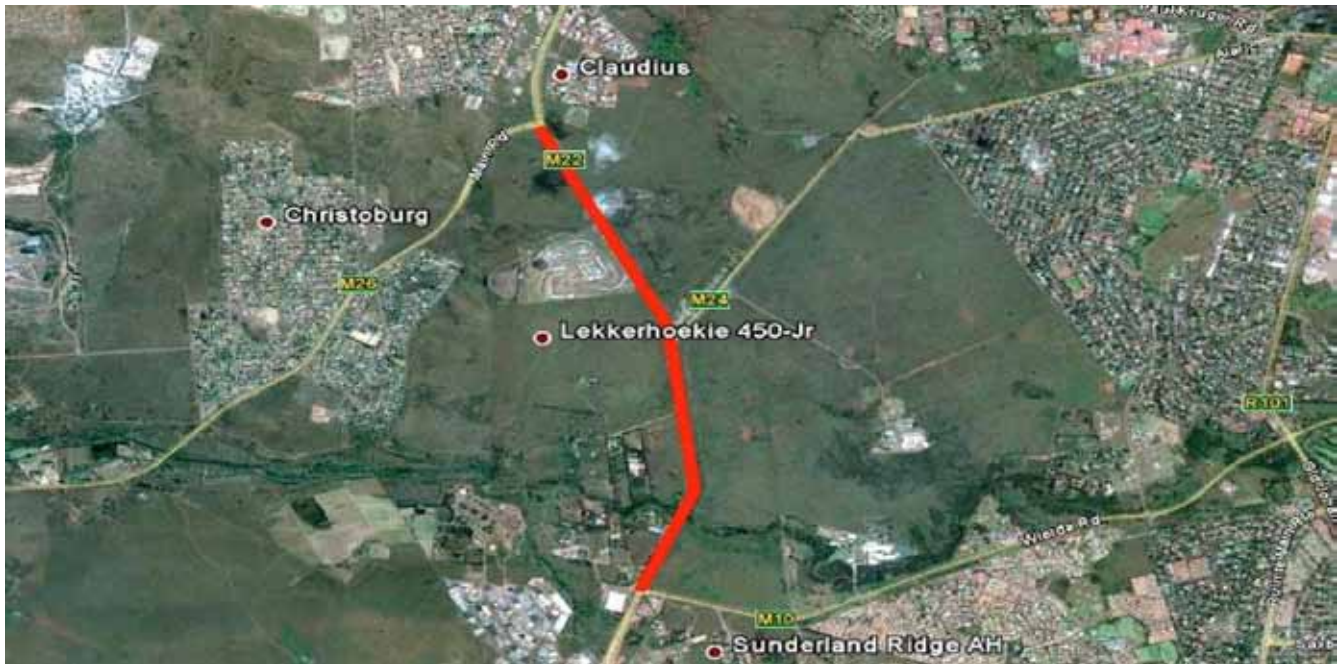
The project entails the surfacing of 4.2km of gravel road to improve accessibility to the Eye of Africa developments. The project is being implemented in-house and construction commenced in August 2009 with a targeted completion date of November 2011. Works have been done up to the upper selected layer, outstanding is the base layer and surfacing of the entire

4.2km section. The project will be completed in the 2011/12 financial year as a result of the reprioritisation.

Annual Project financials:

- Budget R25 019 000
- Expenditure to date R1 007 000

R55 (K71) Phase 1



▲ K71 Locality plan

- ▶ Resealed section over the Hennops Bridge (Left).
 ▶ Resealed section for traffic accommodation in the Laudium Direction (Right).



The scope of the project involves upgrading of 4.2km of Voortrekker Road between Wierda road and Laudium. The upgrading involves the reconstruction and doubling of the existing road, and it includes the construction of two bridges.

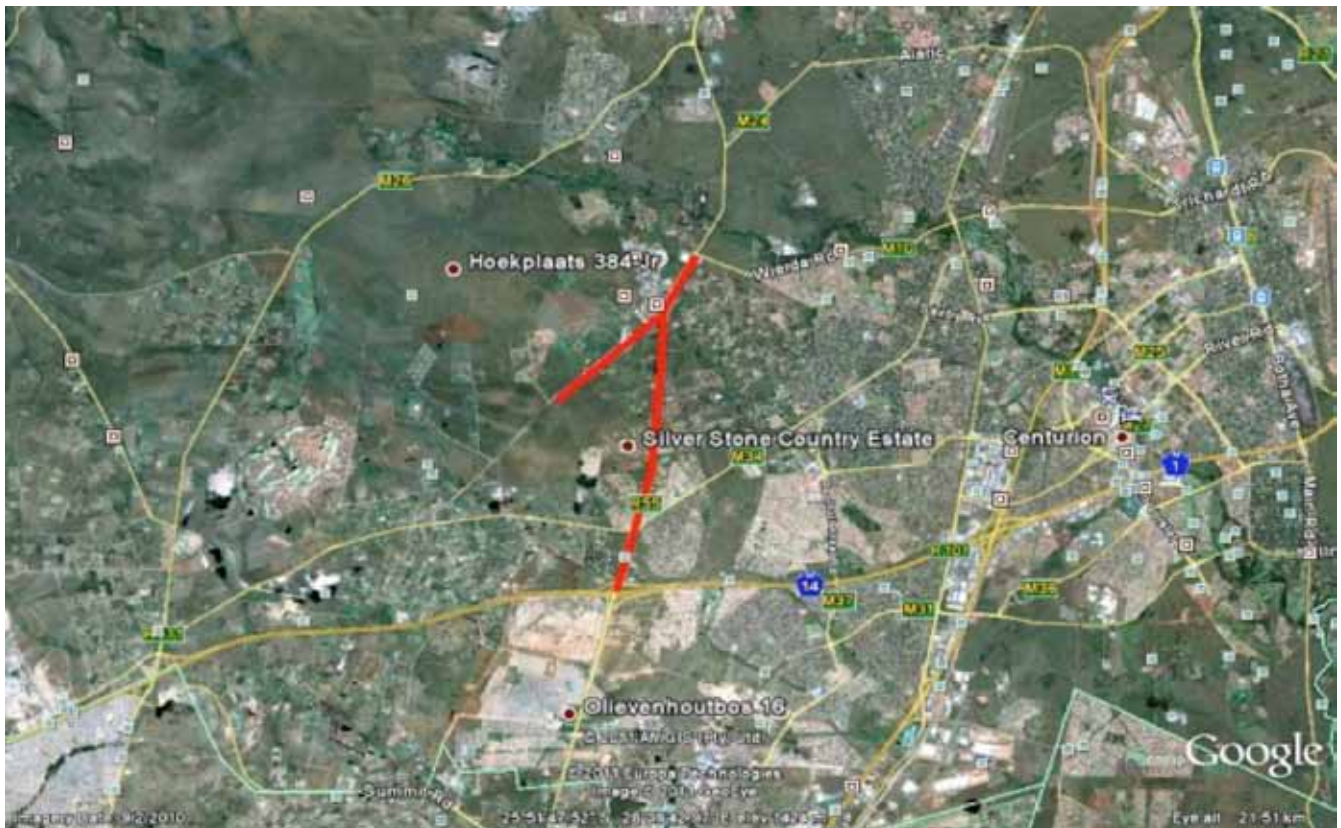
The project commenced on 1st November 2010 and only site establishment, site clearing, services relocations and maintenance of the existing carriageway

were completed as planned by the end of the year. Construction will continue into the 2011/12 financial year when it is anticipated that 2km of one carriageway will be completed together with one lane of the bridge.

Annual Project financials:

- Budget R17 698 000
- Expenditure to date R21 682 863

R55 Phase 2, Voortrekker Road



▲ K71 phase 2 site plan

▶ Completed K71 intersection



The Department has constructed 6.2km of a four lane dual carriageway along the road R55 from N14 to Wierda Road, M10, to give an alternative link between Johannesburg and Pretoria by upgrading R55 phase 2. The project was completed on the 30th of September 2010.

Annual Project financials:

| | |
|-----------------------|-------------|
| • Budget | R44 800 000 |
| • Expenditure to date | R31 429 000 |

Training offered on the project since commencement include:

- Life skills;
- Career guidance;
- Storm water drainage construction;
- Guard rail construction;
- Light weight roller and vibrator operating;
- Sign erection;
- Road sign painting; and
- HIV/AIDS awareness.

Bolani road



▲ Bolani Locality plan

- Traffic deviation at the blocked off section where the contractor is working, (left). Bridge in progress on one side, filling is outstanding as well as extension of the bridge to the other side (Right).



Bolani is a 20 PTP project under the Johannesburg Region which involves the upgrading and widening of Bolani Road in Jabulani, Soweto from Koma Street to Emndeni Bridge and the widening of an existing culvert bridge at Km 2.42. It also involved the introduction of an additional single lane on either side together including sidewalks. The Department has surfaced 1.22km and 0.78 km is outstanding. The project commenced in March 2009. The project was scheduled to be completed during the 2010/11 financial year but was delayed due to the rains. The project will be completed in the 2011/12 financial year as 80 percent of the work is already done.

Annual Project financials:

- | | |
|-----------------------|-------------|
| • Budget | R33 600 000 |
| • Expenditure to date | R24 852 000 |

Training offered on the project since commencement include:

- Life skills
- Career guidance
- Storm water drainage construction
- Guard rail construction
- Light weight roller and vibrator operating
- Sign erection
- Road sign painting
- Occupational health and safety
- Project management
- Construction supervision

K29 Phase 3 Malibongwe road Drive



▲ K29 Locality plan

- Bridgeworks were at 99% completion at the time of pictures and currently the bridge is at 100% completion. Completed section near K33 intersection where traffic is to be transferred in order to complete Elandsdrift section (Right)



The project commenced in February 2009. The project involves the construction of a 5.7km long four lane dual carriageway along the Provincial Road K29 between the freeway N14 and Road K31 (to Lanseria Airport) including a bridge over N14, to improve accessibility to all developments and settlements along the K29 phase 3 corridor including Lanseria Airport. The Department has surfaced 5.55km of the road to date and 0.15km is outstanding. The bridge over N14 has been completed.

Annual Project financials:

- Budget R159 622 000
- Expenditure to date R158 377 000

Training offered on the project since commencement include:

- Shutterproofing;
- Excavations, backfillings and compactions;
- Fencing and guardrailling;
- Concreting skills;
- Kerbs, manholes and concrete drains construction;
- Eradication of intruder plants methods;
- Garden maintenance; and
- Landscaping.

D374, Beyers Naude Drive



▲ D374 Locality plan

▶ Beyers Naude Drive soon after completion (Left and right)



The project involves the upgrading of Beyers Naude (D374) into a dual carriageway for a length of 2.3km from Honeydew to Zandspruit (Juice Road to Peter Road) and construction of a footbridge / pedestrian crossing at 5,100km. The project was initiated to improve accessibility to all developments and settlements along the D374 corridor. The project was completed on the 30th of September 2010. The upgrading of the Road has reduced accidents along the Beyers Naude road and it has become more efficient and effective in terms of reducing road congestion.

Annual Project financials:

| | |
|-----------------------|-------------|
| • Budget | R82 880 000 |
| • Expenditure to date | R66 691 000 |

Training offered on the project since commencement include:

- Use and maintenance of hand tools;
- Identification and use of protective clothing;
- HIV/AIDS awareness;
- Occupational health and safety;
- Road signs erection;
- Computer skills;
- Web design;
- Road safety;
- Manhole construction;
- Garden maintenance;
- Gabion construction; and
- Road paving using blocks.

ROAD MAINTENANCE

The maintenance programs entail all Provincial Roads, including bridges, sidewalks, storm water drainage, signage, lighting, traffic signals, markings, reserves, and servitudes. There are two programs of road maintenance, namely Routine Road Maintenance and Preventative Road Maintenance. The Department has predominantly been conducting Routine Road Maintenance, primarily utilizing external contractors and Preventative Maintenance has been reprioritised due to lack of road maintenance funding from the fiscus.

Routine Road Maintenance

Of the total of 5229 km of roads within the province, 3850 km have been maintained through this Outsourced Routine Road Maintenance programme, whilst the balance of 1379 km was maintained through the internal maintenance teams. Furthermore, with the drive to ensure safety of the roads within the provincial roads network, during the period October to December 2010, the department filled over 42 000 potholes.

The Routine Maintenance Review implements the strategic contents of the Draft Gauteng Road Maintenance Strategy Document, with the following definition of Works objectives:– operations which are planned, and aimed at improving a road and retards deterioration without substantially increasing the structural capacity.

Road Maintenance and Contractor Development

The Gauteng Department of Roads and Transport appointed Companies to perform Road Maintenance Activities. The aim was to carry out road maintenance and develop contractors, which is a contribution to the broader departmental objective. Through the Outsourced Routine Road maintenance programme, 69 contractors were appointed and 2079 jobs created over a period of 2 years. In addition, fifteen (15) professional teams were appointed as professional mentors for the development of these contractors. The following training needs for both the contractors and the staff were identified:

- Contractor's Business Development
- Ability to tender:
 1. Knowledge of the scope of works, capacity and the market – the running costs, the overheads, the risks, competition, and trends;
 2. Full compliance with all the relevant by-laws e.g., UIF, Tax, VAT, Occupational health and safety, and the necessary labour laws etc;
 3. Knowledge of the contractual laws, specifically the ability to know the terms and conditions of the contracts they sign; and
- Basic business management courses, that include accounting, offered by any SETA accredited organisation, FET Colleges (Further Education & Training Colleges)

The contractors were then trained through the department's Zwartkops training school programmes. The training of the contractors focused on the on-the-road works activities such as, road worker aid development in road side safety and potholes repairs.

Out of the 69 contractors, 48 upgraded their CIDB levels, representing a 69% in upgrades of the various levels ranging from 2 to 4 and even to 5 and 6. Most of the SMME/BEE contractors should be able to compete in the industry.

The benefits of the programme have been the much needed creation of jobs and the development of entrepreneurs over the two year period and the provision of sustainable transport infrastructure.

Preventative Roads Maintenance

This program entails maintenance activities such as fog spray, reseal, light rehabilitation, and heavy rehabilitation of the road network. This program had been reprioritized due to budget constraints from the fiscus.

Meeting GEYODI Requirements

In terms of meeting the Geyodi requirements set for the department as well as EPWP job creation principles, the 69 SMME/BEE Contractors engaged on this programme for the period of 24 months which were spread out in all the five regions in the Province, namely, the Krugersdorp, Benoni, Bronkhorstspuit, Pretoria, and Vereeniging regions. **Out of the 69 contractors, 43 are female owned.** The spread is as follows: 10 in Vereeniging, 8 in Pretoria, 11 in Krugersdorp, 7 in Benoni, and 7 in Bronkhorstspuit.

Job creation targets reached is as follows: Women 1144, Youth 833, and Men 102 making a total of 2079 jobs created under the labour intensive job creation drive.

The SMME/BEE Contractors maintained a total of - 605 km in the Benoni region, 510 km in the Bronkhorstspuit region, 857 km in Krugersdorp, 772 km in Pretoria, and 553 km in Vereeniging. The objectives are to maintain Gauteng Provincial road network in order to maintain efficiency, safety and accessibility of the paved road network to the public. Further to strive towards unprecedented economic growth by continually decreasing the rate of unemployment and improving the quality of life for all.

Public Private Partnership Initiative

The department embarked on a Public Private Partnership as a further effort to reduce the number of potholes on the paved road network and this led to a partnership between the insurance company **Dial Direct, Johannesburg Road Agency and the Department of Roads and Transport**. The pilot phase of this program was between August and October 2010. A total of 2737 potholes were repaired on roads in the northern suburbs of Johannesburg and Pretoria. **This partnership has created 25 decent job opportunities.** The second phase is in progress with Lead-SA, a Prime Media initiative also partnering in and making the public aware of the programme. The program works with the use of SMS System to collect data (location of potholes on the roads) on a daily basis. Once a complainant's sms is received via a mobile phone, the pothole brigade team goes into action immediately, to repair the pothole. Repairs works that cannot be done by the team is referred to the road authority who owns that particular road. To date over **20 000 potholes** have been repaired through this initiative.

3. The provision of sustainable transport infrastructure that will improve the quality of life by minimising environmental hazards.

DESIGN

The designs of the following roads were completed: R82 (between Walkerville and Johannesburg); K71 (between Laudium and K103 (Wierda road)); K46 William Nicol (From Fourways to PWV5) and N14. The preliminary design for K99 (From Zambezi Avenue and N4) is also completed. K164 (Evaton/Sebokeng) and K11 which falls within the Maize Triangle, could not be done and has been reprioritized in the 2011-12 financial year. PWV5, which is a new road, could not be completed due to financial constraints and has been reprioritised.

Road Visual Assessment

The visual assessments for paved and gravel roads have been completed by the Pavement Management System during the last two quarters. The kilometres assessed for paved roads were 4248km and 1389km for gravel roads. The data from these assessments of road conditions are used to compile a maintenance programme for provincial roads and reconstruction programme for adverse roads.

The department in collaboration with the Council for Scientific and Industrial Research (CSIR) conducts research for the identification of alternative road

building material using the Heavy Vehicle Simulator (HVS) technology. Bitumen is a key ingredient in road surfacing and is high depend on crude oil which is expensive and experiences high price fluctuations. The research therefore seeks to develop alternative road building materials that are low cost and locally available. Currently the material being tested is roller compacted concrete (RCC).

4. Building the technical capacity of the department to ensure good governance.

Development of the Department's Organisational Structure

The Department completed its 2009/14 strategic plan in 2009 which thereafter necessitated the Department to align its organisational structure to meet the vision and strategic objectives as set out in the strategic plan. Subsequently the department undertook to develop an organisational structure that not only supported the achievement of its strategic plan but also organised the department into an effective and efficient service delivery machinery. The development of the organisational structure also focused on reducing inefficiencies, improving capacity building in strategic technical areas and supporting an integrated approach to service delivery. This resulted in a draft Departmental organisational structure being finalised and submitted to the office of the Premier for comments. Once the structure is signed off by the Office of the Premier, the National Treasury and the DPSA, it will be implemented by the Department.

24/7 Counselling Services

The Gauteng Department of Finance (GDoF) appointed Care ways Group to provide employee counselling. Access to the counselling services provided by Care Ways Group is 24 hours. The marketing of all employee health and wellness services were pitched in all regions and some DLTCs.

HIV/AIDS

The HIV/AIDS project is aimed at reducing the impact of HIV and AIDS in the workplace, including the taxi, bus and truck industries. The project provides the following services:

- Information and education on HIV, AIDS, TB and STI's (HAST) to employees and members of the taxi industry;
- Access to voluntary counselling and testing on HIV (HCT);
- Support to employees infected and affected by HIV; and

- Refer employees in need for further interventions, e.g. ARVs (antiretroviral treatment), counselling, PMTCT (Prevention of Mother to Child Transmission).

Internship / Learnership

Learnerships and Internships are the most pivotal intervention to support Government Mandate to curb unemployment. They play a significant role in assisting youth, women and people with disability to up-skill people for employability. Learnerships and internships aim to improve the capacity of individuals by enhancing their career prospects and support the Department's mandate. The Department has enrolled and appointed 151 learners and interns in the 2010/2011 financial year. The Department implemented and hosted 3 Learnerships in the 2010/2011 financial year. The Learnerships were 25 Learners in Business Administration, 30 Learners in Automotive repair and maintenance and 12 Learners in Information Technology. These learnerships were implemented to assist with additional capacity and succession planning in the skills of the core function of the Department.

Through Learnerships and Internships program, the GPG will contribute to economic growth and will provide additional capacity to enhance service delivery.

Bursaries

The Bursary Programme forms part of the National and Provincial Skills Development Strategy, with the intention to address and develop scarce and critical skills for employees, unemployed youth, women and people with disabilities, to create a skilled workforce. To address the issue of scarce skills in Gauteng, the Department has awarded 100 bursaries over the last three years to assist with capacity building and establishing a skilled workforce. During 2010/11 a further 57 bursaries were awarded thus totalling 157 bursaries that were managed during the year under review. The Department has awarded 11 Civil Engineering, 14 Mechanical Engineering, 7 transport fields, external bursaries. Other areas of study include land and urban planning, finance, business management and information technology. These bursaries are awarded to students to create an opportunity for disadvantaged groups and to address the scarce skills in the Department as identified in the critical scarce skills framework.

Skills Programme

The Skills Programmes also forms part of the National and Provincial Skills Development Strategy. The Skills programme intends to address and develop critical and

generic skills of employees. To improve the skills levels of employees in the Department 1666 employees were trained and developed in the 2010/2011 financial year as per the Work Place Skills Plans.

Imbizos

Imbizos are consultative processes between the Gauteng Provincial Government Departments (Lead by MECs) and communities to address service delivery issues in relation to the Departmental Provincial mandates. The Department has participated in the following provincial public participation meetings (Imbizos): the back to School Campaign Imbizo in Zonkizizwe, Ekurhuleni was conducted to ensure that schools start smoothly and are ready for the new year; again the Department participated in the Provincial Imbizo in Brazzaville, Atteridgeville to address service delivery challenges experienced by the community as part of the Human Rights month celebration.

October Transport Month Awareness Campaign

October Transport Month is a National Campaign spear headed by the National Department of Transport. The objective of OTM is to build partnership and respond to Public Transport challenges in the country. The Department of Roads and Transport (DRT) promoted the campaign under the theme, Green Transport, contributing to Cleaner and Sustainable Environment. Key campaign activities aimed to create awareness of the theme and promote safe, reliable and an affordable public transport system in Gauteng included: the launch in City of Tshwane (CoT) where all stakeholders in public transport and MMCs from municipalities were present to support the campaign; Media networking sessions were held in Johannesburg to sensitise the public about the event; Car Free Day encouraging commuters to join lift clubs to work and to also curb the danger of carbon dioxide emissions from our cars, promotion of Shovakalula project-bicycles were handed out to learners in Randfontein and Ekurhuleni; The Green Transport Summit where experts in Green Transport shared information on current status of Green Transport and milestone achieved.

2.4 Overview of the service delivery environment for 2010/11

All the services delivered by the Department are directly aligned to one or more of its four strategic objectives. This section highlights key external challenges that negatively impacted on the GDRT's ability to deliver planned services. The following external factors have

negatively impacted on the Department's ability to deliver on all planned services in terms of its transport related responsibilities and functions as reflected below:

One of the issues that arose was the scarcity of road building materials which necessitated the signing of a Memorandum of Understanding (MOU) between the GDRT and the Department of Mineral and Energy Affairs. The slowness of the Operating License Administration System (OLAS) in printing operating licenses has hampered the Department in issuing operating licenses. National Department of Transport (NDOT) has confirmed that the contract with Accenture, a company which provided technical support to OLAS system, was not renewed and the services have since been terminated. This has contributed towards the delay in the processing and issuing of operating licenses i.e. permit conversion process and replacements.

National Land Transport Information System (NLTIS) crashed in December 2010 which resulted in data captured from August to December 2010 being lost. The Interim bus contracts were devolved to the Department in 1997 by National Department of Transport. When the subsidy funds were included in the Division of Revenue Act (DORA) in 2009, all interim contracts were required to be monitored. However this posed a challenge for the Department as monitoring of subsidised contracts must be funded by Provincial Departments and the Department had no budget allocation for the function. The bus contracts devolved from the North West Province was an unfunded mandate.

The introduction of BRT system has resulted in some affected taxi associations fighting and expelling members who have opted to have shares in the BRT. Lack of cooperation from the taxi industry in the provision of necessary documentation for the registration process impacted on the department's ability to complete the registration of taxi operators.

The delay in the refurbishment of the Tshwane TOLAB was as a result of the legal process that the Department of Infrastructure Development (DID) has embarked on to evict the NGO that was illegally residing at the Tshwane premises.

The Public service strike that took place over three weeks impacted negatively on service delivery.

2.5 Overview of the organisational environment for 2010/11

Departmental capacity to deliver on its mandate remained one of the major challenges for the year under review. This was due to the provincial executive directive that placed a moratorium on the filling of vacant posts in the department. This moratorium was a resultant of the reconfiguration process that the Gauteng Provincial Government undertook in the 2009/10 financial year. The reconfiguration required departments to identify excess staff and redeploy them to existing vacant posts. The existing moratorium on filling of vacant posts had a definite impact on the department's ability to provide optimal service delivery as the department experienced a shortage of human capacity required to undertake its mandate. Only critical posts were filled and the planned target of filling 10% of the vacant posts could not be achieved.

The Department has been mandated by the Provincial Executive to draft its organisational structure. The organisational structure was subsequently developed and submitted to Office of the Premier for review. However, the structure has to date not been finalised due to ongoing review with the Office of the Premier. This resulted in the Department not being able to finalise and implement its organisational structure. The finalisation of the organisational structure will be completed in the next financial year.

The Department has a limited office space at the Batho Pele building which negatively impacts on service delivery i.e. the offices cannot accommodate the large number of clients that approach the Department on a daily basis. The Department will relocate staff to a more user friendly environment to ensure that service delivery is optimised. One of the buildings that have been identified is the Derek Masoek Centre which will provide the Registration and Licensing services for the Department.

2.6 Strategic overview and key policy developments for the 2010/11 financial year.

Detailed information regarding strategic and policy interventions by the Department are reflected in the sub section above entitled "Achievements in relation to strategic objectives". The following summary is the key interventions and developments:

Key policy developments for the 2010/11 financial year include:

Regulations on the establishment of the Provincial Regulatory Entity (PRE)

According to the National Land Transport Regulations published in December 2009 every MEC must establish a Provincial Regulatory Entity (PRE) within the relevant provincial department, to perform the functions of that entity in the province. The primary function of the PRE as defined in the National Land Transport Act is to monitor and oversee public transport in the Province of Gauteng and to receive and decide on applications relating to operating licenses for intra-provincial transport where no Municipality exists to which the operating license has been assigned.

Regulations on the establishment of the Provincial Regulatory Entity (PRE) were subsequently drafted by the Department and are meant to establish the Provincial Regulatory Entity as envisaged in Section 23 of the National Land Transport Act, Act No.5 of 2009. The PRE will among other things be responsible for receiving and processing of application forms for operating licenses and also overseeing public transport operations in Gauteng. As soon as the PRE comes into effect, the Gauteng Operating License Board as established in terms of section 29 of the Gauteng Public Passenger Road Transport Act, Act No. 7 of 2001 will cease to exist.

Regulations on processes to be followed for consultation during transport planning.

The Department is committed to integrated planning within the Province and views itself as an enabler and supporter of this province wide transport planning and integration. It is in this light that the regulations were drafted. These regulations are meant to assist and guide planning authorities on process to be followed when preparing their Integrated Transport Plans (ITP). These regulations will also assist the Department when the Provincial Land Transport Framework is prepared for the Province of Gauteng. Members of the public will benefit from this process in a sense that their views will be taken into account when transport planning is done in their respective municipalities.

Regulations to increase traffic fees on various road traffic management transactions.

These regulations are meant to increase fees for some of the road traffic management transactions as envisaged in Section 25 of the Gauteng Road Traffic Act, Act No.10 of 1997; this increase in fees is an annual adjustment

to offset the administrations costs associated with the provision of such services as for (an example)

1. application for testing for learner's license,
2. application for the issue of driver's license,
3. Application for operating a driving school etc.

In 2010/11, the regulations were integral to the revenue maximization strategy of the department. It assisted the department in increasing its fees tariffs in the identified service areas thereby increasing the revenue collected and contributing to the net revenues of R1, 727, 668, 000 collected of which R1, 669, 872, 000 were from motor vehicle licenses. The regulations to increase fees in the 2011/12 were also drafted by the Department in June 2010 and discussed with DLTC and all other stakeholders including Treasury. Treasury gave the Department concurrence to increase fees for the 2011/12 financial year. It is envisaged that this will assist the Department in increasing its revenue collection year to year.

DLTC Turnaround strategy

In delivering on its mandate the department strives to ensure that its Driver and Learner Testing Centres are operating optimally and meeting the needs of the client. Two significant strategic approaches were undertaken to achieve this. Firstly, the Department recognized the ineffectiveness of utilizing the call centers for booking of learner and license testing and therefore introduced the walk in booking system at DLTC's to improve efficiencies. This enabled the public to immediately receive a testing slot at the counter.

Secondly, the Department developed a turnaround strategy for DLTC's with the aim of reducing inefficiencies and improving service delivery to the people of Gauteng. The focal areas of the strategy are on improving corporate governance with the emphasis of reducing fraud and corruption, creating efficient integrated operating systems that are adequately supported by Human resources and improving the efficiency of the DLTC's.

Gauteng Provincial Land Transport Framework

In terms of the National Land Transport Act, the provinces are expected to develop a Gauteng Provincial Land Transport Framework (GPLTF) that will serve as a guide for the province and municipalities. The GPLTF has been developed and presented to EXCO for approval. Executive Committee approval was received for the Framework. Consultation with Municipalities commenced and inputs to the PLTF have been received

from municipalities. The final PLTF will be gazetted in 2011/12 as per the NLTA guidelines.

Key strategic interventions for the 2010/11 financial year are:

2010 FIFA World Cup Transport Plan

The global eye was set on South Africa during the beginning of 2010/11 financial year as the 2010 FIFA World Cup was commencing in June 2010. As a host province the Department was mandated to develop and implement the 2010 transport operations plan to ensure the seamless mobility of people, both local and foreign, goods and services was accomplished. This meant a heavy reliance on the public transport

system was required. This resulted in the Department redirecting its resources to accommodate the transport related projects that contributed to the successful hosting of the event in the province. Resources were channelled into infrastructure projects such as road construction and maintenance, integrating public transport modes that allowed for the efficient movement of fans to the stadiums, implementing special events public transport regulations and registration of public transport operators. The success of the efforts made by the department are evident in the common view after the world Cup, that public transport in Gauteng successfully managed the mobility of people, goods and services.

2.7 Departmental Revenue, expenditure, and other specific topics

Collection of departmental revenue

| | Actual 2008/9 R'000 | Actual 2009/10 R'000 | Target 2010/11 R'000 | Actual 2010/11 R'000 | % Deviation from target |
|---|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| Tax revenue | 1 183 906 | 1 534 213 | 1 614 089 | 1 705 814 | 6% |
| (Specify) other sales | | | | | |
| Non-tax revenue | 431 | 349 | 1 200 | 4 410 | 268% |
| (Specify) | - | - | - | - | - |
| Sales of capital assets(Capital Revenue) | - | - | - | - | - |
| (specify) other sales | - | - | 17 500 | 3 849 | -78% |
| Financial transactions (Recovery of loans and advances) | 6 489 | 5 101 | 1 346 | 8 823 | 555% |
| TOTAL DEPARTMENTAL RECEIPTS | 1 190 826 (DRT only) | 1 539 663 | 1 634 135 | 1 722 896 | 5% |

Department expenditure

| Programmes | Voted for 2010/11 R'000 | Roll-overs and adjustments R'000 | Virement R'000 | Total voted R'000 | Actual R'000 | Variance R'000 |
|--|-------------------------------|---|-------------------|----------------------|------------------|-------------------|
| Programme 1. Administration | 221 632 | 1 400 | (17 842) | 205 190 | 174 771 | 30 419 |
| Programme 2. Road Infrastructure | 1 532 715 | 4 642 | 62 675 | 1 600 032 | 1 582 634 | 17 398 |
| Programme 3. Public and Freight Transport | 1 896 142 | 3 500 | (104 403) | 1 795 239 | 1 495 454 | 299 785 |
| Programme 4. Gautrain Rapid Rail Link | 2 528 360 | 1 126 858 | 59 570 | 3 714 788 | 3 714 788 | - |
| Total | 6 178 849 | 1 136 400 | - | 7 315 249 | 6 967 647 | 347 602 |

2.7.1 Transfer Payments (if applicable)

The only transfer of funding that is made is to the Gautrain Management Agency (GMA) in respect of voted funding. The GMA is a Schedule 3 C Public Entity

and accounts for the transfer of funding. The accounting arrangements are supported by Gauteng Department of Finance as the transfer of funding is done monthly based on the request by the GMA iro milestone and other administrative payments.

| Conditional grant | Total expenditure R'000 |
|--------------------------|-------------------------|
| Gautrain Rapid Rail Link | 3 714 788 |

2.7.2 Conditional Grants and earmarked funds

The allocation that Treasury gave the department detailed

amounts under the following three sections:

1. Conditional grants, including an infrastructure grant
2. Earmarked funding, including infrastructure allocation
3. Discretionary funding

Three conditional grants as shown below were received by the department during the period under review

| Allocation of funding | Total allocation R'000 |
|-----------------------------------|------------------------|
| Gautrain Rapid Rail Link Grant | 3 714 788 |
| Infrastructure Grant | 462 164 |
| Public Transport Operations Grant | 1 496 442 |
| Earmarked Funding | 1 074 307 |
| Discretionary Funding | 567 548 |
| Total budget allocation | 7 315 249 |

The total expenditure for the 2010/11 financial year was R 6 967 647, 000, which represents a spending rate of 95, 3%. The under-expenditure did not impact

negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included the following:

- Projects were delayed in order to shift funds to the maintenance unit which was indicating a possible over-spending; and
- Bus subsidy invoices not paid as a result of the unfavorable cash position within the department.

2.7.3 Capital investment, maintenance and asset management plan

| Opening Balance | Additions | Transfer in from UTF | Transfer in Metered Taxis | Disposals | Transfer Out to DID | Transfer in from Imphopoma | Transfer in from GMA | Closing Balance |
|-----------------|-----------|----------------------|---------------------------|-----------|---------------------|----------------------------|----------------------|-----------------|
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 29 596 144 | 123 576 | 47 100 | 16 480 | (13 186) | (5 091) | 90 295 | 3 030 158 | 32 885 477 |

1. Asset holding as at 31 March 2011

1.1 Measures taken:

- The assets were verified, bar coded and captured on the asset register;
- Monthly asset reconciliation between the asset register and the general ledger (BAS); and
- The directorate will in future engage in asset verification on a quarterly basis.

2. User Immovable Asset Management Plan (UAMP)

- No major maintenance or closed down or down-grading was done during the period under review.
- An asset register for Department of Roads and Transport immovable assets was compiled and verified. This information is contained in the 2011/12 Departmental U-AMP. The Department has an immovable asset portfolio consisting of 29 facilities of which 25 are government-owned and 4 is leased.
- New projects reflected in the 2011/12 U-AMP will be carried forward to financial year 2012/13 due to financial constraints. The buildings that require maintenance are as follows: Tolab Building in Pretoria, Benoni, Vereeniging, Koedoespoort, Bronkhorstpruit, and Derdepoort Regional Offices.

Programme 1: Administration

Strategic objective: To ensure the availability of overall management and administrative support functions.

Purpose: The purpose of the programme is to provide overall management and administrative support functions to the Office of the MEC and the department. It comprises the following sub-programmes: Management; Office of the MEC, Project Support Office (PSO), and Corporate support. Programme objectives are to provide advisory, secretarial, administrative and office support service to the MEC; and to render strategic support to the department in the areas of finance, human resources, procurement, information and communication systems and policy.

Service Delivery Objective/s and Indicator/s: The services of this programme area delivered under the auspices of the Corporate Support Branch and the Finance Branch of the GDRT. Below is a summary of the programme's service delivery objective/s and indicator/s:

- Compliance with legislation in respect of reporting on performance;
- Research on impact and alternative service delivery models;
- Development of Departmental policies and legislation;
- Provision of professional and quality legal support;
- Communicate Departmental information;
- Manage stakeholder relations;
- Provision and maintenance of ICT infrastructure, information systems and ICT governance;
- Provision of human resource management and organizational development services; and
- Provision of sound and prudent financial management and accounting services; including procurement.

2.8 Programme Performance: Summary and Service Delivery Achievements

Corporate Support

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|--|--|------------------------|-----|---|-----------------------|
| | | | | Units | % | | |
| To produce policies that provide a regulatory framework for good governance within the Department | Number of Policies produced. | 4 new policies | 9 new policies | +5 | 125 | To ensure the existence of a Department's policy framework for good governance. | - |
| | Number of policies reviewed | 8 reviewed policies | 30 policies reviewed | +22 | 71 | To ensure the existence of a Department's policy framework for good governance. | - |
| To produce Legislation to regulate transport infrastructure and services | Number of Legislation approved | 6 Transport related Amendments, Bill, Notices and or Regulations Legislation | 6 sets of regulations were done, published in the Provincial Gazette and brought into operation as per the legislative programme of the Department for 2010/11 | 0 | 0 | - | - |
| | | Tow Truck Bill | Tow Truck Bill (1) | 0 | 0 | | |
| To provide an integrated Health and Wellness programme to Departmental employees and External Public Transport Drivers | % employees attended to health. | 100% Departmental Employees (2084) | 100% counselling accessibility to all employees 2084 employees | 0 | 0 | - | - |
| | Percentage of Taxi ,Bus and Truck Drivers attended to | 50% Taxi, Bus and Truck drivers. | 3 Taxi councils' members were provided with the health and wellness programme. | 0 | +25 | Target exceeded as participants reached through the involvement of the Taxi Councils. | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|--|---------------------------------|------------------------|-----|---|---|
| | | | | Units | % | | |
| Capacitating the Department through the Empowerment of GEYODI Target Groups | % of women in Senior Management | 50% women in Senior Management DDG – 3 CD – 6 | 49.2 women in Senior Management | 0 | 0.8 | Moratorium to fill posts still in place. | Fill positions once the moratorium is lifted. |
| | | 2% PWD employed (26) | | 25 | 96 | Moratorium to fill posts still in place. | Fill positions once the moratorium is lifted. |
| To facilitate Stakeholder Relation | Number of Stakeholder Relation Engagement | 10 | 19 | +9 | 90 | Due to the change in office of the MEC, more stakeholder engagements were required. | - |
| To capacitate the Department with the required competencies | Number of staff appointed in vacant posts. | 10% of funded vacant posts filled. (184) | (1.7%) 31 | 153 | 83 | Moratorium to fill posts still in place. | Fill positions once the moratorium is lifted. |
| | | 100% PMDS compliance. | 100% PMDS compliance | 0 | 0 | - | - |
| The provision of Training and Development opportunities. | Number of Employees trained. | 1334 Departmental employees trained on identified training needs as per the Work Place Skills Plan | 1666 | +332 | 25 | Additional training was sourced with no cost implications | - |
| | | 120 Improve Literacy level in the Department (ABET) | 0 | 0 | 0 | Programme was stopped and integrated into the Learnership programme | - |
| | | Internship - 70 | 84 interns | +14 | +20 | More interns were employed in response to the capacity building needs of the Department | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|--|--|------------------------|-----|--|---|
| | | | | Units | % | | |
| The provision of Training and Development opportunities. | Number of Employees trained. | Learnerships – 70 | 67 learnerships | 3 | 4 | Reprioritisation impacted on achievement of targets. | Learnership programme to continue in the next financial year. |
| | | Bursaries 248 (Internal -specific to career pathing) | 45 employees awarded. | 203 | 82 | Due to budgetary constraints less bursaries were awarded. | - |
| | | 70 External – (low level Employees children) – engineering, Transport Economics, B. Tech, technical and other fields | 11 external students awarded | 59 | 84 | Due to budgetary constraints less bursaries were awarded. | - |
| Ensure proper case management system and effective facilitation of collective bargaining processes | Percentage of collective agreements implemented | 100% of collective agreements implemented. | 100% of collective agreements implemented. | 0 | 0 | - | - |
| To build harmonious relationships with the departments stakeholders | To implement communication strategy. | Implement Communication strategy | 0 | 1 | 100 | Consultation with relevant key stakeholders for inputs delayed the finalisation of the strategy. | To be implemented and finalised in the next financial year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|---|---|------------------------|-----|--|--|
| | | | | Units | % | | |
| To facilitate development communication in communities with regards to services the Department renders | Number of MEC's outreach programmes and GPG Imbizo | 6 | 6 | 0 | 0 | - | - |
| To ensure electronic storage of all departmental documents that allows for easy access, retrieval, processing and distribution | Percentage of computer users utilising the eDRMS. | eDRMS implemented in the MEC's office, HOD's office, Directorate: Registration and Corporate Services branch | 0 | 1 | 100 | Capacity constraints | Project to be implemented in the next financial year. |
| To ensure that all user in the Department have access to a faxed to e-mail solution. | Percentage of computer users with access to fax to e-mail solution. | 100% of computer users with access to fax to e-mail solution. | 0 | 0 | 100 | Awaiting the finalisation of the departmental head count | Rollout of the fax-to-email solution will be completed in the next financial year, 2011/12 |
| To institutionalise Business Process automation | Number of units automated | Business processes in the MEC's office, HoD's office, and Corporate Services branch automated and digitised (Phase 1) | Business processes have been developed for the MEC's, HOD's office, and Corporate Services branch | 0 | 0 | - | - |

Finance

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|---|---|------------------------|---|----------------------|-----------------------|
| | | | | Units | % | | |
| To compile annual financial statements. | An annual financial statement complying with regulatory frameworks. | 2 Sets of annual financial statement. | 2 Sets of annual financial statement | 0 | 0 | - | - |
| To compile budget statements. | Budget statements complying with Treasury regulations and guidelines | Infrastructure plan BS 2 &3 | Infrastructure plan BS 2 &3 | 0 | 0 | - | - |
| | | Prepare Adjustment budget 2010/11 | Prepare Adjustment budget 2010/11 | 0 | 0 | - | - |
| | | Capturing of 2011/12 on BAS | 0 | 0 | 0 | - | - |
| To facilitate the enterprise risk management policy framework and standards | Number of Risk Assessments conducted as per the set target | 3 Phase Risk Assessment Process per year. | Departmental global risk assessment completed The control risk self assesment for finance branch conducted | 0 | 0 | - | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|-----------------------------------|----------------------------|---------------------------|------------------------|-------|--|--|
| | | | | Units | % | | |
| To procure goods and services according to BBBEE targets. | 70% Percentage BBBEE expenditure. | 70% Spent on HDI | 53.61% | 0 | 16.4 | The projects required CIDB registration of grade 9; The HDI entities do not have grade 9 registration to qualify them in an open tender process. The requirement of the Departmental projects is CIDB grade 9. Currently the HDI companies do not have the grade 9 registration to qualify them for tendering process. | Involvement of GEYODI during the project planning stage and monitoring of BBBEE achievements on a quarterly basis. |
| | | 35% Spent on Women | 18.26% | 0 | 16.74 | The women entities that are in the market do not meet the necessary CIDB requirements in line with the size of the projects implemented by the Departments. The legislation does not allow us to set aside projects. | To advertise for a database for entities owned by women |
| | | 2% Spent on Disability | 0 | 0 | 100 | Difficulty in obtaining PwD with a higher CIDB level as per requirement | To advertise for a database for entities owned by people with disabilities |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|-----------------------------------|----------------------------|---------------------------|------------------------|------|--|---|
| | | | | Units | % | | |
| To procure goods and services according to BBBEE targets. | 70% Percentage BBBEE expenditure. | 33% Spent on Local Labour | 30.27 | 0 | 2.73 | Some projects were deferred to the next financial year which impacted on achieving the target. | Monitor % spent on local labour on the deferred projects in the new financial year, to ensure that targets are met. |
| | | 30% spent on Youth | 12.65% | 0 | 17.4 | The size of the projects required CIDB registration of grade 9. the HDI/ youth entities Department's database does not have grade 9 registration | To advertise for a database for entities owned by youth |

Project Management

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---------------------------------------|--|---|------------------------|-----|---|--|
| | | | | Units | % | | |
| Provision of project plans | Number of evaluation reports compiled | Evaluation report of project plans | All project plans reports have been evaluated and the evaluation report was compiled. | 0 | 0 | - | - |
| To monitor performance of Branch project plans against set objectives on a monthly basis | Number of Monitoring reports | 45 reports | 45 reports | 0 | 0 | - | - |
| To source donor funding for the implementation of the Department's project | Donor Funds Received | R 50 million | 0 | 1 | 100 | No donor funding was received by the Department. | To pursue Donor funding initiative in the next financial year 2011/12. |
| To provide an integrated Gauteng wide investment framework for roads and transport | Report on Investment Framework | Consolidated Road and transport Investment Program | A draft investment framework for Gauteng has been developed | 1 | 50 | New mandate to develop an Integrated Transport Master Plan(ITMP) which will be inclusive of an investment framework | Investment Framework to be completed in the new financial year. |
| 5 year IDP Evaluated against Roads and Transport requirements | Number of IDP's evaluated | Completed Assessment of IDPs/ITPs and budgets | 15 municipal IDP's evaluated | 0 | 0 | - | - |



Programme 2: Roads Infrastructure

Strategic objective: To provide a balanced and equitable road network.

Purpose: The purpose of the programme is to provide a balanced and equitable road network in the province by promoting accessibility that is sustainable, integrated and environmentally sensitive, which support economic growth and social empowerment.

Service Delivery Objective/s and Indicator/s: The services of this programme area are delivered under the auspices of the Roads Branch of the GDRT. Below is a

summary of the programme's service delivery objective/ and indicator/s:

- Provision of road and transport planning, designing and maintenance services, including proclamation of roads and evaluation and visual assessments of road conditions.
- Construction of roads, including upgrading of gravel and surfaced roads.
- Implement road projects in the Twenty (20) Prioritized Townships.
- Facilitate job creation; empowerment of marginalized sectors of women, youth and persons with disabilities and increase local labour content in the delivery of road and transport infrastructure.

Road Planning

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|--|---|------------------------|-----|---|---|
| | | | | Units | % | | |
| Gauteng Free-way Improvement Scheme Implementation Plan to develop GISK phase | 1. Approved Tolling legislation | Gauteng Free-way Improvement Scheme | 0 | 1 | 100 | Steering committee established by NDOT minister and GPG Premier to address the Gauteng toll tariffs | To implement the outcomes of the Gauteng Tolling Committee |
| | 2. Implementation of Plan with proposed roads | Implementation Plan. Phase 2 of Implementation Plan. | | | | | |
| Strategic Road Network (SRN) Management and implementation to guide Gauteng Infrastructure development | SRN review report Approved Network map of class 2 & 3 roads. | Strategic Road Network (SRN) Management and implementation | The SRN project was completed but modelling is outstanding. | 1 | 50 | IPTN not finalised therefore the SRN network on GIS and the modelling framework could not be finalised. | To be incorporated within the IPTN during the next financial year |
| | Prioritised list of Class 2 & 3 roads. | Prioritised list of Class 2 & 3 roads | Prioritised list of Class 2 & 3 roads. | 0 | 0 | | |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|---|---|------------------------|----|--|--|
| | | | | Units | % | | |
| Intelligent Transport Systems Strategy (ITS) | Approved framework for Phase 2 of the ITS strategy | Approved framework for Phase 2 of the ITS Strategy. | Draft framework for phase 2 of the ITS strategy developed | 1 | 50 | The approval of the ITS framework for the phase 2 is dependent on the IPTN which will be formulated in 2011/12. | Framework to be finalised in the next financial year. |
| Strengthening the compilation of the PLTF from a technical perspective. | PLTF Document | PLTF | Approved PLTF by EXCO | 0 | 0 | - | - |
| | 6 Updated ITPs. | 6 ITPs | 1 Approved ITP regulations | 5 | 83 | The Municipalities have not updated ITPs due to budgetary constraints. The municipalities are currently updating ITPs for the next financial year. | Conduct the ITP Steering Committee Meetings to chart a way forward on the ITP compilation process. |

Road Design

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|-------------------------|------------------------|----------------------------|---------------------------|------------------------|---|---|--|
| | | | | Units | % | | |
| To review detail design | Update cadastral data | K164 | Cadastral data | 0 | 0 | - | - |
| | Appoint EIA specialist | 0 | 0 | 0 | 0 | The project has been reprioritised to the next financial year | Complete design in next financial year |
| | Detail design review | 0 | 0 | 0 | 0 | The project has been reprioritised to the next financial year | Complete design in next financial year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|---|---|------------------------|-----|--|---|
| | | | | Units | % | | |
| To review detail design | Complete tender documentation | 0 | 0 | 0 | 0 | The project has been reprioritised to the next financial year | Complete design in next financial year |
| | Finalise Tender documentation | 0 | Final draft tender documentation completed for construction. | 0 | 0 | - | - |
| To review Preliminary design and appoint consulting engineers for detail design | Complete Preliminary design | K11 (Sebokeng) K 77 to P1-1 (R82) | 0 | 1 | 100 | Reprioritised due to budgetary constraints. | Consulting Engineers to be appointed in the 2011/12 financial year to proceed with the project. |
| | Complete EIA | Complete EIA | 0 | 1 | 100 | Reprioritised due to budgetary constraints. | Complete EIA next financial year. |
| To review Preliminary design | Update cadastral data Complete Preliminary design | K99 (South and North of Zambezi Ave, Tshwane) | Cadastral data updated to proceed with preliminary design. The review of the preliminary design has been completed. | 0 | 0 | - | - |
| | Complete EIA | Complete EIA | 0 | 1 | 100 | Reprioritised due to budgetary constraints. | EIA to be completed in the next financial year. |
| To proclaim the road reserve | Proclaim the road reserve | K46 (between Fourways and PWV 5) (Phase 1) | Road reserve proclaimed on the 12th of November 2010. | 1 | 100 | Target not achieved due to some land owners delaying in responding to land offers. | Compensation process to be completed in 2011/12 |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|------------------------------|---|---|---|------------------------|-----|---|---|
| | | | | Units | % | | |
| To proclaim the road reserve | Proclaim the road reserve | K71 (Phase 2 between K103 and Laudium) | Road reserve proclaimed on the 28th of April 2010. | 0 | 0 | - | - |
| | | | Compensation paid to 8 land owners. | 0 | 0 | - | Compensation process to be completed in 2011/12 |
| Pavement management system | Assess road conditions for Surfaced Roads | 5229 km | Assessments for paved roads over 4248km completed to assist in the compilation of the maintenance programme 1 | 43 | 1 | Some roads were under construction and the PMS could not be updated. | Update the Road Management System to reflect correct figures. |
| | Assess road conditions for Gravel Roads | 1453km | Assessments of gravel roads over 1389 completed to assist in the compilation of the maintenance programme | 64 | 4.4 | Some gravel roads have been surfaced during this financial year and are no longer in the category of gravel roads | Update the Road Management System to reflect correct figures. |
| Heavy vehicle simulator | To identify alternative road building materials | Research roller compacted concrete | 50% | 0 | 50 | Raining season delayed research as well as the maintenance on the HVS | Complete research in the next financial year |
| | | Research high order reinforced concrete pavements | 0 | 1 | 100 | Project re-prioritised as no suitable material proposal received for testing. | The project will be completed in the next financial year |
| Bridge management system | Number of bridges inspected | Consulting Engineers appointed | 0 | 1 | 100 | BMS updating to form part of the RNMS consortium, is still outstanding. | The project will be completed in the next financial year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|----------------------|------------------------------|----------------------------|-------------------------------|------------------------|--------|--|--|
| | | | | Units | % | | |
| | Number of submitted reports | 150 Reports submitted | 5 (inspections done in-house) | 145 | 96 | Highly technical skill which the department does not have. Inspections to be done by CE who will be part of the RNMS | The project will be completed in the next financial year |
| | Number of Culverts inspected | 1000 | 1007 | +7 | +0.007 | Extra resources allocated. | - |

Construction

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|---|--|------------------------|-----|-----------------------------|---|
| | | | | Units | % | | |
| To improve accessibility to all developments and settlements along the D374 corridor | Number of km surfaced. | To surface 0, 5 km of dual carriageway. | 0.5km surfaced | 0 | 0 | - | - |
| To improve accessibility to all developments and settlements along the K29 phase 3 corridor including Lan-seria Airport | Number of km surfaced and bridge completion World Cup preparedness | To surface 4km of dual carriageway and complete the bridge across N14 | 3.85km and a completed bridge over N14 | 0.15 | 3.8 | Delays caused due to rains. | To be completed in the next financial year. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|---|---|------------------------|----|---|--|
| | | | | Units | % | | |
| To improve access to the Eye of Africa developments by upgrading D2529 | Number of Km surfaced | To surface 4.2km of Cayman road | Layer works were done up to upper selected layer level. | 1 | 20 | Project reprioritised to next financial year as per adjustment budget. | Project to be completed in the next financial year. |
| To give an alternative link between Johannesburg and Pretoria by upgrading R55 phase 1 | Number of km | To surface 1 km of dual carriageway of Voortrekker Road | 1 km surfaced | 0 | 0 | - | - |
| To reduce congestion along Bolani Road and improve access to Soweto communities | Number of Km | To surfaced 2 km of dual carriage | 1.22 kilometres surfaced | 0.78 | 39 | Delays due to the rains and social unrests experienced in the area. | To be completed in the next financial year |
| To create jobs through the implementation of EPWP principles | Number of jobs created | To create 322 jobs | Maximum jobs created: 304 (non-cumulative) | 18 | 6 | Early completion of D374 and R55 hence the low job numbers | Intensity was ensured on running projects |
| To create training opportunities through the implementation of EPWP principles | Number of people given non-accredited Training | To offer 322 non accredited training | Maximum 304 people received non accredited training and 75 got credited training (non-cumulative) | 18 | 6 | All people who were employed were trained. | Intensification on training will be done in the next financial year. |
| To create opportunities for black contractors to work on road construction projects | Number of black contractors working on projects | To create opportunities for 29 black contractors | Maximum 27 contractors got opportunities to work on the projects (non-cumulative) | 2 | 7 | Some projects were reprioritised which impacted on provision of opportunities to contractors. | Intensification on black contractor opportunities was done on running projects |

Maintenance

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|---|---|------------------------|-----|---|---|
| | | | | Units | % | | |
| To Maintain the Provincial Road Infrastructure Network to the Highest Standard acceptable internationally | Maintenance of a total of 5229km of Paved roads. And 1453km of Gravel Roads | Maintenance of a total of 5229km of Paved roads. And 1453km of Gravel Roads | Maintenance of a total of 5229km of Paved roads. And 1453km of Gravel Roads was successfully completed | 0 | 0 | - | - |
| Development of SMME/BEE Contractors | Development of 69 SMME/BEE Contractors | Development of 69 SMME/BEE Contractors | 69 Contractors developed to the level of being able to tender for projects outside the outsource maintenance programme. Most Contractors did up-grade their CIDB grading to CEPE4 | 0 | 0 | - | - |
| EPWP Job Creation Drive through SMME/BEE, Labour intensive programme | EPWP Jobs to be created targeted at 4389 | EPWP Jobs to be created targeted at 4389 | 1 144 jobs were created for women. | 3245 | 74 | Budgetary constraints limited the opportunity for the SMME Contractors to increase their labour base. | New Maintenance Model is projected to create further jobs and provide for women contractors. |
| | | | 935 jobs were created for youth | 3454 | 79 | Budgetary constraints limited the opportunity for the SMME Contractors to increase their labour base. | Provision for the engagement of youth have been made in the new Maintenance Model |
| | | | 0 PwD | 2 | 100 | The programme did not make adequate provision for the engagement of the disabled. | Provision for the engagement of disabled SMME/BEE Contractors have been made in the new Maintenance Model |

| Measurable objective | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|----------------------------|---------------------------|------------------------|-----|--|---|
| | | | Units | % | | |
| Percentage of surfaced network in very good condition | 12% | 9% | 0 | -3 | Increase in traffic volumes. Impacted on surface network | Increase in funding for preventative maintenance. |
| Percentage of surfaced network in good condition | 32% | 27% | 0 | -5 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |
| Percentage of surfaced network in fair good condition | 40% | 33% | 0 | -7 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |
| Percentage of surfaced network in poor condition | 12% | 20% | 0 | -8 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |
| Percentage of surfaced network in very poor condition | 4% | 11% | 0 | -7 | Increase in traffic volumes | Increase in funding for preventative maintenance. |
| Percentage of gravel network in good condition | 8% | 1% | 0 | -7 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |
| Percentage of gravel network in fair condition | 33% | 17% | 0 | -16 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |
| Percentage of gravel network in poor condition | 59% | 82% | 0 | +23 | Increase in traffic volumes. | Increase in funding for preventative maintenance. |

Programme 3: Public and Freight Transport

Strategic objective: To plan, regulate and facilitate the provision of public and freight transport services.

Purpose: The programme plans, regulates and facilitates the provision of public and freight transport services and infrastructure in partnership with national and local government as well as private sector formations.

Service Delivery Objective/s and Indicator/s: The services of this programme area are delivered under the

auspices of the Roads Branch of the GDRT. Below is a summary of the programme's service delivery objective/s and indicator/s:

- Provision of Public and Freight Planning Services.
- Services in respect of Public Transport Operations.
- Implementation of public transport integration and special projects.
- Provision of regulation and control services.
- Provision of registration services.
- Transportation Management (administration and licensing) services.

Public and Freight Planning

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|--|---|------------------------|----|---|---|
| | | | | Units | % | | |
| Implementation of the Freight Plan for Gauteng over the MTEF. | Air quality Management Plan (AQMP) from a transport perspective. | Draft Air Quality Management Plan | Terms of Reference for AQMP. Draft Air Quality Management Plan. | 1 | 50 | Inputs from relevant stakeholders from within the environmental management sector and municipalities were not received in time to finalise the draft. | The development of the AQMP will be completed in the first quarter of 2011/12 financial year. |
| | Alignment with National Strategy - Updating the Gauteng Freight Data Bank Co-ordinate the Provincial Freight Forum. | Alignment with National Strategy -Updating the Gauteng Freight | National and Provincial Terms of Reference for the updating of Freight Databank was completed. | 1 | 50 | The effect of the strike on the trucking industry had an impact on timeframes for the freight movement to normalise again. | The project to be completed in the first quarter of 2011/12 financial year. |
| | Maize Triangle Strategy – provide support to GDARD in provision of transport services for transporting maize within the maize triangle. | Maize Triangle Strategy Approved Transport plan for GDARD as informed by their Maize Strategy. | Roads have been identified that traverses the farms in the area of concern. Some roads incorporated in maintenance and repair programmes. | 1 | 50 | Information from GDARD and Transnet is outstanding for the compilation of Maize Triangle Strategy. | Maize Triangle Strategy to be completed by June 2011. |
| | | Reduction of Congestion through Freight Management Strategy. | Terms of Reference have been compiled. | 1 | 50 | Capacity constraints impacted on finalisation of the draft strategy. | This project will be completed in the next financial year. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|--|--|------------------------|----|--|--|
| | | | | Units | % | | |
| | Freight Access Strategy to uplift VRDM as an economic hub from a transport perspective. | Freight Access Strategy to uplift VRDM as an economic hub from a transport perspective | Successful engagements and cooperation with Blue IQ and DBSA | 1 | 50 | Delay in the signing of the MOU | This project will be completed in the next financial year |
| Integrate Rail Master Plan with Gauteng Transport Network | Establish an Institutional Forum to ensure integration of rail within the Province | Coordinate the Gauteng Rail Steering Committee. | Rail Steering Committee co-ordinated | 1 | 50 | MOU between PRASA, DRT and Municipalities not signed | The MOU for the Gauteng Passenger Rail Steering Committee might be revised in light of recent comments from Gautrain |

Public transport operations

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|----------------------------|---------------------------------------|------------------------|------|---|--|
| | | | | Units | % | | |
| To provide subsidised Bus public transport services | Number of subsidized bus transport contracts managed | 34 contracts | 34 bus contracts managed | 0 | 0 | - | - |
| Compliance to set standards of the subsidised contract | Number of subsidised contracts complying to set standards (Physical Monitoring) | 30 | 26 | 4 | 13.3 | Insufficient funding received from National Treasury. | To solicit additional funding from National Treasury to fund Physical Monitoring. |
| | Number of subsidised contracts complying to set standards (Electronic Monitoring installed on 4 North West Star contracts) | 4 | Contract monitored up until July 2010 | 0 | 25 | The Department reviewed the contract and decided to discontinue the electronic monitoring and monitor physically. | The Department to monitor the bus contracts physically in the next financial year. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|---|---------------------------|------------------------|-----|---|---|
| | | | | Units | % | | |
| To develop Integrated Public Transport Network (IPTN) designs to integrate public transport modes | Integrated Public Transport Network Designs completed | 2 Integrated Public Transport Network designs | 0 | 2 | 100 | Scope of the project was reviewed and expanded to include the review of the previously completed designs. | Project to be implemented in the next financial year. |
| To corporatisate the minibuss taxi industry | Number of regions corporatized per region | 3 regional taxi councils corporatized | 1 region corporatized | 2 | 66 | Consultation with taxi industry delayed the corporatisation of the 2 regions. | The 2 remaining regions will be corporatized in the next financial year |

Public Transport integration and Special Projects

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|--|---|------------------------|-----|--|--|
| | | | | Units | % | | |
| To integrate public transport modes for seamless mobility | Approved IFM back office specifications | IFM Planning Documentation for Level 3 Back office for level | 0 | 1 | 100 | Refocusing planning in terms of development in the Electronic fare collection systems area in the Province | Project to be implemented in the next financial year taking into account the new developments. |
| To provide Intermodal public transport facilities to municipalities for the integration of public transport modes. | Number. of Public Transport Intermodal Facilities Constructed | 2 intermodal facilities commenced (Zandspruit and Bophelong) | Construction of the 2 facilities have commenced in Zandspruit and Bophelong | 0 | 0 | - | - |

Public Transport integration and Special Projects

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|---|---|------------------------|----|--|--|
| | | | | Units | % | | |
| To provide Intermodal public transport facilities to municipalities for the integration of public transport modes. | Number. of Public Transport Intermodal Facilities Constructed | 4 intermodal facilities planned (R55, William Nicol, Leratong and Vanderbijl Park | 2 preliminary designs of R55 and Vanderbijlparl completed. A new concept of a superstop has been developed in Kyalami (R55) preliminary designs have been completed. | 2 | 50 | COJ has requested a review of the William Nicol designs in light of the Fourways Mall site development planned expansion. Tender evaluation for Leratong delayed due to the area being prioritised as it has been earmarked as an economic development hub. | William Nicol has been deferred to 2012/13 financial year. Complete Leratong in 2011/12 |
| To provide non motorised transport mobility to learners. (Shovakalula) | Number of bicycles | 3000 bicycles distributed | 3000 bicycles distributed | 0 | 0 | - | - |
| To construct Non Motorised Transport (NMT) Facilities(walk ways, cycle lanes) and shelters | Number of kilometres of constructed walkways & cycle lanes in West Rand and Metsweding municipal areas | 20km | 5km of walk ways have been constructed in Randfontein | 15km | 75 | Reprioritisation led to the late award of contracts | The contracts have been extended to the next financial year. |
| | Number of bicycle racks constructed in schools | 500 | 500 Bicycle racks completed | 0 | 0 | - | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|--------------------------------|--|------------------------|----|--------------------------------|--|
| | | | | Units | % | | |
| To establish Maintenance facilities by SMME (3) in support of the Shovakalula programme | Number of bicycle repair centres supported. | Pilot 2 bicycle repair centres | Draft terms of reference and MOU between GDRT & GEP has been developed | 2 | 20 | Project has been reprioritised | Providing a maintenance start up kits for all schools that are recipients of the bicycles. |
| To promote green transport through research on use of alternative Fuels (Compressed Natural Gas, Liquefied Petroleum gas, and Bio diesel) | Number of Vehicles converted to usage of alternate fuels. | 12 g-Fleet Vehicles converted | 4 g-Fleet and 2 yellow fleet vehicles converted | 8 | 80 | - | Green transport technologies and Conversion workshop roll out plan to be completed in the next financial year. |

Public Transport integration and Special Projects

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|----------------------------------|---|------------------------|-----|---|---|
| | | | | Units | % | | |
| To regulate public transport operators through the issuance of operating licenses | Number of Operating Licenses/ permits issued | 8,000 Operating Licenses | 5,702 operating licenses issued and 1051 permits (issued in the 3rd quarter.) | 1247 | 15 | Slowness/unavailability of OLAS. In December 2010 the NLTIS crashed and data was lost from the system. | Review of NLTIS by NDOT. |
| | Number of Permits converted to Operating Licenses | 10,000 | 2,975 converted to operating license | 7,025 | 70 | Slowness/unavailability of OLAS. In December 2010 the NLTIS crashed and data was lost from the system. | Review of NLTIS by NDOT. |
| To establish TOLABS in regions to make services accessible to public transport operators. | Number of functional TOLABS established in regions | 3 | 0 | 3 | 100 | Whilst the contractor was on site DID experienced delays in obtaining an eviction order which will compel the NGO to vacate the premises to be refurbished. | Construction to commence once the eviction order has been executed. |
| To recapitalize ageing minibuses | Number of taxis scrapped. | To scrap 1,500 old taxi vehicles | 1,911 | +411 | +27 | More operators than the envisaged target scrapped their old taxi vehicles. | - |
| To issue special operating licenses to public transport operators for the 2010 FIFA World Cup | Number of Special Operating Licenses issued. | 4,700 | 4,841 | +141 | +3 | More operators than the envisaged target applied for special operating licenses. | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|-------------------------------------|---|---|------------------------|-----|--|--|
| | | | | Units | % | | |
| To establish Provincial Regulatory Entities (PRE) in accordance with the National Land Transport Act | NLTA Regulations Gazetted | NLTA Regulations Gazetted | Regulations drafted gazetted for comments | 0 | 0 | - | - |
| | A functional PRE established | A functional PRE established | 0 | 1 | 100 | The regulations which establish PRE were only finalised in March 2011. | . PRE to be established in the next financial year. |
| To maximise participation of women, youth and People with Disabilities as tour operators | A functional PRE established. | Issue 3,000 Special Operating Licenses. | 0 | 1 | 100 | The regulations which establish PRE were only finalised in March 2011. | Finalise the legislative process as required by law. |
| To implement Anti Fraud and Corruption control processes in TOLABs | Anti fraud and corruption processes | Anti fraud and corruption processes implemented | 0 | 1 | 100 | Project affected by the Forensic Audit by the Auditor - General | The project will be completed in the next financial year |
| To maximise participation of women, youth and people with disabilities as Public Transport Operators | Number of Operating Licence issued | 600 | 618 | +18 | +3 | More applications were received from the targeted groups. | - |

Registration Services:

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|----------------------------|---|------------------------|-------|--|---|
| | | | | Units | % | | |
| To regulate and legalise public transport operators. | Number of taxi associations registered. | 70 | Verification of 18 Taxi Associations in the West Rand. | 52 | 74 | The Provincial Taxi Councils want operating licenses to be issued first before registration can take place | To liaise with Taxi Councils to chart an agreed way forward for an implementation framework |
| | Number of metered taxi operators registered | 1, 100 | Verification of Metered Taxis and 88 newly registered Operators | 1012 | 92 | The metered Taxi Industry is split into two factions and there is intimidation of operators from registering | To liaise with the industry to reach agreements on way forward regarding elections |
| | Number of learner transport operators registered. | 50 | 166 | + 116 | + 232 | More operators are registering for the Learner transport | - |
| | Number of tourism transport operators registered. | 200 | 356 | +156 | +78 | The Tourism industry is increasing and attracting more visitors | - |
| | Number of bus operators registered | 45 | 11 | 34 | 76 | Very few applicants have registered after the 2010 Soccer w/ cup | The situation will improve as the economy gains momentum |
| To democratise all modes of public transport. | Number of public transport associations to be democratised and formalised | 50 | 46 | 4 | 8 | There are challenges regarding the number of years before elections can be held. | To establish the correct number of years to hold office and to have this in the constitution. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|----------------------------|---|------------------------|-----|---|---|
| | | | | Units | % | | |
| Monitoring route compliance: Operation Masibambisane | Number of minibus taxis with distinguishing Markings | 1, 500 | 0 | 1500 | 100 | Project on hold until the Auditor General Forensic Audit has been completed , project to be implemented taking into consideration the Auditor General's recommendations | The project will be completed in the next financial year |
| | Number of routes monitored for non compliance to legislative prescripts | 900 | Identification and auditing of 459 routes | 441 | 49 | Many associations are contesting routes and as a result those that are contested are not audited. | Continued liaison with associations to respect the allocation of routes by the municipality and Department |
| To create a peaceful public transport environment through the resolution of public transport conflicts. | Number of conflicts resolved. | 50 | 22 | 28 | 56 | The process to resolve conflict is lengthy: Non cooperation by some associations to heed rulings by the Registrar | Continued liaison with associations to avoid encroaching on one another's' routes. Taxi Councils to work with the Department towards reducing conflicts |

Transportation Management (Transport Administration and Licensing)

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|---|---|------------------------|----|---|--|
| | | | | Units | % | | |
| To monitor compliance through MOUs with Municipalities s.w.r.t to the NRTA and Regulations | Number of SLA's re-viewed and re-signed with municipalities | Draft SLA's completed in preparation for sign off | Draft revised SLA | 1 | 50 | Alignment of the Draft SLA to the DLTC Turn Around Strategy to be discussed with the municipalities | To be finalised in the next new financial year |
| To optimise revenue collection compliance to the National Road Traffic Act | Amount of revenue collected | R 1.614 Billion | Achieved to date R1.669 Billion | +0.055 | 3% | Efficient management of revenues resulted in an overachievement. | - |
| To enforce compliance to National Road traffic act and regulations by entering into service level agreements with Private Vehicle Testing Stations to ensure road worthy vehicles on the roads | Number of SLA'S signed with Private VTS's | 97 | 97 | 0 | 0 | - | - |
| To facilitate the booking of Learner and Driver License at DLTC through a reduced turnaround time. | Turnaround time | Learner booking immediately | The turn-around time for obtaining bookings for learners license has been reduced to immediately. | 0 | 0 | - | - |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|--|---|------------------------|-----|---|--|
| | | | | Units | % | | |
| To facilitate the booking of Learner and Driver license at DLTC through a reduced turnaround time. | Turnaround time | Driver booking within 3 weeks | Driver Licence booking varies depending on the capacity of each station. The variance is between 1 to 3 months | 1 | 100 | The Department is experiencing capacity (infrastructure and human resource) constraints in providing bookings within 3 weeks | The outcome recommendations of the DLTC turnaround strategy, provides a guideline in terms of what the Department should do to improve the turnaround time for DL bookings and the implementation of recommendations should commence in 2011 / 2012 financial year |
| To implement Intelligent Number plates to reduce use of false number plates | Number of vehicles in Gauteng with iNPs | 0.26m vehicles | 0 | 0.26 m1 | 100 | The strategy for the project has been revised, which resulted in the target not being achieved. Research on alternative regulatory systems was conducted. | Implement new plan based on revised strategy in the next financial year. |
| To ensure compliance to the NRTA and Regulations | Number of SLA's reviewed with municipalities | 9 SLA's reviewed | 0 | 9 | 100 | Project reprioritised to align implementation to the outcome of the study conducted (DLTC Turn Around Strategy) | 9 SLA's reviewed in the next financial year. |
| Expand driver license testing stations. | Number of expanded DLTCs. | Expand Temba, Mabopane, Three rivers; testing stations appoint 60 new examiners. | -Sites were identified -Project plans were developed -building plans were drafted -The implementation of the DLTC Operational Efficiency Turnaround Strategy Implementation Plan | 1 | 50 | Project reprioritised to align implementation to the outcome of the study conducted (DLTC Turn Around Strategy) | Kliptown will be expanded in the next financial year. |

Transportation Management (Transport Administration and Licensing)

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|--|---|------------------------|-----|--|---|
| | | | | Units | % | | |
| To establish new Driver Learner Testing Centres (DLTC's) | Number of newly established DLTCs | 2 Kagiso and Faranani (Kwatsaduza) | 0 | 2 | 100 | Project reprioritised, to align implementation to the outcome of the study conducted (DLTC Turnaround Strategy) | Kliptown will be expanded in the next financial year |
| | Increase the testing yards, starting points for drivers and facilities for learner applications in the provincial DLTCs | To eradicate the backlog in driver and learner application in Gauteng province | Identified strategic areas in terms of infrastructure capacity increase (test yards). | 1 | 100 | Project reprioritised, to align implementation to the outcome of the study conducted (DLTC Turnaround Strategy) | Implement the outcome of the study conducted |
| To increase the average pass rate for driver license tests | Percentage of applicants that pass the test for a drivers license | 50% | 0 | 1 | 50 | The department commissioning a turnaround implementation analysis study for improving inefficiencies that have been identified at the DLTC's | The implementation of the outcomes of the analysis will commence in 2011/2012 financial year. |
| Learner Driver Support Programme (including roll-out of mobile testing units) | Number of learners tested for drivers licenses | 1 000 | 211 Learners tested for learner license 0 Learners trained to obtain driver licenses. 2 mobile testing units were functional. | 1000 | 100 | This was a pilot study which began in December 2010. The testing of learners is a voluntary process and therefore it is depended on the learners whether they want to be tested. | More learners to be encouraged to complete the testing. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--------------------------------|---|---|------------------------|----|---|---|
| | | | | Units | % | | |
| Implement turnaround strategy for DLTCs (incl anti-fraud and corruption/integrity strategy) | Approve and implement strategy | Approved strategy implemented at 5 Provincial DLTCs | The implementation of the DLTC Operational Efficiency Turnaround Strategy Implementation Plan has been completed. | 1 | 50 | The department commissioning a turnaround implementation analysis study for improving inefficiencies that have been identified at the DLTC's. | The implementation of the outcomes of the analysis will commence in 2011/2012 financial year. |

Safety Engineering

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--------------------------------|--|---------------------------|------------------------|-----|---|--|
| | | | | Units | % | | |
| Traffic Surveying Service: Monitor utilisation of Provincial roads | Maintain 30 permanent stations | Measurement of provincial road utilisation, congestion, growth of traffic volumes, and types of traffic for the use in designs of roads, maintenance and management of roads | 32 stations working | +2 | +60 | Increased number of permanent stations. | - |
| | Count 280 secondary stations | Measurement of provincial road utilisation, congestion, growth of traffic volumes, and types of traffic for the use in designs of roads, maintenance and management of roads | 252 counted for the year | 28 | 9 | More break-ages occurred to the in-situ placed loops and circuitry than planned for. Some weather and maintenance of roads related, some due to theft and vandalism | Ensure that the stations not counted is prioritised in the new book year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|--|---|------------------------|------|--|--|
| | | | | Units | % | | |
| Traffic Surveying Service: Monitor utilisation of Provincial roads | 200 hand counts. | Measurement of provincial road utilisation, congestion, growth of traffic volumes, and types of traffic for the use in designs of roads, maintenance and management of roads | 302 intersections counted for the year | + 102 | + 50 | Updating of old hand counts increased the number of counts completed. | - |
| | Do ad-hoc counts as requested | Measurement of provincial road utilisation, congestion, growth of traffic volumes, and types of traffic for the use in designs of roads, maintenance and management of roads | 4 ad-hoc counts | 4 | 100 | - | - |
| Maintenance of provincial Weigh Bridges thereby contributing to road safety and reduced maintenance needs | Availability of weigh bridges to do overload control on provincial roads | Provide facilities to do overload control on Provincial roads | 2 calibrations per year required, one provided | 1 | 50 | The project was reprioritised. | Project to be completed in the next financial year |
| | Sites: 1. Traffic Training College 2. Bapsfontein 3. Pine haven 4. Meyerton | Provide facilities to do overload control on Provincial roads | 4 Ad-hoc maintenance provided on sites | 0 | 0 | - | - |
| To develop transport related legislation and policies | Overloading Control strategy review- | 1. Overloading Control strategy review. | 1. Overloading Control strategy review in progress. | 1 | 20 | Consultation with stakeholders took longer thereby delaying the finalisation of the policies | Policies to be completed in the next financial year. |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|---|---------------------------------------|------------------------|-----|--|---|
| | | | | Units | % | | |
| To develop transport related legislation and policies | Overloading Control strategy review- | 2. Provincial Storm water policy. | 2-Draft storm water policy | 1 | 90 | - | - |
| | | 3.Review of Way leaves policy | 3. Review of Way leaves policy. | 1 | 70 | - | - |
| Upgrade of the way leave information system | Upgraded way leave system | Upgraded Way leave system | 0 | 1 | 100 | Shortage of skills and capacity to complete up-grade of way leave system | The project to be completed in the next financial year. |
| Do investigations and publish reports thereby improving road safety | Published safety reports | 12 reports | 12 reports | 0 | 0 | - | - |
| Assess applications for change in land use: reduce backlog to comply with legislation | Assess 300 applications. | To address over 300 development application in backlog. | 300 applications assessed | 0 | 0 | - | - |
| Identify and prioritize intersections with capacity problems. | Publish report with 70 identified intersections, their level of service and proposed intervention measures in instances where the level of service is not acceptable. | Analyse 70 intersections | Report with 32 intersections analysed | 38 | 54 | Resource constraints impacted on the number of intersections analysed. | Ensure adequate resource planning to complete analysis in 2011/12 |
| Classification of Provincial Roads according to operational safety | Number of safety audit reports to be submitted at the end | 0 | 0 | 1 | 100 | Shortage of skills and capacity to complete up-grade of way leave system | The project to be completed in the next financial year. |
| Ensuring sustainable development by protecting and retaining capacity on Provincial roads. | Assess applications for access to provincial roads and provide comment and conditions | Assess 200 traffic impact applications | 271 | +71 | +36 | Received more applications | |

Programme 4: Gautrain

Gautrain managed by the Gautrain Management Agency which is a schedule 3 agency. The GMA provides an annual report on its performance for the financial year under review. Gautrain is a rapid rail system that links three metropolitan areas in Gauteng. From Sandton City in Johannesburg to OR Tambo International Airport in Ekurhuleni, Gautrain provides a world-class airport link. For general passengers there is a route between Johannesburg Park Station and Hatfield in Tshwane. With the implementation of Gautrain's 24 trains and 125 buses the Gauteng Provincial Government works towards the improvement of public transport and land use co-ordination as well as the integration of the different modes of transport.

The Gautrain Project had a plethora of successful achievements during the last financial year. The following are arguably some of the most significant achievements of the year, which saw the operations commence on 8 June 2010, well in time for the start of the 2010 FIFA World Cup.

The Gautrain experienced unexpectedly high passenger demand during the first few months of operations. People were prepared to stand for more than an hour in a queue just to get a ticket. By 16 September 2010, the Gautrain already had its One Millionth Passenger, and indications are that the Airport Service is particularly popular for tourists as well as business people.

The list below is a chronological list of some of the Development Period highlights:

- Trackwork installation and Overhead Catenary wires for Phase 1 were installed for Phase 1. Phase 1 refers to the line between Sandton and the Airport.
- The main Bus depot was completed.
- All the Electrical and Mechanical installation work for Phase 1 operations, with the exception of some Automatic Fare Collection equipment, was completed.
- The Operator commenced with its Trial Running for Phase 1 approximately two months before Operation during April 2010
- Train Operations commenced for both the Airport Service and the East-West General Passenger Service in time for the FIFA Soccer World Cup on 8 June 2010
- The civil construction works for Viaduct 5, which is more than 5km long through Centurion, were completed.

- The Civil Contractor handed over all alignment sections from Midrand up to Pretoria Station to the E&M Contractor.
- The trackwork was installed from Midrand through to Pretoria Station.
- All Rolling Stock for the System (24 Train Units or 96 Rail Cars) was delivered.
- Midrand Station construction was completed.
- Most of the physical civil construction and installation work on the Gautrain was completed.
- The Power Supply and Distribution energisation of the line up to Centurion was completed.
- Similarly the electrification of the line between Sandton and Rosebank was completed.
- Sandton Station construction was substantially completed.

2.9 g-FleeT Management (previously the Gauteng Government Motor Transport)

Submission of the g-FleeT Annual Report to the Accounting Authority

The Annual Report of g-FleeT Management for the 2010/11 financial year is hereby submitted to the Head of Department responsible for Roads and Transport by g-FleeT Management, in terms of the Public Finance Management Act (PFMA) of 1999.

SECTION A: GENERAL INFORMATION

Introduction by the Chief Executive Officer

The entity had a disclaimer in the 2009/10 which therefore created a challenge to ensure that there is a better outcome for the year under review. There was an increase in the resources allocated to deal with the matter. The entity also undertook a customer satisfaction survey and price comparison analysis aimed at ensuring that there is an understanding of how our customer feels about our service provision. The above environment was used as part of the learning lessons to be used to improve the entity's business.

The entity embarked on the decreasing the average age of the fleet from six years to five moving towards the targeted 3 year life span which bodes well in this industry. There was also an increase in the number of vehicles by 840 vehicles or a 13% increase from 6,390 vehicles as at 1 April 2010 to 7,230 vehicles as at 31 March 2011,

which includes 13 vehicles that were transferred to g-FleeT. However, during this period there were 565 vehicles that were withdrawn from active service (i.e. those with high mileage and have been involved in accidents) to reduce their cost of maintenance and 506 of these were auctioned via a tender process in March 2011.

The entity's budget for the year was R869,077,133.00 and R807,442,876.45 expenditure was incurred in the period under review, i.e. 93% of the budget was spent.

The entity engaged with stakeholders through the Transport Forums, the Accident Management workshop and CEO Road Shows. The intention was to improve existing relationships with clients and other stakeholders and increase the ability to solve problems. The major challenge the entity is still experiencing, is the collection of revenue within the prescribed 30 days period with the results that in some cases it cannot meet its obligation to pay creditors some of who charges interest. The turnaround strategy approved is the major instrument to address organizational structure, debt collection and management, systems and process matters within the organization. With the support from the department the future looks brighter

Strategic Overview

g-FleeT Management was previously known as the Government Garage and also as the Gauteng Government Motor Transport (GGMT), following the devolution of the fleet management functions previously carried out at the National sphere of government to Provincial Administrations in terms of a Cabinet decision on 25 May 1988.

It has been operating as a trading entity in terms of Treasury Regulation 19 and the Public Finance Management Act 1 of 1999 since 2001. g-FleeT Management was officially launched in October 2007, replacing the Gauteng Government Motor Transport (GGMT), as part of a re-branding and re-positioning strategic intervention to make the Government Garage more efficient and self-sustainable.

The main aim of the entity has remained as the provision of world-class motor transportation services to all government departments both at provincial and national levels. The fleet management services provided include vehicle acquisition, registrations and licensing; vehicle leasing and VIP rentals; maintenance, disposals and replacements as well as vehicle administration.

The entity currently has a staff complement of 310 employees, including employees contracted for a 5 year period to roll-out the Province's Learner Driver Support Programme launched on 27 October 2010.

In November 2010, the entity consolidated several initiatives from the previous three financial years and developed a Turnaround Strategy aimed at addressing issues raised by the Auditor General in the 2009/10 Audit Report and the Customer Satisfaction Survey conducted in August 2010. This strategy and implementation plan will be undertaken and reported on over the next three years, commencing in the 2011/12 in order to achieve the strategic goals/objectives indicated in later sections of this report.

VISION

To be the leading provider of quality fleet management services for official and business purposes.

MISSION

To provide economical access to transport for official and business purposes

VALUES

The values that guide the work of the staff and contractors working on behalf of the entity remained as follows:

- a) Good Governance
We pledge to uphold sound principles of institutional management, efficient systems and processes in service delivery
- b) Responsiveness
Our staff and contractors shall be approachable, receptive, open and will be quick to respond to needs of residents and clients as well as their responsibilities
- c) Innovative
We commit to be original, inventive and novel in the execution of our mandates and activities
- d) Accountability
We pledge to be answerable to clients and citizens of Gauteng about our service delivery activities
- e) Passion
We undertake to deliver services with passion, excitement and enthusiasm

- f) Professionalism
We commit to show competence and an attitude of excellence at all times
- g) Ethical
We commit to be principled, fair and just in our conduct and in service to the people of Gauteng
- h) Commitment
We commit to be devoted, faithful and loyal to the citizens and clients.

ORGANISATIONAL STRUCTURE

The approved organisational structure of the entity during the 2008/9 year was as follows

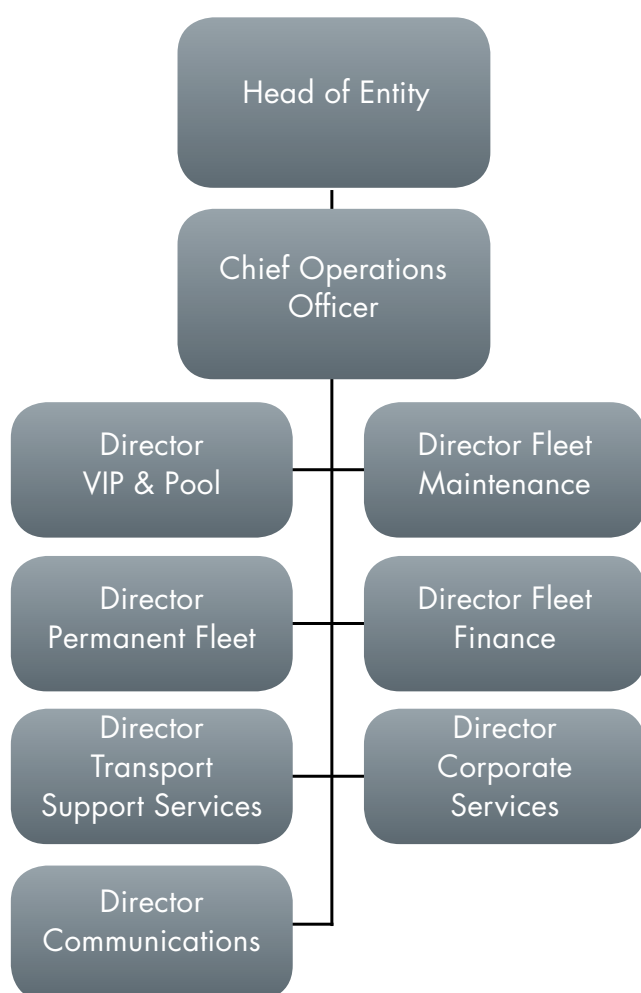


Figure 1: g-FleetT Approved Organisational Structure -2008/9

Analysis of the current profile of employees indicates that 51% (or 159) of g-FleetT employees are permanent employees, whilst 49% (or 151) are employed on a contract basis. Included in the above-mentioned table, are the 49 youth employees appointed on 5-year contracts as Driving Instructors for the Learner Driver Support Programme launched in October 2010 and currently being piloted for roll-out in Gauteng.

The entity aims to develop and secure approval of the organisational structure by May 2011 and fill at least 80% of all posts by 31 March 2012. The implementation process will begin in June 2011 and will ensure that all critical posts are filled, to provide quality service and meet client expectations.

LEGISLATIVE MANDATE/Framework: g-FleetT MANAGEMENT

1.1 Legislative Mandates

The entity was operating in line with the following legislative mandates in the 2010/11 financial year:

- a) Public Finance Management Act 1 of 1999
- b) Public Service Act 103 of 1994
- c) Transport Circular 4 of 2000
- d) National Road Traffic Act 93 of 1996
- e) Administrative Adjudication of Road Traffic Offences Act 46 of 1998
- f) Cabinet Memo of 1988
- g) Treasury Regulations of 2005
- h) Public Service Regulations of 2001
- i) Treasury practice notes

The entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilization of government-owned transport.

SECTION B: INFORMATION ON PREDETERMINED OBJECTIVES

OVERALL PERFORMANCE

The entity's 2010/11 financial performance against the Annual Budget was as indicated in the table below:

SECTION B: INFORMATION ON PREDETERMINED OBJECTIVES

OVERALL PERFORMANCE

The entity's 2010/11 financial performance against the Annual Budget was as indicated in the table below:

2010/11 Budgeted Funds & Expenditure

| 2010/11 Budget R'000 | Adjusted 2010/11 Budget R'000 | Actual 2010/11 Expenditure R'000 | (Over)/Under Expenditure R'000 |
|---------------------------------|---|---|---|
| 869 077 | N/A | 807 443 | 61 634 |
| Responsible MEC | Mr. Ismail Vadi: MEC for Roads and Transport in Gauteng | | |
| Administering Department | Gauteng Department of Roads and Transport | | |
| Accounting Officer | Mr. Stewart Lumka: Acting Head of Department | | |

Table 1: 2010/11 Budget & Expenditure

AIM OF THE ENTITY

g-FleeT Management is the Trading Entity of the Department of Roads and Transport (DRT) and has been in existence for more than 10 years. The main aim of the entity is to provide motor transportation services to all government departments both at provincial and national levels.

The trading activities of g-FleeT focus primarily on the provision of state vehicles to enable client departments to carry out their activities efficiently and effectively. Vehicles are procured and/or replaced by g-FleeT in line with client requests. The National Treasury RT57 contract guides the procurement of vehicles. g-FleeT charges a daily, monthly and/or a kilometer tariff (user tariff charges) on the vehicles to cover the capital, running and overhead costs.



SUMMARY OF PROGRAMMES

Overview of the Programme Structure

| g-FleeT PROGRAMMES | Sub-Programmes |
|--|--|
| Programme 1: Operations | Sub-programmes: |
| | 1.1 Permanent Fleet |
| | 1.2 Fleet Maintenance |
| | 1.3 Transport Support Services (TSS) |
| | 1.4 VIP & Pool |
| | 1.5 Learner Driver Support Programme |
| Programme 2: Finance | Sub-programmes: |
| | 2.1 Finance |
| | 2.1 Supply Chain Management |
| Programme 3: Corporate Services | Sub-Programmes: |
| | 3.1 Human Resources |
| | 3.2 Information Communication Technology |
| | 3.3 Legal |
| | 3.4 Facilities and Security |
| Programme 4: Communications | Sub-Programmes: |
| | 4.1 Communications |

Table 1: 2010/11 Budget & Expenditure

KEY STRATEGIC OBJECTIVES ACHIEVEMENTS

In the 2010/11 financial year, the following are notable achievements against key strategic objectives:

Strategic Objective 1: To provide a reliable and cost effective Fleet Management service

- Successful implementation of the Vehicle Replacement Programme, saw an additional 805 new vehicles as at 31 March 2011, which reflects an 13% increase from the 6,390 vehicles as at 1 April 2010
- High service levels and improved performance on VIP services, through the servicing of 97% of all requests received during the year under review, i.e. 16,719 requests serviced

- Improved management of major panel beating repairs process in the 2010/11 financial year through a reduction of turnaround times to an average of 29 days in the 2010/11 financial year compared with the planned 30 days

Strategic Objective 2: To increase the life skills of matriculants in 4 schools

- Successful launch of the Learner Driver Support Programme in Gauteng on 27 October 2010, which between 6 December and as 31 March 2011 trained and assisted 159 Learners obtain their learners licences through this provincial government initiative piloted in the 2010/11 financial year

Strategic Objective 3: Effective and efficient vehicle administration

- The entity achieved its target of licensing and registering new vehicles within the set 3-day turnaround time during the 2010/11 financial year
- During the year under review, 93% or 5,112 licenses were renewed of the 5,485 vehicles under g-FleeT's control
- The turnaround time targeted for capturing data on FIS for new vehicles was achieved, within 5 days

Strategic Objective 4: Maximised return on investment on assets

- The entity managed to award 83% of the R6.5 million expenditure to companies owned by historically disadvantaged individual (HDI's) as part of its aim to contribute towards empowerment

Strategic Objective 5: Building the technical capacity of the Department to ensure good governance

- There was 100% compliance to the PMDS guidelines during the 2010/11 financial year.
- The amount of overtime was significantly reduced by 98% for the financial year

OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

In the 2010/11 financial year, the entity found its service delivery environment very challenging, due to

the significant budget/cash constraints experienced by most government Departments.

This resulted in a number of major clients not able to cover their fleet's operating costs during the financial year. Outstanding revenue from clients as at 1 April 2010 was at R276 million and this increased to R337 million as at 31 March 2011. However, significant progress was made in collecting payments amounting to R707 million were received from clients as at 31 March 2011 compared to R677 million billed in the year.

Several interventions were implemented during the financial year to address the outstanding payments and targeted strategies will be developed for each client category in the 2011/12 financial year. The interventions already implemented involved support being provided by relevant stakeholders, e.g. the HOD and MEC as well as the Portfolio Committee on Roads and Transport.

In August 2010, a customer satisfaction survey was conducted, which reflected high levels of dissatisfaction (73.2%) by g-Fleet clients concerning services provided by g-Fleet. The management team has already started addressing the operational issues and processes aimed at improving customer satisfaction to at least 55% by 31 March 2012. Transport Forums held between February and March 2011 with all clients, were the starting point in improving relations with our clients.

The price competitiveness survey, also conducted during this period, indicated that the entity was still very competitively priced, across a number of vehicle categories.

OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2010/11

In May 2010, during the preparation of 2009/10 financial year audit, g-Fleet experienced significant staff turn-over without proper hand-over processes being followed. The entity lost 59 employees when temporary employment service (TES) contracts were terminated. 13 of the employees whose contracts were terminated would have played direct role towards smooth running of the audit process.

During the 2010/11 financial year, the entity employed a Chief Financial Officer with effect from 11 September 2010 to further capacitate the Finance Unit and address concerns raised in the Auditor General's Disclaimer Audit Opinion Report.

Additional competent employees were identified and sourced to provide adequate support to the office of the CFO and to work on the issues raised by the AG in the Management Letter. Within operations, additional managers were appointed in the latter part of the year, to increase the capacity of the entity.

A three year Turnaround Strategy has been developed to address all issues and concerns raised by relevant stakeholders and implementation of identified quick wins is already underway.

As a result of the Disclaimer Audit opinion from the Auditor General (AG) on the 2009/10 Annual Financial Statements, additional focus and effort to address all internal controls and financial management concerns raised has been provided for in the Turnaround Strategy.

A number of initiatives have already been initiated in the 2010/11 financial year to improve the maintenance of internal controls and reporting systems and several new initiatives focused on the implementation of new suitable systems in the new 2011/12 financial year will be rolled-out, as an ongoing process of addressing all concerns raised by the AG.

The delays in finalizing a suitable organizational structure in the 2010/11 financial year led to high levels of uncertainty amongst staff, resulting in low morale.

As part of the Turnaround Strategy and 2011/12 Annual Performance Plan, a Change Management and Skills Training programme will be implemented, to help support the achievement of the targets set within the organisation over the next three years. These programmes will be targeted at all staff to ensure that morale and performance is significantly improved.

A detailed Risk Assessment was conducted in the latter part of the financial year to identify the top risks within the organisation. The process resulted in agreement on suitable and effective mitigation measures to be implemented in the 2011/12 financial year, in order to prevent the risks or to minimise them and their impact.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The entity's operations in the 2010/11 financial year were not affected by any major changes to relevant policies or legislation.

PROGRAMME PERFORMANCE FOR THE 2010/2011 FINANCIAL YEAR

PROGRAMME 1: OPERATIONS

1.1 Permanent Fleet

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|---|---|------------------------|-----|---|--|
| | | | | Units | % | | |
| To maintain passenger vehicles within their replacement cycle of 3 years | 55% of passenger vehicles not older than 3 years (Baseline: 6,155 passenger vehicles) | 55% of passenger vehicles not older than 3 years | 49% of passenger vehicles not older than 3 years (i.e. 3,437 vehicles) | -405 vehicles | -6% | This is primarily due to the Vehicle Replacement programme, initiated in May 2010 and undelivered new vehicles by manufacturers | Improved alignment of processes to withdraw old vehicles with their replacement in 2011/12 |
| To maintain passenger vehicles within their replacement cycle of 7 years | 45% of passenger vehicles not older than 7 years (Baseline: 235 commercial vehicles) | 45% of commercial vehicles not older than 7 years | 50% (i.e. 125 vehicles) | +19 vehicles | 5% | The initial target set was incorrect, since it was based on commercial vehicles not older than 3 years, instead of those not older than 7 years | The adjustment of the targets for the 2011/12 have been effected to reflect the correct period |

Passenger vehicles not older than 3 years

The target of having 55% of passenger vehicles not older than 3 years was not achieved as at 31 March 2011 due to the continued ageing of existing fleet. The target was set in April 2010, when the entity had a total of 6,155 passenger vehicles and 40 % passenger vehicles were not older than 3 years. Although the target was not achieved, the 9% increase in the passenger vehicles not older than 3 years indicates the success of the implementation of the Vehicle Replacement/Acquisition Programme during the year. As at 31 March 2011, gFleet had a total of 6,985 passenger vehicles and 3,437 (or 49%) of these passenger vehicles were not older than 3 years.

Commercial vehicles not older than 7 years

The target of having 45% of all commercial vehicles was exceeded by 6%, since the target set was underestimated, mainly due to an error with the no. of years parameter used.

As at 1 April 2010 when the target was set, the entity had 235 commercial vehicles and already 105 commercial vehicles or 45% of vehicles in this category. As at 31 March 2011, the entity had 245 commercial vehicles and 125 or already 51% of these were not older than 7 years. This target has been reviewed in the 2011/12 financial year to ensure that it leads to improved performance.

1.2 VIP and HIRE POOL

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|--|--|------------------------|------|---|---|
| | | | | Units | % | | |
| To have 100% of Taxi and VIP requests serviced | % of Taxi and VIP requests serviced | 100% of Taxi and VIP requests serviced (17,259 total requests) | 97% of Taxi and VIP requests serviced (16,719 requests serviced) | -540 requests serviced | -3% | The entity experienced a number of client cancellations and double bookings by clients | The planned technical review of the FIS system will eliminate double bookings in the 2011/12 year |
| To have 95% of pool vehicles rented to clients | % of pool vehicles rented to clients (Baseline: 1,463 Pool vehicles) | 95% of pool vehicles rented to clients | 77% of Pool vehicles rented to clients (average 1,109 vehicles) | -334 vehicles | -19% | A significant number of pool vehicles were not available for rental to clients during the 2010/11 financial year due to accidents, write-offs, internal allocations to Transport Officer, repairs and maintenance | In the 2011/12 financial year, an exercise to re-allocate vehicles to Pool that are suitable for rental to clients will be conducted. |

Taxi and VIP requests serviced

The target to service 100% of all Taxi and VIP requests received was not achieved due to a total of 540 requests that could not be serviced.

A total of 17,259 requests were received in the 2010/11 financial year and only 16,719 requests were serviced. These were mainly as a result of client cancellations of bookings received and double bookings submitted to g-Fleet by clients.

It is envisaged that the current booking system, which is part of the FIS system, will be reviewed to ensure a reduction or elimination of double bookings from clients. In future provision will be made for a small percentage of client cancellations, as these are outside the entity's control.

Percentage of Pool vehicles rented to clients

The target of renting out at least 95% of all pool vehicles was not achieved, since only 77% (or an average of 1,109 pool vehicles) were rented to clients in the year. The total number of vehicles allocated as pool vehicles as at 31 March 2011 was 1,459.

This was due to some pool vehicles not being available for rental to clients, as a result of accidents, write-offs, allocations to the Transport Officer and in various stages of repairs in the workshop.

It is envisaged that VIP and Pool will only be allocated vehicles that are suitable for rental to clients in the 2011/12 financial year.

1.3 Learner Driver Support Programme (LDSP)

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|---|--|------------------------|------|--|---|
| | | | | Units | % | | |
| Train matriculants on driving skills by 31 March 2011 | No. of matriculants trained on driving skills | 250 matriculants trained on driving skills (obtained drivers license) | 159 learners obtained learners licenses 0 learners trained to obtain drivers licenses | -250 | 100% | The Pilot Project was only implemented from October 2010 (i.e. in Q3). National Road Traffic Act age restrictions prevented driver training for most of the 159 learners with learners licenses | There is a need to review targets for the roll-out phase of the project, based on lessons learnt in the next financial year |

Matriculants trained on driving skills

The envisaged target to provide driver training to 250 learners was not achieved, due to the project only being implemented in the 3rd Quarter of the financial year. Training commenced in only three of the four identified schools in December 2010 and only 159 learners of the 211 who sat for the learners licence passed as at 31 March 2011.

The number of learners with learners' licenses represents a pass rate of 75% of those tested.

There were only 53 learners (or 33%) of those that passed their learners licences, who could be provided with driver training, due to them not being 18 years old. These learners are still undergoing training and will only be taking their drivers licence tests in the new financial year.

In the new financial year, there is a need to review the project's implementation approach before it is rolled-out in the Sedibeng Municipality, in line with the lessons learnt from the pilot project.

1.4 Transport Support Services

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|-----------------------|--|---|------------------------|------|--|---|
| | | | | Units | % | | |
| % of vehicles tracked | % of vehicles tracked | 100% of vehicles tracked (Baseline: 6,390 vehicles) | 63% vehicles tracked (average 4,410 vehicles) | -2,578 vehicles | -37% | Technical errors on tracking gadgets. Decision taken not to proceed with new fitments to vehicles in light of expired tracking contract | Fast track the appointment of a service provider on the new tender and installation of new tracking units in the 2011/12 financial year |
| % of vehicles licenses renewed on time | % of renewed licenses | 95% of renewed licenses (Baseline: 5,354 vehicles) | 93% of renewed licenses (5,112 vehicle renewals) | -99 vehicles | -2% | Performance in the 1st Quarter was below target due to the termination of employees on contract in May 2010. | Process re-alignment and planned improvements for the 2011/12 financial year to achieve set targets |
| Number of days for licensing and registration of new vehicles | No. of days | 7 days | Average 8 days | +1 day | -14% | Public Service Strike in July 2010 resulted in slight delays on the licensing and renewals process | New vehicle registration process was improved from the 4th Quarter of the 2010/11 year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|----------------------|----------------------------|---------------------------------------|------------------------|------|--|--|
| | | | | Units | % | | |
| % of fines re-routed | % of fines re-routed | 100% fines re-routed | 44% fines re-routed (10,600 fines) | -13,380 fines | -56% | Lack of adequate processes to manage fines Late receipt of fines from Traffic authorities Limited usage of FIS system by Departments to capture driver information to facilitate re-routing of fines to drivers Poor cooperation by Departments to provide driver or offender details when requested by g-FleeT | To review and streamline the internal fines management process in the 2011/12 financial year To implement driver identification system as part of the new vehicle tracking system to be implemented in the 2011/12 financial year to ensure compliance with AARTO Act |
| Number of days to capture data on FIS for new vehicles | No. of days | 3 days | Average 3 days | 0 | 0% | N/A | N/A |

Vehicles tracked

The target to track all vehicles has not been achieved, due to faulty tracking devices and vehicles without devices in preparation for the migration to the new vehicle tracking system.

In some instances clients request that tracking devices should not be installed in their allocated vehicles, due to the nature of their work or security status.

Vehicle licence renewals

A total of 5,112 or 93% of all vehicle licenses were renewed during the year. The renewals data has been sourced from the e-Natis register and provides more

accurate information than previously provided in the quarterly reports.

The baseline of to be renewed in the year was 5,485 vehicles as at 31 March 2011. The shortfall of 99 license renewals was due to backlog during from the 1st Quarter, following the termination of employees on contract, who only returned in the 2nd Quarter of 2010/11.

Improved processes were implemented from the 4th quarter and ongoing improvements will be effected in the new year.

Licensing & Registration of new vehicles

The target set for the licensing and registration of new vehicles was not achieved in the 2010/11 financial year. The target was exceeded by 1 day, due to the public service strike in October 2010, which resulted in slight delays with renewals of new vehicles.

Enhanced processes implemented in the latter part of the year have led to achievement of the target in the 4th Quarter. It is envisaged that the performance level will be improved on in the new financial year.

Re-routing of fines

The target has not been achieved due to poor cooperation from client Departments in providing accurate information on driver information when requested by g-Fleet. Although there are vehicles with some driver identification vehicle tracking devices, these are mostly not activated by drivers each time a vehicle is utilised.

The new tracking system to be implemented in the 2011/12 financial year will include driver identification, which will be compulsory to ensure compliance with the AARTO Act.

1.5 Fleet Maintenance

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|----------------------------|---|------------------------|------|---|--|
| | | | | Units | % | | |
| Adherence to maintenance programmes for all vehicles | % breakdowns relative to size of fleet (Baseline: 5,354 vehicles) | 26% breakdowns | 27% breakdowns (Average 1.613 vehicles) | +62 vehicles | +1% | Fleet still comprises of very old vehicles, which have exceeded their useful lifecycles High incidence of driver abuse | Implementation of the Vehicle Replacement programme in the new financial year to improve the age of the fleet The implementation of the new tracking system in 2011/12 will allow more accurate identification and monitoring of driver abuse |
| Vehicle inspections on all repairs above R15K | % of inspections carried out | 100% | Average 47% inspections carried out | -185 inspections | -53% | Shortage of inspectors | Formalise assistance from Wesbank inspectors in other provinces and appoint additional g-Fleet inspectors for Gauteng in the 2011/12 financial year |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|------------------------------------|--|----------------------------|---------------------------|------------------------|------|---|--|
| | | | | Units | % | | |
| TAT on major mechanical repairs | No. of days spent on major mechanical repairs | 20 days | Average 31 days | +11 days | -55% | Slow repair authorisation process and delays by merchants to finalise mechanical repairs | In the 4th Quarter, two dedicated call centre agents were allocated to follow-up on repairs on a daily basis Process to develop and finalise the SLA with Wesbank is already underway |
| TAT on minor mechanical repairs | No. of days spent on minor mechanical repairs | 3 days | Average 6 days | +3 days | -50% | Slow repair authorisation process and delays by merchants to finalise mechanical repairs | In the 4th Quarter, two dedicated call centre agents were allocated to follow-up on repairs on a daily basis Process to develop and finalise the SLA with Wesbank is already underway |
| TAT on major panel beating repairs | No. of days spent on major panel beating repairs | 30 days | Average 29 days | -1 day | +3% | Efficiently managed panel beating repairs process implemented in the 2010/11 financial year | To document or formalise process and finalise a SLA with Accident Management company |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|------------------------------------|--|----------------------------|---------------------------|------------------------|------|--|---|
| | | | | Units | % | | |
| TAT on minor panel beating repairs | No. of days spent on minor panel beating repairs | 5 days | Average 7 days | +2 days | -40% | Delays with hand-over of vehicles to merchants by drivers Slow repair process by merchants of minor repairs | Finalize SLA with accident management company with specific TAT and service standards |

Adherence to maintenance programmes

The entity has had limited capacity of inspector, with only two inspectors to service all vehicle repairs. In the 4th Quarter, Wesbank provided additional inspection support and this will be formalised in the SLA to be concluded.

Vehicle inspections on all repairs above R15K

The entity has had limited capacity of inspectors, with only two inspectors to inspect all vehicle repairs above R15,000. As at 31 March 2011, a total of 165 inspections were carried out of the 350 vehicles to be inspected.

In the 4th Quarter, Wesbank provided additional inspection support and this will be formalised in the SLA to be concluded.

Turnaround times on major mechanical repairs

The target was not reached due to the slow authorisation process between g-FleeT and Wesbank. The interventions to provide additional capacity were only implemented in the 4th Quarter of the year.

Turnaround times on major mechanical repairs

The target was not reached due to slow authorisation process between g-FleeT and Wesbank. Interventions to provide additional capacity implemented in the 4th Quarter of the year.

Turnaround times on major panel-beating repairs

The target was reached and exceeded due to the managed process to deal with all major panel-beating repairs between g-FleeT and the assessing service provider. There are also limited volumes of these repairs, resulting in improved performance by Wesbank merchants.

Turnaround times on minor panel-beating repairs

The target was not reached due to slow authorisation process between g-FleeT and Wesbank and the large volume of minor accident related repairs. The interventions to provide additional dedicated capacity to follow-up on repairs were only implemented in the 4th Quarter of the year.

PROGRAMME 2: Finance

2.1 Finance

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---------------------|----------------------------|---------------------------|------------------------|-------|---|---|
| | | | | Units | % | | |
| Improve our ability to be self sustainable | No. of debtor days | 30 days | 121 days | +91 days | -247% | Failure by clients Departments to pay | Withdrawal of vehicles from Departments that fail to pay within 90 days |
| Source goods and services from BBBEE to increase empowerment | - | 100% (Accumulative) | 83% (average) | - | -43% | Lack of system to fully track BBBEE expenditure | Implementation of BBBEE procurement strategy in the 2011/2012 year |

NB! These are funds set aside for goods and services procured from historically disadvantaged individuals (HDI's) These are funds set aside for goods and services procured from historically disadvantaged individuals (HDI's)

Improve ability to be self-sustainable

The target set was not reached due to cash constraints experienced by major client Departments and some late invoicing as a result challenges with the FIS system. It is envisaged that all current initiatives and interventions will be intensified to reduce the number of debtor days to acceptable levels.

Source goods and services from BBBEE to increase empowerment

This target was set on funds set aside for the procurement of goods and services from HDI's and 83%

or R5.4 million was allocated to companies owned by historically disadvantaged individuals of the R6.5 million spent as at 31 March 2011.

This target excluded all operational expenditure, since the entity does not have adequate system to track and report on its awards, in line with BBBEE requirements. However, in the 2011/12 financial year, comprehensive tracking of all expenditure will be undertaken to ensure improved empowerment, in line with legislation.

PROGRAMME 3: Corporate Services

3.1 Human Resources

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|--|--|------------------------|-------|---|--|
| | | | | Units | % | | |
| To establish a clear organizational structure | Approved organizational structure | 70% of vacant positions in the structure filled | Structure not approved | -1 | -100% | Draft or-organisational structures developed in the 4th Quarter of the financial year | Approval of the structure to be finalised by 30 June 2011 |
| | % of filled vacant posts | 70% of vacant positions in the structure filled | 0% posts filled in the structure | -1 | -100% | Filling of posts pending the approval of the structure | Fast-track the approval of the structure and the filling of posts by 31 March 2012 |
| Training facilitated to address capacity building needs | Training request received from business units Number of training sessions conducted | To provide generic training as per the DRT calendar | 619 training requests received from 9 Business Units 57 training sessions conducted | 0 | 0% | Not applicable | Not applicable |
| Approved skills development plan | Number of skills development needs submitted | 50% (129) of staff trained in their areas of expertise | 432 skills development needs submitted | 0 | 0% | Not applicable | Not applicable |
| | Developed work skills plan % implementation of WSP | | Work Skills Plan not developed and approved Work Skills Plan not implemented | -1 | -100% | Lack of internal capacity to develop the Work Plan | To appoint a service provider to facilitate the development and approval of the Work Skills Plan by 30 June 2011 |
| To strengthen management capacity through upskilling for improved leadership | % of managers trained on general and project management | To provide training to all managers from level 8 to level 15 on general and project management | 46% of managers trained (27 of 59) | -32 | -54% | Implementation of training programme only in the 4th Quarter of the financial year | Training programme to be implemented in the 2011/2012 financial year |

PROGRAMME 3: Corporate Services

3.1 Human Resources

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|--|---|---|------------------------|------|---|-----------------------|
| | | | | Units | % | | |
| To monitor performance of staff in achieving organizational goals | % of performance agreements signed and submitted to HR | 100% compliance to PMDS guidelines to monitor policy implementation | 100% compliance to PMDS guidelines to monitor policy implementation | 0 | 0% | Not applicable | Not applicable |
| To manage the amount of overtime | Overtime reduced by 67% (Baseline: R7 million) | Rand value for overtimes reduced by 67% | Overtime reduced by 98% to R51, 635 for overtime managed | -R2 m | +31% | A minimal amount of overtime was worked | Not applicable |

Establishing a clear organizational structure

The target was not achieved due to several HR process to review the structure, which delayed the process of developing and finalising the structure by 31 March 2011 as planned.

However, this project is now underway and a Task Team has been established. It is envisaged that at least 80% of the posts in the new structure will be filled by 31 March 2012.

Training facilitated to address capacity building needs

During the year under review, a total of 619 training requests were received from all Business Units (total staff complement of 310 employees) and 57 training sessions were held. A total of 27 managers were provided with training, which represents only 46%. A comprehensive organisational-wide training programme has been developed, with an approved budget of R1.9 million will be implemented in the 2011/12 financial year.

The Workplace Skills Plan, which was not developed and submitted in the 2010/11 financial year, will be developed, in line with requirements, in the next financial year.

To monitor performance of staff in achieving organizational goals

This target was to ensure 100% compliance for employees' performance agreements to be signed and submitted to HR as required and was achieved in the 2010/11 financial year.

To manage the amount of overtime

Overtime was maintained to a minimum during the year and R2 million of the set target was not spent as at 31 March 2011.

The utilisation of overtime to improve organisational performance will be managed within the existing policies.

3.2 Legal Services and Contract Management

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---------------------------------------|-----------------------------------|---|--|------------------------|------|--|---|
| | | | | Units | % | | |
| To manage and ensure vetting of SLA's | % of SLA's managed and vetted | 100% SLA's drafted and vetted before signature with third parties | 50% SLA's drafted and vetted before signature with third parties (6 SLAs finalised) | -6 SLAs | -50% | Ineffective monitoring processes | Improvement of the monitoring processes within the 2011/12 financial year |
| To provide legal opinions | Number of legal opinions provided | 900 opinions provided | 860 opinions provided | -40 opinions | -4% | Time constraints due to increased responsibilities | Re-allocation of responsibilities within Business Unit |

Manage and ensure vetting of SLA's

The target set to vet all Service Level Agreements (SLAs) was not reached as only 6 of the 12 SLAs or 50% were vetted and finalised during the year. This was due to the ineffective monitoring process of Service levels between the various parties to ensure timeous finalisation.

The outstanding Service Level Agreements will be reviewed and finalised in the new financial year.

Provide legal opinions

The set target of providing 900 legal opinions was 96% achieved and the 4% (40 opinions) under-achievement was as a result of increased responsibilities within the Business Unit during the period under review. In future the work will be re-allocated to avoid any potential bottlenecks, which can impact the achievement of set targets.

3.3 Information and Communication

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|---|---|--|------------------------|------|--|--|
| | | | | Units | % | | |
| To strengthen the capacity of the entity to attain good governance | % availability of ICT environment | All calls resolved within minimum time to restore i.e. 6 hours | 42% calls were resolved within turn-around time (128 calls) | -176 | -58% | Entity is working on a new structure which will cater for ICT capacity needs | Lack of capacity since some of the faults requires more time to resolve (2 technicians who look after all the g-Fleet sites) |
| Accessibility to ICT environment and services | Number of employees with access to ICT services | Provision of ICT resources maintenance and support to all staff | 241 users with e-mail accounts and fax to email facility for both in and outbound. | 0 | 0% | Not applicable | Not applicable |
| | | | 120 users with desktops, and 66 users with laptops | 0 | -20% | 30 new users still await desktops and upgrades due to the slow centralised ICT procurement processes | Process to be rolled over to the next financial year |

Strengthen the capacity of the entity to attain good governance

The entity was not able to resolve all calls within the turnaround time of 6 hours from the time of logging a call, due to capacity constraints within the Business Unit. This resulted in deviation of 58% and it is envisaged that the finalisation of the structure will facilitate the allocation of adequate staff within the unit.

Accessibility to ICT environment and services

This target could not be achieved due slow centralised ICT procurement processes. As at 31 March 2011, at least 30 users or 25% of the 120 users who should be provided with ICT desktops/laptops were still awaiting the allocation of ICT equipment.

The procurement of the equipment will be fast-tracked in the beginning of the new financial year.

3.4 Facility and Security

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|---|---|---|--|------------------------|-------|--|---|
| | | | | Units | % | | |
| Fully managed and maintained of-fice buildings and premises | Maintenance schedules developed | 100% maintenance of all buildings and premises to comply with OHS act | Maintenance schedules developed | 0 | 0% | Not applicable | Not applicable |
| | Maintenance conducted on buildings as per schedules | | 50% Maintenance conducted on buildings | -0.5 | -50% | Weak procurement processes | Establish procurement processes |
| | Number of job cards completed | | 81 job cards completed | - | 0% | Not applicable | Not applicable |
| | Maintenance reports on buildings | | Maintenance reports compiled | - | 0% | Not applicable | Not applicable |
| | | | | | | | |
| 100% completion of Panel beating shop and Wellness Centre | % of work completed on undertaken projects | 100% completion of panel beating shop and wellness centre | 0% | -1 | -100% | Change of mandate | Appointed a Quantity Surveyor to quantify amounts claimed against the work completed and construction standards |
| Number of completed construction projects (Infrastructure upgrade – Sewer system, lighting upgrade, storm water drainage, paving, car wash and upgrading of water pressure) | Number of completed construction projects identified Costing and approval of projects by HOD Developed construction terms of reference Approval by DAC Service provider sourced | Completion of 4 new construction projects (i.e. sewer system, storm water, car wash and water pressure, etc.) | 0% | -4 | -100% | Delay in the appointment of the Service Provider | Appointed a Project Manager who is currently undertaking feasibility study |

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|--|--|--|--|------------------------|-------|--|--|
| | | | | Units | % | | |
| 100% compliance to OHS Policy (Bedfordview, Koe-doespoort, Ipeleng and Corporate Park) | Establishment of a Health and Safety Committee OHS guidelines developed Developed Implementation plan for OHS guidelines Available and working emergency equipment in compliance with Facilities and Environmental Regulations at all times | 100% compliance to OHS Policy (Bedfordview, Koe-doespoort, Ipeleng and Corporate Park) | 50% compliance to OHS Policy (Bedfordview, Koe-doespoort, Ipeleng and Corporate Park) not achieved | -2 | -50% | OHS Committee not active to drive the implementation of OHS requirements | OHS Committee to be revived in order to implement guidelines by 30 June 2011 |
| 100% surveillance monitoring of g-Fleet's assets | % monitoring of assets within g-Fleet's premises | Fully installed surveillance systems in 3 sites to monitor g-Fleet assets | Surveillance systems in 3 sites to monitor g-Fleet assets not installed | -1 | -100% | Independent Audits not conducted during the financial year end to improve the surveillance equipment | Implementation of Action Plans once audit has been completed |
| | Number of sites installed with surveillance monitoring systems | Fully installed surveillance systems in 3 sites to monitor g-Fleet assets | Surveillance systems in 3 sites to monitor g-Fleet assets not installed | -1 | -100% | Independent Audits not conducted during the financial year end to improve the surveillance equipment | Implementation of Action Plans once audit has been completed |

Fully managed and maintained office buildings and premises

Only 50% of the buildings were maintained, in line with the maintenance schedules developed. The under-achievement was largely due to prolonged procurement processes, for each maintenance service required.

In the 2011/12 financial year, the procurement process will be revised to allow for the appointment of a panel of specific service providers, in line with the plans to be implemented.

100% completion of Panel beating shop and Wellness Centre

These projects, which are estimated at almost 90% complete, could not be completed, due to the delayed process to technically assess/audit the work already done, to finalise claims by or against appointed contractors.

The appointment of a quantity surveyor was completed in the 4th quarter and the assessment will be fast-tracked, to ensure completion of the projects in the first half of the 2011/12 financial year.

Completion of construction projects

The 4 infrastructure projects, which were planned for construction and completion during the year under review could not be initiated due to delays in appointment of a service provider to conduct the feasibility study. Once the service provider has finalised the feasibility study,

the process of appointing all contractors will be fast-tracked to ensure that these facilities upgrade projects are completed by 31 March 2012.

100% compliance to OHS Policy

The policy was only partially complied with, due to the committee not being fully operational to drive compliance with the OHS requirements during the year. This will be addressed in the 2011/12 financial year.

100% surveillance monitoring of g-Fleet 's assets

The surveillance systems currently implemented within the three offices were to be upgraded during the year under review. However, a review of the systems was conducted and specific areas that require improved monitoring were highlighted. As at year-end, the upgrade to surveillance equipment was not conducted and will be implemented in the new financial year.

Programme 4: Communication

4.1 Marketing

| Measurable objective | Performance Measure | Planned Output for 2010/11 | Actual Output for 2010/11 | Deviation from targets | | Reason for Deviation | Proposed Intervention |
|-------------------------------------|--|---|--|------------------------|------|---|---|
| | | | | Units | % | | |
| To increase client satisfaction | % Increase in client satisfaction increase | 80% client service satisfaction by March 2011 | 27% client service satisfaction survey results | 1 | -53% | Limited capacity to service 54 clients and 405 clients sites (by 9 client liaison officers) | Service ratings will be done with each client visit (visit report) Follow-ups to be made with clients and internal support to ensure that clients are met and queries are solved |
| To increase the g-Fleet client base | % new business on new vehicles uptake | 5% of new business on new vehicles uptake | 0% of new business on new vehicles uptake | -1 | 0% | No new commitments to uptake new business- DRT decision to focus on growing the fleet within existing client base | Awaiting new financial year to determine new budget plans to purchase new vehicles |

Increase in client satisfaction

The survey conducted in August 2010 indicated overall dissatisfaction with the service provided by g-FleeT.

This under-achievement of the target by 53% confirms the need to address client relations and to improve operations.

During the year under review there was limited Client Liaison Officer capacity to adequately service all clients and to visit all client sites. There was a lack of systems integration to provide Client Liaison Officers with necessary support and information to improve the quality of client visits.

This area is one of the key focus areas from the Turnaround Strategy being implemented over the next three years, until March 2014.

Increase the g-FleeT client base

During the 2010/11 financial year, the Department took a decision that g-FleeT should focus only on existing clients and not on acquiring new clients. As a result no initiatives or plans were implemented in this regard.



SECTION 3

3.1 Annual Financial Statements:

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 7

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Report by the Accounting Officer to the Executive Authority and Gauteng Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

1.1 Key policy developments for the 2010/11 financial year include the following

Regulations on the establishment of the Provincial Regulatory Entity (PRE)

According to the National Land Transport Regulations published in December 2009 every MEC must establish a Provincial Regulatory Entity (PRE) within the relevant provincial department, to perform the functions of that entity in the province. The primary function of the PRE as defined in the National Land Transport Act is to monitor and oversee public transport in the Province of Gauteng and to receive and decide on applications relating to operating licenses for intra-provincial transport where no Municipality exists to which the operating license has been assigned.

Regulations on the establishment of the Provincial Regulatory Entity (PRE) were subsequently drafted by the Department promulgation of the above act. The aim of the regulations is to establish the Provincial Regulatory Entity as envisaged in Section 23 of the National Land Transport Act, Act No.5 of 2009. It is envisaged that the PRE will come into effect in the 2011/12 financial year at which point the Gauteng Operating License Board as established in terms of section 29 of the Gauteng Public Passenger Road Transport Act, Act No. 7 of 2001 will cease to exist.

Regulations on processes to be followed for consultation during transport planning.

The Department is committed to integrate planning within the Province and views itself as an enabler and supporter of province wide transport planning and integration. It is in this light that the regulations were drafted. These regulations are meant to assist and guide planning municipal authorities on process to be followed when preparing municipal Integrated

Transport Plans (ITP). These regulations will also assist the Department when the Provincial Land Transport Framework is prepared for the Province of Gauteng. Members of the public will benefit from this process in a sense that, their views will be taken into account when transport planning is done in their respective municipalities.

Regulations to increase traffic fees on various road traffic management transactions.

These regulations are meant to increase fees for some of the road traffic management transactions as envisaged in Section 25 of the Gauteng Road Traffic Act, Act No.10 of 1997. The increase in fees is an annual adjustment to offset the administrations costs associated with the provision of such services; namely

- application for testing for learner's license,
- application for the issue of driver's license,
- application for operating a driving school etc.

In 2010/11 financial year the regulations were an integral part to the revenue maximization strategy of the department. The regulations assisted the department in increasing its tariff fees in the identified service areas thereby increasing the revenue collected and contributing to the net revenues of R1.7 billion collected which were 6% above the projected target of R1.6 billion.

The regulations to increase fees in the 2011/12 were also drafted by the Department in June 2010 and consulted with Drivers Learner Testing Centres (DLTCs) and all other stakeholders including the Gauteng Provincial Treasury. The Gauteng Provincial Treasury gave the Department the powers to increase motor vehicle fees for the 2011/12 financial year to ensure inter-provincial parity on tariff fees. It is envisaged that this will assist the Department in increasing its revenue collection for the foreseeable future.

DLTC Turnaround strategy

In delivering on its mandate the department strives to ensure that its Driver and Learner Testing Centres are operating optimally and meeting the needs of the Gauteng citizens. Two significant strategic approaches were undertaken to achieve this. Firstly, the Department recognized the ineffectiveness of utilizing the call centers for booking of learner and license testing and therefore introduced the walk in booking system at DLTC's to improve efficiencies. This enabled the public to immediately receive a testing slot at the counter. Secondly, the Department developed a turnaround

strategy for DLTCs with the aim of reducing inefficiencies and improving service delivery to the people of Gauteng. The focal areas of the strategy are on improving corporate governance with the emphasis of reducing fraud and corruption, creating efficient integrated operating systems that are adequately supported by adequate human resource capacity and improving the efficiency of the DLTCs.

1.2 Significant Events and Major Projects for The Financial Year

2010 FIFA World Cup Transport Plan

The global eye was set on South Africa during the beginning of 2010/11 financial year as the 2010 FIFA World Cup commenced in June 2010. As a host province the Department was mandated to develop and implement the 2010 transport operations plan to ensure the seamless mobility of both local and foreign people and goods and services. This resulted in a heavy reliance on the public transport system. The Department redirected its resources to accommodate the transport related projects that contribute to the successful hosting of the event in the province. Resources were channeled into infrastructure projects such as road construction, maintenance and integrating public transport modes that allowed for the efficient movement of fans to the stadiums, implementing special events public transport regulations and registration of public transport operators.

Freight Access Strategy to uplift West Rand District Municipality (WRDM) as an Economic Hub from a transport perspective

The Department aims to protect the road network investment of the province by promoting an integrated freight transport industry. The project involved carrying out a detailed feasibility study whose aim was to investigate the possibility of establishing a freight hub within West Rand District Municipality and stimulating economic growth in the region while improving freight transport movements. The Memorandum of Understanding (MOU) between the Department, Blue IQ, Development Bank of South Africa (DBSA) and West Rand District Municipality was signed in January 2011 to successfully implement the project.

Launch of the Beyers Naude dual carriage road

In February 2011 the Department launched the Beyers

Naude dual carriage road. The project involved the upgrading of Beyers Naude road (D374) into a dual carriageway of 2.3km from Honeydew to Zandspruit (Juice Road to Peter Road) and construction of a footbridge/pedestrian crossing. The project was initiated to improve accessibility to all developments and settlements along the D374 corridor. The project was completed on the 30th of September 2010. The upgrading of the road has assisted in the reduction of accidents along the Beyers Naude road and it has become more efficient and effective in reducing road congestion.

Green Transport Initiatives

With the international focus on climate change and within the context of finite resources, the Department has embraced the "green" drive towards creating environmentally friendly and sustainable transport technologies that maximise the use of sustainable fuel efficient vehicles in the public transport system. To this effect the department has undertaken the following projects to further the green transport initiative.

- **Green transport summit**

The hosting of a Green Transport Summit was held as part of the October Public Transport Month initiative. During the summit experts in green transport shared information on current status of Green transport and milestones achieved.

- **Memorandum of agreement with SANERI**

The Memorandum of Agreement (MOA) has been entered into with SANERI pursuant to the imperatives of the Gauteng Integrated Energy Strategy wherein the Department is mandated to deploy green transport related initiatives in response to the green economy drive.

The objective of the MOA is to facilitate the deployment of a research and demonstration project on the use of three alternative fuels namely; compressed natural gas (CNG), liquefied petroleum gas (LPG) and biodiesel fuel on a total of 12 G-Fleet vehicles, with the view of gathering credible data / information on the following parameters among others:

- a) energy efficiency through vehicle performance
- b) cost effectiveness and,
- c) greenhouse emission levels(carbon emission)

A research findings report is being compiled and positive outcomes have been recorded wherein up to

- **Non Motorised Transport Program**

Pursuant to the broader departmental objective, the deployment of the Non Motorised Programme seeks to ease mobility and environmental challenges while promoting health and green development. In this regard 10 contractors were appointed at a combined contract sum of R0.8m in January 2011 to construct 500 bicycle racks (bicycle storage facilities) at 10 schools in West Rand Municipality where in a total of 60 people have been employed over a period just over a month. The storage capacity of each facility is 50 bicycles. These facilities have been built to complement the Shovakalula bicycle distribution program wherein a total of 3 000 bicycles have been procured at a cost of R3.5m and distributed to learners in West Rand and Metsweding district municipalities. A further 1 025 bicycles that were received from the National Department of Transport were distributed to learners in Ekurhuleni and Randfontien.

Establishment of Grade F DLTC at Maponya Mall

The Maponya Mall is the first urban mall to accommodate a Thusong Service Centre, an initiative by the Department of Public Service and Administration. The centre is the first intergovernmental initiative involving all three spheres of government providing services to the people under one roof. The Department of Roads and Transport is providing the renewal of driver's licenses and renewal of vehicle licenses services at the centre. Services will be accessed by communities closer to where they are and at the convenience of the citizen through extended hours. The project contributes to the departmental objectives of creating decent work and building a growing, inclusive economy and strengthening the developmental state and good governance. The project is 100% complete and has been operational since 01 February 2011.

Road Maintenance program

There are two programs of road maintenance, namely Routine Road Maintenance and Preventative Road

Maintenance. The Department has predominantly been conducting Routine Road Maintenance primarily utilizing external contractors, whilst Preventative Maintenance has been reprioritised due to lack of road maintenance funding from the fiscus. Of the total of 5 229 km of roads within the province, 3 850 km have been maintained through the Outsourced Routine Road Maintenance programme, whilst the balance of 1 379 km was maintained through the internal maintenance teams. Through the Outsourced Routine Road maintenance programme, 2 079 jobs have been created and 69 contractors have been developed. Furthermore, with the drive to ensure safety of the roads within the provincial roads network, the department has filled over 42 000 potholes during the third quarter of this financial year (October – December 2010).

Improving CIDB Grading of Contractors

In line with the objectives of maintaining an efficient, safe and accessible Gauteng Provincial road network the Department has recognised the opportunity to develop emerging Contractors through the Road Maintenance program. 69 SMME/BEE Contractor's were engaged on the Maintenance programme for the period of 24 months. The Contractors were spread out in all the five regions in the Province namely the Krugersdorp, Benoni, Bronkhorstspuit, Pretoria and Vereeniging regions. Out of the 69 Contractors 43 are owned by women. The spread is as follows: 10 in Vereeniging, 8 in Pretoria, 11 in Krugersdorp, 7 in Benoni and 7 in Bronkhorstspuit.

The Department was also able to assist the 69 contractors to upgrade their CIDB levels. 48 Contractors upgraded their CIDB levels, representing a 69% in upgrades of the various levels ranging from 2 to 4 and even to 5 and 6. This consequence of this is that most of the SMME contractors should be able to compete in the industry.

1.3 Spending trends

The original allocation to the department, which was included in the Estimates of Provincial Expenditure 2010, reduced by 37, 8 % from R9.9 billion in 2009/10 to R6.2 billion in 2010/11.

The Department's allocation in the Adjusted and Special Adjustment Budget for 2010/11 increased by an amount of R1.1 billion to R7.3 billion. The increase was made up of the following allocations:

| Adjusted Budget | 2010/11 R'000 |
|--|--------------------------|
| Additional funding for the 7.5 present improvement to conditions of service | 9 642 |
| Suspension to the Gateway Project in the Department of Sport, Arts, Culture and Recreation | (100) |
| Special adjustment for Gautrain Rapid Rail Link | 1 126 858 |
| TOTAL | 1 136 400 |

An amount of R347 million (4.7 %) out of the total Adjusted voted funds of R7.3 billion was not spent by the end of the financial year.

| | 2009/10 R'000 | 2010/11 R'000 |
|---------------------|--------------------------|--------------------------|
| Final appropriation | 9 939 828 | 7 315 249 |
| Actual expenditure | 9 400 697 | 6 967 647 |
| Surplus | 539 131 | 347 602 |

The total expenditure for the 2010/11 financial year was R6.9 billion, which represents a spending rate of 95, 3%.

The expenditure, in R'000, was made up as follows:

| | 2009/10 R'000 | 2010/11 R'000 | Increase (Decrease) R'000 |
|---------------------------|--------------------------|--------------------------|--------------------------------------|
| Current Payment | 3 216 968 | 3 202 029 | (14 939) |
| Transfer & Subsidies | 6 138 522 | 3 724 148 | (2 414 374) |
| Payment for Capital Asset | 45 207 | 41 470 | (3 737) |
| TOTAL | 9 400 697 | 6 967 647 | (2 433 050) |

The decrease in spending of R2.4 Billion was due to the high decrease in transfer and subsidies for the Gautrain project reaching the final construction stages.

The adjusted appropriation for the department for 2010/11 amounted to R7 315 249 000

| | Adjusted Appropriation R'000 | Virement R'000 | Actual Expenditure R'000 | Variance (over) / under before virement R'000 | Variance (over) / under after virement R'000 |
|------------------------------------|---|---------------------------|---|--|---|
| 1: Administration | 223 032 | (17 842) | 174 771 | 48 261 | 30 419 |
| 2: Road Infrastructure | 1 537 357 | 62 675 | 1 582 634 | (45 277) | 17 398 |
| 3: Public and Freight Transport | 1 899 642 | (104 403) | 1 495 454 | 404 188 | 299 785 |
| 4: Gauteng Rapid Rail Link | 3 655 218 | 59 570 | 3 714 788 | (59 570) | - |
| TOTAL | 7 315 249 | - | 6 967 647 | 347 602 | 347 602 |

The under-expenditure of R 347 million on the Department's programmes, measured against the allocations after virements was as follows, in R'000:

| | 2009/10 | | 2010/11 | |
|------------------------------------|-------------------|-------------|-------------------|-------------|
| | R'000 | % | R'000 | % |
| | Under-Expenditure | Percentage | Under-Expenditure | Percentage |
| 1: Administration | - | - | 30 419 | 14.8% |
| 2: Road Infrastructure | 62 524 | 3.8 % | 17 398 | 1.1% |
| 3: Public and Freight Transport | 2 469 | 0.1% | 299 785 | 16.7% |
| 4: Gauteng Rapid Rail Link | 474 138 | 7.2% | - | - |
| TOTAL | 539 131 | 5.4% | 347 602 | 4.8% |

The under-expenditure did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included the following:

- Projects within Program 1: Administration were reprioritised in order to shift funds to the maintenance unit which was over-spending as a result of heavy rains that necessitated the fixing of potholes.
- Bus subsidy invoices not paid as a result of the unfavourable cash position within the department.

Actions taken to manage a recurrence of the above include the ongoing monitoring of expenditure on a monthly basis, whereby responsible managers are requested to provide progress reports on projects. The Senior Management meetings, the Department's spending is also being monitored and discussed at least once a month in the Senior Executive Management Committee (SEMC) meeting.

The reprioritization of activities, falling within the Department's objectives, is also considered when necessary. (Budget committee and SEMC)

For more information on under-expenditure or savings, please refer to the Notes to the Appropriation Statement

1.4 Virement

The virement applied within the Department was as follows, in R'000:

| Shifted from | | Shifted to | | Amount R'000 |
|---------------------------------|-------------------------|-----------------------------|---------------------------------|--------------|
| Programme | Economic Classification | Programme | Economic Classification | 122 245 |
| 1. Administration | Goods & services | 2. Roads Infrastructure | Goods & services | 17 842 |
| 3: Public and Freight Transport | Goods & services | 2. Roads Infrastructure | Goods & services | 44 833 |
| 3: Public and Freight Transport | Goods & services | 4. Gautrain Rapid Rail Link | Capital transfers and subsidies | 59 570 |

In respect of the economic classification items, the saving generated from Programme 1 and 3 to shift to Programme 2 and 4 was as a result of the reprioritization of some Infrastructure projects in consultation with Gauteng Provincial Treasury during the mid-term review process.

The virement was approved by the Accounting Officer in accordance with the Treasury Guidelines.

2. Service rendered by the department

2.1 The Department delivers the following services to the Province:

In co-ordination with local authorities, the department designs, develops and maintain transport infrastructure in the province.

- Transportation management which entails management of public transport facilities.
- New development and maintenance of roads, bridges and other infrastructure within the Gauteng Province.
- Construction of the Gautrain Rapid Rail Link.
- Collection of vehicle license fees, management of vehicle roadworthiness and drivers licenses. The day-to-day running of these functions is contracted to the local authorities within the Gauteng Province and the South African Postal Office.

2.2 Tariffs policy and review

The Minister of Transport has, in terms of the National Road Traffic Act (NRTA) devolved certain functions to the nine provinces. These functions are governed by the NRTA, 1996 and its Regulations as well as the Gauteng Provincial Road Traffic Act, 1997. The functions devolved to this province include the following; Vehicle Registration and Licensing, Learner and Driver Testing, Vehicle Roadworthy Testing, Registration of Authorised Officers, Manufacturers, Importers and Builders (MIB's), eNaTIS administration and training, eNaTIS Audit.

2.2.1 Tariff Policy

The department utilizes an internal management guide on tariff determination. The objective of the guide is to set out the principles which the department follows when preparing the revenue estimates. Factors such as general economic factors affecting the Road Traffic Act business, Vehicle Population in the province, direct cost expected to be paid to the agents during the financial year, previous revenues collected by the Province, trends in the general motor industry in the country, RTA fees charged by other provinces are taken into account when finalising the revenue estimates.

2.2.2 Tariff Review

The following objectives were also maintained when finalising the tariffs for 2010/11 financial year.

- The previous approval by Provincial Treasury on 3 February 2009 indicated that all subsequent motor vehicle license increase should be above the inflation rate as the tariff changed by the Province were not in line with other Provinces.
- A general objective was also to achieve better alignment of fees with those charged by the categories.
- Licence Fee increases were then rounded to whole numbers to minimise, if not eliminate, the need for small change (50c, 20c, 10c and 5c pieces) in the Registering Authorities.
- Rounding of licence fees has been done to make fees divisible by 12 to facilitate calculation of credits for portions of one year

The table below shows the gross of the increase in each category:

| Adjusted Budget Description | Percentage Increase |
|---|---------------------|
| Schedule 1 (Miscellaneous fees) | 15% |
| Schedule 2 (Motor Vehicle License fees) | 10,3% |
| Schedule 2 (2.7 Trailers and 2.10) | 10,3% |
| Schedule 2 (2.9 Tractors) | 10,3% |
| Schedule 3 (License fees for specially classified motor vehicles) | 10% |
| Schedule 4 (Motor Trade Numbers) | 12% |
| Schedule 5 (Permits) | 8,5% |

Free services

None

3. Capacity constraints

The Department is going through the restructuring process since the Executive Council of the province announced the reconfiguration of the provincial departments and its entities in May 2009. The Department could not address the capacity constraints within the administration function created as a result of the provincial reconfiguration due to the provincial moratorium that was placed on filling vacant posts.

The Department is facing a challenge relating to the organizational structure that is not final; it has however put more effort to ensure that structure is finalized. The draft structure was submitted to the organization development unit within the Office of the Premier for consideration.

4. Utilisation of donor funds

The donor funds received were utilised as part of the 4th International Exhibition and Conference on Internal and Homeland Security hosted in India.

5. Trading entities and public entities

The Department only has the following trading account:

G-Fleet (Previously Gauteng Government Motor Transport Trading Account), it hires out motor vehicles on the following basis to client departments within government:

- Permanently allocated vehicles;
- Pool vehicles on a day-to-day basis; and
- VIP vehicles to specific clients.

The trading account was established and is administered in terms of the Public Finance Management Act (PFMA), 1 of 1999 and Treasury Regulations.

Urban Transport Fund has ceased to operate as a trading Entity and all its functions were transferred to the department with effect from 01 April 2010. Balances and transactions relating to UTF were incorporated into Programme 3 (Public and Freight Transport).

6. Organisation to who transfer payments have been made

The only transfer of funding that is made is to the Gautrain Management Agency (GMA) in respect of voted funding. The GMA is a Schedule 3 C Public Entity and accounts for the transfer of funding. The accounting arrangements are supported by Gauteng Department of Finance as the transfer of funding is done monthly based on the request by the GMA in respect of milestones and other administrative payments.

| Conditional grant | Total allocation R'000 |
|--------------------------|------------------------|
| Gautrain Rapid Rail Link | 3 714 788 |

7. Partnership

The department embarked on a Partnership as a further effort to reduce the number of potholes on the paved road network and this led to cohesive work between the insurance company Dial Direct, Johannesburg Road Agency and the Department of Roads and Transport. The pilot phase of this program was between August and October 2010. A total of 2737 potholes were repaired on roads in the northern suburbs of Johannesburg in particular and Pretoria. This partnership has created 25 decent job opportunities. The second phase is in progress with lead SA a Prime Media initiative also partnering in and making the public aware of the programme. The program works with the use of an SMS System to collect data on daily basis of the location of potholes on the roads. Once a complainant SMS

is received via a mobile phone, the pothole brigade goes into action immediately to repair the pothole. Repair work that cannot be done by the team is referred to the road authority who owns that particular road. To date over 20,000 potholes have been repaired through this initiative.

8. Corporate governance arrangements

The Department of Roads and Transport follow a Corporate Governance framework as governed and instructed by the PFMA, section 38 and section 40. This governs the actions of an accounting officer and that of an official within the department.

8.1 The risk assessment and fraud prevention plan of the Department

The risk management approach is to establish and maintain appropriate systems and processes to ensure the effective and efficient managing of risks facing the Department and trading entities. Risk Management assume responsibility for Enterprise Wide Risk Management through co-ordination of the identification, analysis, mitigation and monitoring of all risk facing the Department and its Trading entities to ensure compliance to the PFMA and other related legislature. However, every employee of the Department has the responsibility to manage risks that are identified to ensure that the system of internal control is managed effectively and efficiently. The Department has an approved Fraud Prevention Plan that is aligned with PFMA and Treasury Regulations.

The Department has an approved Code of Conduct which all employees should comply with at all times. The Department's Directorate: Risk Management, also facilitates both external and internal audits to ensure compliance with the PFMA. We are also guided with principles of the King III report which provides principles in respect of corporate governance.

8.2 Internal Audit Unit

The Internal Audit Unit is operational, with skilled staff members, and it functions effectively, as required by the Public Finance Management Act (PFMA). An audit plan was developed from the risk assessment conducted in the Department, and has been approved by the Audit

Committee. During the period under review, internal audit engagements were performed in accordance with the audit plan. Where appropriate, the Department implemented the recommendations made in the Internal Audit reports. Internal Audit quarterly reports were compiled and submitted to the Audit Committee.

8.3 Audit Committee

The Audit Committee is in place and functions effectively, as required by Treasury Regulations and the PFMA. The Committee consists of 5 members and meets four times a year as per the PFMA and Treasury.

8.4 Management processes for minimizing conflict of interest

All senior managers in the Department are compelled to declare their financial interests to the Minister on an annual basis. Furthermore, all employees in the Department are compelled to request permission from the Accounting Officer before they do any work that generates additional remuneration outside the Department. All senior managers also sign performance agreements and undergo security vetting.

8.5 Implementation of a code of conduct

The Code of Conduct for Public Servants developed by the Public Service Commission to promote a high standard of professional ethics in the Public Service has been implemented in the Department and managers ensure that all staff adheres to it.

8.6 Other Governance Structures

Senior Executive Management Committee (SEMC)

The SEMC meets once a week under the Chairmanship of the Head of Department. The rest of the SEMC comprises all the Deputy Director Generals, all Head of Entities, the Chief Risk Officer, all Chief Directors, Director: Supply Chain Management, representative from Intergovernmental Relations (IGR), representative from the Member of Executive Council (MEC) and Head of secretariat, as a resource.

The main areas of focus of the SEMC are to:

- Making decision and recommendations regarding:
 - o Strategic matters;

- o Conceptualization and development of all departmental projects;
- o The closing of projects for approval by the MEC;
- o Project feasibility; and
- o Any deviation from policy directives for approval by the MEC.
- Conducting and managing progress relating to projects on the request of the HoD and/or MEC as may be required from time to time;
- Developing and reviewing the risk management strategies and policies;
- Identifying and evaluating actual and potential risk of the Department, followed by a process of either terminating, transferring, accepting (tolerance) or mitigating such risks;
- Ensuring that the Department has a risk management strategy and sound systems of internal control to ensure that all risk exposures faced by the department are properly managed;
- Monitoring and evaluating all projects as well as the Communication Strategy of the Department and its efficacy; and
- Tabling regular reports to the HoD, including: Performance Evaluations, Labour and Human Resource Management, Project Progress, Audit Queries, Policy and Legislative, Finance and Entity reports.

Executive Management Committee (EMC)

The purpose of this committee is to assist the HoD in decision making including decision on Policy matters, monitoring of progress and performance, risk management and accountability and reporting. This committee meets once in six (6) weeks.

Broad Management Committee (BMC)

The purpose of this committee is to share information relating to Departmental matters, report on progress made in Directorates and Entities against Operational Plans, Annual Performance Plans (APP) and the Strategic Plan, and provide a platform where managers are collectively able to embark on the Department's Strategic Planning processes, of which a Departmental Strategic Plan and an APP are the outcomes. This committee meets once quarterly.

Budget committee

The Budget committee advises the Accounting Officer on the allocation of departmental funds, conditional grants and earmarked funds, and ensures that

allocations and reallocations are in line with the department's priorities for a particular financial year. The committee contributed to the preparation of the MTEF, EPE and the identification of efficiency savings

Disposal committee

Disposal committee ensures that redundant or obsolete assets are disposed in accordance with Treasury Regulations.

Bid Adjudication Committee (BEC)

The Committee is responsible for considering recommendations made by the Bid Evaluation Committee (BEC) on the evaluation process, scrutinizing the terms of reference of bids, and making recommendations to the Director-General on how these are awarded. The Committee also ensures that bid processes are fair, equitable, transparent, competitive and cost-effective, and that they comply with the PFMA, other relevant legislation and Treasury guidelines.

Other committees that the Department has are:

- Departmental Acquisition Committee (DAC) – responsible for procuring of goods and services;
- Audit Steering Committee – responsible for all audit matters and is chaired by Auditor-General;
- Human Resource Committee – responsible for all human resource matters of the department;
- Inspection and Maintenance Committee – responsible for inspecting conditions of roads and maintenance;
- Intergovernmental relations – responsible for discussing matters that cut across the departments with the aim of resolving them; and
- Project Management Committee – responsible for monitoring project performance throughout the department

9. Discontinued activities/ activities

Not applicable.

10. New/proposed activities

Not applicable.

11. Asset Management

Progress with regard to capturing assets in the register

All the old and newly acquired assets have been captured and recorded on the asset register indicating their financial value.

Indication of the extent of compliance with the minimum requirements

The Asset Register complies with the minimum requirements.

Indication of the extent of compliance with asset management reform milestones

All assets were recorded in the Asset Register and a policy was developed, pertaining to the reconciliation of assets between the Asset Register and the Basic Accounting System.

Indication of problems experienced with asset management reform

The recording of assets in the Asset Register takes place in accordance with component accounting, while the recording of payments for assets in the financial systems is treated as a unit. This results in reconciliation discrepancies amongst minor and major assets. Therefore, a reconciliation process was performed to reconcile discrepancies between the Asset Register and the Basic Accounting System.

12. Inventories

The value of stock on hand at year end amounted to R3.8 million. The costing method used to determine the value of stock was based on average price per item in store.

13. Events after the reporting date

None.

14. Information on predetermined objectives

The Department has clearly defined predetermined objectives with identified service delivery targets. The predetermined objectives together with the planned targets for the year are reported in the Department's Annual Performance Plan. On a quarterly basis, the Department compiles quarterly performance reports on its actual delivery against the predetermined objectives. The quarterly reports are consolidated into an annual report. The annual report indicates the Department's actual annual achievement in respect of the predetermined objectives. The quarterly reports and annual reports are utilised by the management to assess the department's performance in achieving its predetermined objectives. The objectives are managed for implementation by the respective Branches. Progress achieved is recorded and reported on a quarterly and annual basis in the prescribed Treasury format.



15. SCOPA resolutions

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|--|--|
| <p>RESOLUTION 1.4.1.1.2.1</p> <p>That the MEC ensures that the Accounting officer put strict measures in place for the Department to follow appropriate procurement procedures timeously and provide SCOPA with a report on the effectiveness of such measures on or before 31 March 201</p> | <p>The Supply Chain Management regulations (as gazetted by National treasury, 05 December 2003) state that "Procurement processes must be fair, equitable, transparent, competitive and cost effective".</p> <p>In order to comply with this regulation, the Accounting officer has put the following measures in place for the Department to follow appropriate procurement procedures:</p> <ol style="list-style-type: none"> 1. All tenders are advertised in the media. 2. Deviation from normal tender process is not acceptable unless in justifiable emergency and urgent cases. 3. A moratorium on acceptance of unsolicited proposals/bids by the Department 4. The Department has established a website which is accessible to the public. The advertised and awarded tenders are uploaded on the departmental website. 5. The office of the Head of Department has established a unit called Gender Youth Disability (GEYODI). The role of this unit is to ensure that the department implements and complies with the procurement targets set by the Gauteng Provincial Government for women, people living with disabilities, youth and historically disadvantaged individuals. 6. The Risk Management unit has been included into the Departmental Acquisition Council as part of a risk mitigation strategy. <p>The effectiveness of the measures implemented is as follows:</p> <ol style="list-style-type: none"> 1. Advertising tenders in the media enables us to comply fully with the requirements of transparency. The Preferential Procurement Policy Framework Act stipulates that tenders must be awarded to service providers who comply with the tender requirements. The Supply Chain Management (SCM) unit ensures that we procure goods and services in a cost effective and equitable manner. Also the SCM will ensure that value for money is provided and that services meet the specific needs and strategic objectives of the Department. 2. During the second and third financial quarters, no deviations were approved by the Departmental Acquisition Council relating to the 2010/11 financial year. The Departmental Acquisition Council has deliberated and approved all deviations emanating from irregular contracts entered into by the former Department of Public Transport, Roads and Works and entities such as Impophoma and Urban Transport Fund. The condoned irregular, fruitless and wasteful expenditure was reported to the Auditor-General and Provincial Treasury. 3. GEYODI's main focus has been to ensure that preferential procurement practices are implemented. Youth, women and people living with disabilities were assisted in accessing economic opportunities through tenders advertised by the department. |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|--|---|
| <p>RESOLUTION 1.4.1.1.2 (Material under spending of the budget)</p> <p>That the Gauteng Treasury provides SCOPA with an explanation on how the Department of Transport will recover the amount of R 347 000 000 expended on behalf of DID by the 31 January 2011;</p> | <p>In an endeavour to proactively manage the cash flow situation of the Department, the Accounting Officer took an initiative to formally write to the Department of Finance – Treasury Division on the 8th October 2010 requesting intervention from Provincial Treasury to facilitate the payment of the R347 million owed by the Department of Infrastructure Development. Subsequent to this formal request, a meeting was convened on the 07th December 2010 wherein officials from the Department of Roads and Transport, Provincial Treasury and Department of Infrastructure Development were invited. The outcome of this meeting was that Provincial Treasury would not intervene at this stage and advised that the Department of Roads and Transport should meet with the Department of Infrastructure Development to resolve this matter. The Accounting Officers and Chief Financial Officers of both departments were tasked with formulating a repayment plan on the outstanding debt.</p> <p>A number of consultations have been undertaken between the two departments regarding the repayment plan. To date the Department of Infrastructure Development has partially settled the outstanding debt by R50 million as at 31 March 2011, thereby reducing the debt to R276 million.</p> |
| <p>RESOLUTION 1.4.2.2.1</p> <p>The Department should submit the finalisation of all the investigations including that of the former Head of Department within 14 days upon finalization</p> | <p>The matter above pertains to the previous Head of Department of Public Transport, Roads and Works. He has since left the Department. A settlement was reached between the employee and the Gauteng Provincial Government. The official was suspended with full pay as per Chapter 7 clause 2.7 (2) of the SMS handbook. This matter has been referred to the law enforcement agencies for further investigation and is pending.</p> |
| <p>RESOLUTION 1.4.3.2.1</p> <p>That the MEC must take disciplinary action including possible charges of financial misconduct in terms of chapter 10 of the PFMA against all officials responsible for the fruitless and wasteful expenditure amounting to R 2 601 000 and a report provided to the Committee by 31 January 2011.</p> | <p>The MEC takes note of the recommendation of the committee, however he is still investigating the circumstances that lead to the fruitless and wasteful expenditure. The MEC has engaged with the office of the CFO, who is also new having been appointed on October 2010 understanding the circumstances that lead to the current situation.</p> <p>However, in terms of Chapter 10 of the PFMA, the MEC does not have the power to act against the accounting officer or an official who has been delegated or assigned the powers and duties of the accounting officer. The MEC will therefore make the provincial treasury aware of the fruitless and wasteful expenditure and report to the legislature within 7 days.</p> |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|---|---|
| <p>RESOLUTION 1.4.4.2.1, 1.4.4.2.2 and 1.4.5.4.2.1 (Accruals and Non compliance with applicable legislation)</p> <p>The department to provide SCOPA with a report on the effectiveness and measures put in place to ensure compliance with applicable legislation and to avoid future recurrences of the accruals; a progress made on the effectiveness of managing the payment of invoices and including the measures in place to monitor adequacy of internal controls in order to avoid recurrence of non-compliance with applicable legislation in future by 31 January 2011.</p> | <p>The department has implemented the following measures:</p> <ul style="list-style-type: none"> • E-invoicing: is the automation of the submission of payment documents. It assists in fast tracking the payment process where most of the manual processes have been eliminated. This process does not only assist in fast tracking the payment but also in tracing the payment and monitoring the duration officials taken for each process. It has also eliminated the fraud that took place during the manual processing. • Internal cash flow management: over and above the cash flow management that is done at the Gauteng Department of Finance (GDF), the department has a dedicated official to handle cash flow and the report is submitted to the CFO and presented to senior managers on weekly basis. This measure assists the department to identify possible cash flow problems on time and therefore be proactive rather than to be reactive. • Accruals: the department has an accrual list that is updated on weekly basis and presented to senior management. This control will assist in ensuring that accruals are tracked on time and remedial action is taken immediately. • Contingent liabilities: there is currently a close working relationship between the department's legal and finance divisions. This assists the department to make a realistic provision for all litigations against the department. <p>The department is in the process of implementing the following:</p> <ul style="list-style-type: none"> • Standard Operating Procedures (SOP): The department has developed a procure-to-pay manual which was finalised and approved by the 31 March 2011. This manual details all the procedures and processes to be followed from the initial stage of identifying a need to the last stage of paying a supplier. All officials will be trained on an ongoing basis to ensure that the processes are fully understood by all the employees. • Automation of contracts: the department is engaging with GDF to assist the department to automate all its contracts. This means, all the contracts will be loaded in the system and the order will be generated. All sundry payments will be eliminated. This will assist in strengthening the following: <ul style="list-style-type: none"> o to speed up payments as all the contractual documents will be on the system and only the invoice will be submitted manually; o to track all the contractual obligations entered into by the department; o to ensure that normal procurement process is followed for every expenditure incurred; <p>The process will be incorporated to the SOP and officials will be given thorough training in this regard.</p> <p>The measures implemented by the department are effective. The main constraint that is hindering the department is the cash resources available at its disposal to fulfil the payment of the large accruals incurred to date. The department has reduced its overall accruals liability for all invoices prior to 31 March 2010 to R275 million as at the 31 January 2011.</p> |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|---|--|
| <p>RESOLUTION 1.4.4.2.1, 1.4.4.2.2 and 1.4.5.4.2.1 (Accruals and Non compliance with applicable legislation)</p> <p>The department to provide SCOPA with a report on the effectiveness and measures put in place to ensure compliance with applicable legislation and to avoid future recurrences of the accruals; a progress made on the effectiveness of managing the payment of invoices and including the measures in place to monitor adequacy of internal controls in order to avoid recurrence of non-compliance with applicable legislation in future by 31 January 2011.</p> | <p>REVIEWING OF THE FEE STRUCTURE FOR “OTHER REVENUE” AND DISCLOSURE OF THE FEE STRUCTURE IN THE ANNUAL REPORT</p> <p>Tariff Review About 99% of the revenues collected by the Department were derived from Motor Vehicle License fees. The fee structure for motor vehicle license fees were reviewed and approved by Treasury. However, there was an oversight on “other revenue” and the fees related to this were not reviewed. The department has therefore consolidated the renewal of fees for the entire department to one office (revenue collection unit) to ensure in future all fees are reviewed annually.</p> <p>Disclosure of fee structure in the annual report The non disclosure of the fee structure in the annual report was due to an oversight by the Department. The revenue management has been tasked with ensuring that all revenue related matters are disclosed accordingly. In 2010/11 annual financial statements and annual report, all tariffs will be disclosed in terms of the act.</p> <p>RISK ASSESSMENT The department takes note of the finding that a risk assessment was not conducted regularly as part of the identification of emerging risks. The risk assessment workshop has been scheduled for the 7 February 2011 to ensure compliance with Treasury Regulations. The department will also conduct another risk assessment workshop on the 8 August 2011 to enable the department to identify emerging risks as part of the 2012/13 financial year plan for risk based audits.</p> |
| <p>RESOLUTION 1.4.5.1.2</p> <p>That the MEC ensures the Accounting Officer comply with the requirements of all applicable legislation and report back to SCOPA by the 31 March 2011</p> | <p>Please note the year under review was a year of many changes to Provincial Policy processes which should stabilise during 2010/11. The Annual Performance Plan (APP) for the Department of Public Transport Roads and Works (DPTRW) for 2009/10 was submitted in February 2009. This APP was based on the strategic plan for the period 2004-2009. Following the general elections in April 2009, the provincial priorities changed. As per the decision taken by the Provincial Executive Authority, the Department of Public Transport Roads and Works split into two departments, the Department of Roads and Transport and the Department of Infrastructure Development respectively. These changes informed the new Strategic Plan of the Department of Roads and Transport for the period 2009- 2014.</p> <p>The new Strategic Plan necessitated the revision of the APP for the financial year 2009/10. It is against this background that the department’s reporting on its performance was not consistent with predetermined targets as per the approved APP. This presupposes that the objectives, indicators and targets would be different and that there would be discrepancies in its reporting processes.</p> <p>To address these issues, the Department has strengthened its internal control measures.</p> |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|---|---|
| <p>RESOLUTION 1.4.5.1.2</p> <p>That the MEC ensures the Accounting Officer comply with the requirements of all applicable legislation and report back to SCOPA by the 31 March 2011</p> | <p>The Departments Performance planning process</p> <p>The Department undertakes annually a strategic planning process that entails the Departmental strategic planning and review sessions. During these sessions the objectives, indicators and targets are finalised and reviewed by the Management. This planning document undergoes a stringent review processes to ensure alignment to National and Provincial priorities of Government and the predetermined objectives outlined in the Departments 2009-14 strategic plan. The APP is thereafter approved by the Accounting Authority and submitted to Treasury as per legislative prescripts.</p> <p>Determining Measurement</p> <p>Management acknowledges the finding of the 2009/10 SCOPA review and must indicate that that during the 2010 /11 financial year the measurability of targets have been focused on to ensure compliance and increase our reporting appropriately. During 2009/10 the targets were already set during the previous year in respect of planning for 2009/10 and various changes did occur subsequent to the elections. A dedicated monitoring and evaluation directorate was created which will ensure compliance to correct measurement indicators in the Annual Performance Plan.</p> <p>Ensuring proper monitoring and review</p> <p>The Department undertakes periodic monitoring (Monthly Branch and Quarterly Departmental performance reviews) of its Annual Performance Plan by measuring the progress against targets set. The monitoring is further entrenched by the Departments various Monitoring Mechanisms inter alia, Senior Executive Management Committee, Executive Management Committee and Broad Management Committee. Monthly monitoring reports are compiled and thereafter consolidated into quarterly performance reports. These quarterly reports are reviewed and verified for approval by the Management. The quarterly reports are submitted by the Accounting Officer to Treasury in compliance to the Legislative prescripts and Treasury regulations.</p> <p>Departmental Annual Reporting</p> <p>The Department compiles an annual report two months after the close of the financial year. This report is a consolidation of the quarterly reports. The report is reviewed for consistency and accuracy by the Management and the Accounting Officer. Once verified the report is submitted to the Executive Authority for review. The approved report is submitted to the Auditor General for Auditing. The Audited report is then submitted to Treasury in August (Five months after the end of The Financial year) as per the PFMA.</p> <p>To further ensure compliance with all applicable legislation, the Department has established a Strategic Planning, Monitoring and Evaluation Directorate to facilitate proper planning, monitoring and reporting. This is undertaken to ensure compliance with legislation. This is in further compliance with the Government's new approach to Monitoring and Evaluation of service delivery performance.</p> |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|---|---|
| <p>RESOLUTION 1.4.5.2.2.1 The MEC to put effective measures in place to ensure that the Department's reported performance information is approved, consistent, disclosed in the annual performance report and report to SCOPA on or before 31 March 2011</p> | <p>The Department is currently implementing a performance management system which, inter alia, entails the sending out of the prescribed treasury templates to Branches wherein the performance achieved for each quarter is reported. This information is consolidated and reviewed for consistency, validity and approval by the respective managers. The quarterly performance report is then consolidated and reviewed by Management for consistency and verification. Once the information is signed off by management the Annual report is finalised and submitted to the Auditor General and Treasury as per the regulatory prescript.</p> <p>The Department is currently developing a Monitoring and Evaluation Policy Framework which will guide the process of Monitoring and Evaluation, inclusive of performance management. This policy framework was not developed earlier due to the delay by the province to finalise the Gauteng Wide Monitoring and Evaluation Policy Framework. The understanding is that it will serve as a guideline for all provincial departments.</p> |
| <p>RESOLUTION 1.4.6.2.2.1 The MEC to put effective measures in place to ensure that the Department's reported performance information is approved, consistent, disclosed in the annual performance report and report to SCOPA on or before 31 March 2011</p> | <p>Monitoring and Evaluation is a new concept in government and this explains why the reported performance targets were not SMART (Specific, Measurable, Achievable, Realistic and Time bound). The department has undertaken an exercise of conducting Monitoring and Evaluation training for senior managers and middle managers. This training includes the formulation of performance targets. The first phase of the Monitoring and Evaluation training has been completed with the Middle managers. The second phase of the Training with Senior Managers will commence in the new financial year to ensure all managers have the knowledge and skills to develop SMART targets and implement monitoring and evaluation concepts consistently. Further, Strategic Planning meetings are held in the Department with its Broad Management Committee to assist in the development of SMART targets.</p> |
| <p>RESOLUTION 1.4.6.1.2.1 (Internal Control / Leadership) The department to put effective measure in place to address the inadequacies in the internal control systems and provide SCOPA with a progress report by the 31 January 2011.</p> | <p>The following internal control mechanisms were introduced in the department to address the inadequacies and the ineffectiveness of internal control environment:</p> <ul style="list-style-type: none"> • Critical posts were filled; • Budget committee was formed to monitor the budget against expenditure; • Internal audit and risk management will perform process reviews to provide reasonable assurance on the effectiveness of controls and advice on areas of improvement; • A register of fruitless and wasteful expenditure was created and reviewed by the CFO; • Procure to pay manual will be implemented to ensure that the risk of interest charged on late payments is avoided; • Cash management will also assist the department to honour its obligations within the prescribed time frames per the PFMA.; • Quality assurance is performed by Monitoring and evaluation section to ensure alignment to SMART principle; and • Risk management committee has been established which will ensure leadership oversight on the internal control and risk management matters. |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
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| <p>RESOLUTION 1.4.6.2.2.1 (Financial and Performance Management)</p> <p>The department to provide the Committee with a progress report on measures put in place to ensure the smooth operation of its internal control by 31 January 2011.</p> | <p>The department has implemented the following:</p> <ul style="list-style-type: none"> • Trial balance control grid: this is the detailed monthly reports covering all matters required in the financial statements. The report is prepared by the Deputy Director and his team on monthly basis, reviewed by the Director and the Chief Director. It assists in identifying the problems relating to the accounting entries which may eventually have a negative impact on the accuracy of the financial statements. These problems are resolved immediately upon identification. • Statutory requirement: departments are now required to submit to the Provincial Treasury and the Auditor-General the Interim Financial Statements for the period ending 30 September and 31 December. This requirement has assisted the department to prepare the financial statements before year-end and issues that would normally be discovered at year-end are identified much earlier and resolved. The Interim Financial Statements are prepared by the Deputy Director, reviewed and verified by the Director and Chief Director and finally checked by the CFO. • Operating without senior Financial officials <p>The department has recruited the following senior officials:</p> <ul style="list-style-type: none"> • Chief Financial Officer; • Chief Director – Financial Management; • Director – Risk management and Internal Control; • Director – Financial Accounting. |
| <p>RESOLUTION 1.4.7.1.1</p> <p>The Department provides the Committee with a comprehensive report of all concluded investigations within one month of adoption of this report</p> | <p>The Department conducted the following investigations on possible procurement irregularities and theft:</p> <ul style="list-style-type: none"> • <u>Conflict of interest, non-compliance with supply chain regulation (Procurement hotline);</u> <p>An investigation was finalised and the allegations leveled against the official could not be substantiated.</p> <ul style="list-style-type: none"> • <u>Non-compliance with supply chain regulations (Supply chain Management);</u> <p>Investigation has been completed by Gauteng Department of Finance Forensic Services and the investigation report was sent to Labour Relations Directorate for Disciplinary action.</p> <p>The disciplinary hearing was scheduled for the 13 December 2010 and a request for a postponement due to submission of additional information submitted by the employee. Due to the unavailability of the manager tasked with the disciplinary action, the employee concerned and the Presiding officer (were on leave and returned after 20th January 2011) the pre-hearing was re-scheduled for 1 March 2011. The pre-hearing was finally held on the 07th of March 2011. The date of the actual hearing will be held on the 05th of April 2011.</p> |

| RESOLUTION | STATUS ON THE RESOLUTION TAKEN BY SCOPA |
|--|--|
| <p>RESOLUTION 1.4.7.1.1</p> <p>The Department provides the Committee with a comprehensive report of all concluded investigations within one month of adoption of this report</p> | <ul style="list-style-type: none"> • <u>Investigation into allegations of fraudulent payment (Management Request)</u> The investigation has been concluded by the South African Police Services (SAPS) and the warrant of arrest has been issued against the official concerned. The Department will follow up to ensure that the criminal charges against the official are pursued in the court of law. • <u>Investigation into allegations of procurement irregularities (Management Request)</u> The matter involved three officials. One official was paid out by the Department (Settlement), a pre-dismissal application for the other official was on 5 November 2010 and finalisation of the third official was on 23 November 2010. The one official entered into a settlement agreement with the Department and tendered his resignation as part of the settlement agreement. The other official's pre-dismissal hearing was scheduled to resume on 21 February 2011 and proceeding on 4-8 April 2011. The other official's disciplinary hearing was finalised on 23 November 2010 and his services were terminated with the Department. • <u>Investigation into allegations of procurement irregularities (Management Request)</u> The matter was an investigation into allegations of procurement irregularities within one of the department's regions. The matter was closed due to no substantial evidence. • <u>Investigation into allegations of procurement irregularities (Management Request)</u> A pre-dismissal application for the official was on 5 November 2010. The pre-dismissal hearing was scheduled to resume on 21 February 2011 and proceeding on 4-8 April 2011. • <u>Investigation into allegations of procurement irregularities (Management Request)</u> A disciplinary hearing was finalised on 23 November 2010 and the official's services were terminated with the Department. • <u>Misuse of Government vehicles (g-Fleet)</u> Investigation was finalized. Allegations were unfounded and no charges were instituted. • <u>Misuse of government property (g-Fleet)</u> Investigation was finalized. Allegations were unfounded and no charges were instituted. • <u>Bribe solicitation</u> It was recommended that disciplinary action must be taken against the official for attempting to solicit a bribe of R300 000 from a supplier and a criminal case to be reported to the SAPS. <p>The recommendation has not yet been implemented.</p> |

16. Prior modifications to audit reports

Not applicable.

17. Exemptions and deviations received from the National Treasury

The department did not receive any exemptions and deviations from National Treasury.

18. Other

Any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report

19. Approval

The Annual Financial Statements set out on pages 118 to 183 have been approved by the Accounting Officer.



Stewart Lumka
Acting Head of Department
31 May 2011



GAUTENG PROVINCIAL GOVERNMENT

Report of the Audit Committee – Cluster 04

Roads and Transport

We are pleased to present our report for the financial year ended 31 March 2011

Audit Committee and Attendance:

NON-EXECUTIVE MEMBERS:

The Audit Committee consists of three external members listed hereunder and is required to meet a minimum of at least four times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five meetings were held during the current year, i.e. three meetings for Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General Report.

| Name of Member | Number of Meetings Attended |
|---------------------------------------|-----------------------------|
| Dr Cleopas Sanangura (Chairperson) | 03 |
| Lorraine Francois (Member) | 04 |
| Sedzani Mudau (Member) | 04 |

EXECUTIVE MEMBERS:

In terms of the GPG Audit Committee Charter, the Officials listed hereunder are obliged to attend the meetings of the Audit Committee:

| Compulsory Attendees | Number of Meetings Attended |
|--|-----------------------------|
| Benedicta Monama (Head of Department) | 03 |
| Stewart Lumka (Acting Head of Department) | 01 |
| Sanele Zondo (Chief Financial Officer) | 04 |
| Delicia Kgage (Chief Risk Officer) | 04 |

The Audit Committee noted that the Head of Department did not attend one meeting. There was no letter of apology tendered with a duly authorised representative attending on her behalf. Therefore, the Audit Committee is not satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control applied by the Department over financial risk and risk management is not effective, efficient nor transparent. The controls around procurement and contract management were below standard resulting in the issues reported in the media. The Department did not comply with the minimum requirements PFMA and Treasury Regulations.

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General, it was noted that matters were reported indicating any material deficiencies in the system of internal control or any deviations therefrom. The Internal Audit unit did not perform all its planned audits as some were cancelled due to insufficient resources.

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the Internal Auditors and the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. Accordingly, we can report that the system of internal control for the period under review was inefficient and ineffective.

The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act. The Audit Committee is satisfied with the content and quality of monthly

and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. It was however noted that inter departmental balances were not agreed on. There is room for improvement going forward especially on the presentation and quality of management reports.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the Audited Annual Financial Statements to be included in the Annual Report;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the departments compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions 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.

Internal Audit

The Audit Committee is not satisfied that the internal audit function is operating effectively and that it has not addressed the risks pertinent to the department in its audit as some audits were cancelled.

Forensic Investigations

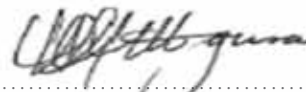
The Audit Committee is not satisfied that the forensic investigations are properly reported with age-analysis of all reported issues indicated. The Accounting Officer has full discretion on what should be investigated or reported. The whole system of forensic audit is not functional.

One-on-One with the Accounting Officer

The Audit Committee has met with the Accounting Officer of the Department to ensure that there are no unresolved issues.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.



.....
Dr Cleopas Sanangura
Chairperson of the Audit Committee

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE No. 7: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT FOR THE YEAR ENDED 31 MARCH 2011

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Roads and Transport, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 116 to 181.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), 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 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Roads and Transport as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by National Treasury and the requirements of the PFMA.

Emphasis of matter

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

Material underspending of the budget

REPORT OF THE AUDITOR-GENERAL

9. As disclosed in the appropriation statement, the department has materially underspent the budget on programme: Public and Freight Transport to the amount of R299 785 000. As a consequence, the department did not achieve all of its objectives.

Additional matters

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

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements were properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

Unaudited supplementary schedules

12. The supplementary information set out on pages 172 to 181 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 17 to 65 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

Reliability of information

The following criteria were used to assess reliability:

- o Validity: Actual reported performance has occurred and pertains to the entity
 - o Accuracy: Amounts, numbers, and other data relating to reported actual performance have been recorded and reported appropriately
 - o Completeness: All actual results and events that should have been recorded have been included in the annual performance report
14. For the selected programmes: Roads Infrastructure and Public and Freight Transport, the validity, accuracy and completeness of 41% of the reported targets could not be verified as sufficient appropriate audit evidence could not be provided.

Compliance with laws and regulations Strategic planning and performance management

15. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.

Annual financial statements, performance and annual report

16. The financial statements submitted for audit did not comply with section 40(1) of the PFMA. Material misstatements were identified during the audit, which were corrected by management.

Expenditure management

17. As disclosed in note 24 of the financial statements, the department incurred irregular expenditure of R2 228 453 000 as the expenditure was in contravention of section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

REPORT OF THE AUDITOR-GENERAL

18. As disclosed in note 25 of the financial statements, the department incurred fruitless and wasteful expenditure of R16 541 000 contrary to the requirements of section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
19. All payments due to creditors were not settled within 30 days from receipt of an invoice, as per the requirements of section 38(1)(f) of the PFMA and TR 8.2.3.

INTERNAL CONTROL

20. In accordance with the PAA and in terms of *General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

21. Management did not exercise adequate oversight responsibility regarding performance reporting and compliance and related controls.

Financial and performance management

22. Management did not adequately review the financial statements to ensure completeness and accuracy of the financial statements prior to submission for audit purposes resulting in material misstatements identified during the audit and corrected by management.

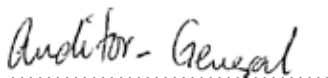
Governance

23. The fraud prevention plan was not implemented for the year under review as the plan was only approved toward the end of the financial year.

OTHER REPORTS

Investigations

24. Investigations were conducted on allegations of procurement irregularities resulting in disciplinary proceedings being instituted against certain officials.
25. An investigation was conducted by the Auditor-General during the year under review into the awarding of certain tenders by the Departmental Acquisition Committee (DAC). This report was issued in May 2011 and it identified various control deficiencies on procurement and contract management. The report also recommended that the disciplinary action be taken against certain officials of the department.


Johannesburg

30 July 2011





APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Appropriation per programme | | | | | | | | | |
|---|------------------------|-------------------|-----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| Appropriation statement | 2010/11 | | | | | | | 2009/10 | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1. ADMINISTRATION | | | | | | | | | |
| Current payment | 223,032 | (1,368) | (17,842) | 203,822 | 168,458 | 35,364 | 82.6% | 188,592 | 188,592 |
| Transfers and subsidies | - | 49 | - | 49 | 49 | - | 100.0% | 1,480 | 1,480 |
| Payment for capital assets | - | 910 | - | 910 | 888 | 22 | 97.6% | 1,337 | 1,337 |
| Payment for financial assets | - | 409 | - | 409 | 5,376 | (4,967) | 1314.4% | - | - |
| 2. ROAD INFRASTRUCTURE | | | | | | | | | |
| Current payment | 1,480,349 | - | 53,473 | 1,533,822 | 1,533,822 | - | 100.0% | 1,483,476 | 1,421,584 |
| Transfers and subsidies | - | - | 9,202 | 9,202 | 9,202 | - | 100.0% | 80,886 | 80,886 |
| Payment for capital assets | 57,008 | - | - | 57,008 | 39,610 | 17,398 | 69.5% | 44,372 | 43,740 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 3. PUBLIC AND FREIGHT TRANSPORT | | | | | | | | | |
| Current payment | 1,896,642 | (119) | (104,403) | 1,792,120 | 1,494,363 | 297,757 | 83.4% | 1,602,715 | 1,602,116 |
| Transfers and subsidies | - | 119 | - | 119 | 119 | - | 100.0% | 46 | 46 |
| Payment for capital assets | 3,000 | - | - | 3,000 | 972 | 2,028 | 32.4% | 2,000 | 130 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 4. GAUTRAIN RAPID RAIL LINK | | | | | | | | | |
| Current payment | - | - | 10 | 10 | 10 | - | 100.0% | 4,676 | 4,676 |
| Transfers and subsidies | 3,655,218 | - | 59,560 | 3,714,778 | 3,714,778 | - | 100.0% | 6,530,248 | 6,056,110 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 7,315,249 | - | - | 7,315,249 | 6,967,647 | 347,602 | 95.2% | 9,939,828 | 9,400,697 |
| Reconciliation with statement of financial performance | | | | | | | | | |
| ADD: Departmental receipts | | | | 1,722,896 | | | | 1,539,663 | |
| Actual amounts per statement of financial performance (total revenue) | | | | 9,038,145 | | | | 11,479,491 | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 6,967,647 | | | | 9,400,697 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Appropriation Per economic classification | 2010/11 | | | | | | | 2009/10 | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Compensation of employees | 450,943 | (60,857) | - | 390,086 | 370,160 | 19,926 | 94.9% | 347,292 | 346,693 |
| Goods and services | 3,149,080 | 43,204 | (69,136) | 3,123,148 | 2,809,953 | 313,195 | 90.0% | 2,930,419 | 2,868,527 |
| Interest and rent on land | - | 16,166 | 374 | 16,540 | 16,540 | - | 100.0% | 1,074 | 1,074 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | 1,671 | 1,671 |
| Departmental agencies and accounts | 3,655,218 | - | 59,560 | 3,714,778 | 3,714,778 | - | 100.0% | 6,600,255 | 6,126,117 |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 119 | 119 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 168 | 9,202 | 9,370 | 9,370 | - | 100.0% | 10,615 | 10,615 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 25,008 | (12,221) | - | 12,787 | - | 12,787 | - | - | - |
| Machinery and equipment | 10,000 | 910 | - | 10,910 | 3,040 | 7,870 | 27.9% | 4,830 | 2,960 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | 25,000 | 12,221 | - | 37,221 | 37,091 | 130 | 99.7% | 42,879 | 42,247 |
| Software and other intangible assets | - | - | - | - | 1,339 | (1,339) | 0.0% | - | - |
| Payments for financial assets | - | 409 | - | 409 | 5,376 | (4,967) | 1314.4% | 674 | 674 |
| TOTAL | 7,315,249 | - | - | 7,315,249 | 6,967,647 | 347,602 | 95.2% | 9,939,828 | 9,400,697 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Detail per sub-programme | 2010/11 | | | | | | | 2009/10 | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.1 OFFICE OF THE MEC | | | | | | | | | |
| Current payment | 15,852 | - | (1,586) | 14,266 | 7,273 | 6,993 | 51.0% | 12,944 | 12,944 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | 121 | - | 121 | 99 | 22 | 81.8% | 100 | 100 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 1.2 MANAGEMENT OF THE DEPARTMENT | | | | | | | | | |
| Current payment | 37,207 | - | - | 37,207 | 30,920 | 6,287 | 83.1% | 22,167 | 22,167 |
| Transfers and subsidies | - | 12 | - | 12 | 12 | - | 100.0% | 43 | 43 |
| Payment for capital assets | - | 232 | - | 232 | 232 | - | 100.0% | 206 | 206 |
| Payment for financial assets | - | 409 | - | 409 | 5,376 | (4,967) | 1314.4% | - | - |
| 1.3 CORPORATE SUPPORT | | | | | | | | | |
| Current payment | 169,973 | (1,368) | (16,256) | 152,349 | 130,265 | 22,084 | 85.5% | 153,481 | 153,481 |
| Transfers and subsidies | - | 37 | - | 37 | 37 | - | 100.0% | 1,437 | 1,437 |
| Payment for capital assets | - | 557 | - | 557 | 557 | - | 100.0% | 1,031 | 1,031 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 223,032 | - | (17,842) | 205,190 | 174,771 | 30,419 | 85.2% | 191,409 | 191,409 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Economic classification | 2010/11 | | | | | | | 2009/10 | |
|---|---------------------------|----------------------|-----------------|------------------------|-----------------------|---------------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Compensation of employees | 95,071 | - | - | 95,071 | 93,281 | 1,790 | 98.1% | 80,109 | 80,109 |
| Goods and services | 127,961 | (1,481) | (17,842) | 108,638 | 75,064 | 33,574 | 69.1% | 107,749 | 107,749 |
| Interest and rent on land | - | 113 | - | 113 | 113 | - | 100.0% | 60 | 60 |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | (42) | (42) |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 49 | - | 49 | 49 | - | 100.0% | 1,522 | 1,522 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 910 | - | 910 | 888 | 22 | 97.6% | 1,337 | 1,337 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | 409 | - | 409 | 5,376 | (4,967) | 1314.4% | 674 | 674 |
| TOTAL | 223,032 | - | (17,842) | 205,190 | 174,771 | 30,419 | 85.2% | 191,409 | 191,409 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Detail per sub-programme | 2010/11 | | | | | | | 2009/10 | |
|--|------------------------|-------------------|---------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.1 ROAD PLANNING | | | | | | | | | |
| Current payment | 221,561 | - | - | 221,561 | 212,677 | 8,884 | 96.0% | 190,412 | 190,412 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | - | - | - | - | 741 | (741) | 0.0% | 528 | 528 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 2.2 DESIGN | | | | | | | | | |
| Current payment | 115,000 | (8,988) | - | 106,012 | 42,766 | 63,246 | 40.3% | 41,289 | 41,289 |
| Transfers and subsidies | - | - | 202 | 202 | 201 | 1 | 99.5% | 1,927 | 1,927 |
| Payment for capital assets | 25,000 | - | - | 25,000 | 13,515 | 11,485 | 54.1% | 42,427 | 42,427 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 2.3 CONSTRUCTION | | | | | | | | | |
| Current payment | 468,531 | (10,000) | 363 | 458,894 | 446,150 | 12,744 | 97.2% | 563,657 | 501,765 |
| Transfers and subsidies | - | - | 374 | 374 | 374 | - | 100.0% | 793 | 793 |
| Payment for capital assets | 24,000 | - | - | 24,000 | 23,675 | 325 | 98.6% | 350 | 293 |
| 2.4 MAINTENANCE | | | | | | | | | |
| Current payment | 424,384 | 18,988 | 53,110 | 496,482 | 633,061 | (136,579) | 127.5% | 630,453 | 630,453 |
| Transfers and subsidies | - | - | 8,370 | 8,370 | 8,371 | (1) | 100.0% | 8,181 | 8,181 |
| Payment for capital assets | 8,008 | - | - | 8,008 | 154 | 7,854 | 1.9% | 487 | 487 |
| 2.5 TRANSPORT ADMIN AND LICENSING | | | | | | | | | |
| Current payment | 250,873 | - | - | 250,873 | 199,168 | 51,705 | 79.4% | 57,665 | 57,665 |
| Transfers and subsidies | - | - | 256 | 256 | 256 | - | 100.0% | 69,985 | 69,985 |
| Payment for capital assets | - | - | - | - | 1,525 | (1,525) | 0.0% | 580 | 5 |
| TOTAL | 1,537,357 | - | 62,675 | 1,600,032 | 1,582,634 | 17,398 | 98.9% | 1,608,734 | 1,546,210 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Economic classification | 2010/11 | | | | | | | 2009/10 | |
|---|---------------------------|----------------------|---------------|------------------------|-----------------------|---------------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Compensation of employees | 288,012 | (44,685) | - | 243,327 | 235,918 | 7,409 | 97.0% | 221,969 | 221,969 |
| Goods and services | 1,192,337 | 44,685 | 53,099 | 1,290,121 | 1,297,530 | (7,409) | 100.6% | 1,261,443 | 1,199,551 |
| Interest and rent on land | - | - | 374 | 374 | 374 | - | 100.0% | 64 | 64 |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | 1,713 | 1,713 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 70,007 | 70,007 |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 119 | 119 |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | 9,202 | 9,202 | 9,202 | - | 100.0% | 9,047 | 9,047 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | 25,008 | (12,221) | - | 12,787 | - | 12,787 | 0.0% | - | - |
| Machinery and equipment | 7,000 | - | - | 7,000 | 1,180 | 5,820 | 16.9% | 1,493 | 1,493 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | 25,000 | 12,221 | - | 37,221 | 37,091 | 130 | 99.7% | 42,879 | 42,247 |
| Software and other intangible assets | - | - | - | - | 1,339 | (1,339) | 0.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 1,537,357 | - | 62,675 | 1,600,032 | 1,582,634 | 17,398 | 98.9% | 1,608,734 | 1,546,210 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Detail per sub-programme | 2010/11 | | | | | | | 2009/10 | |
|-------------------------------------|------------------------|-------------------|------------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 3.1 INSTITUTIONAL MANAGEMENT | | | | | | | | | |
| Current payment | 1,797,892 | (119) | (104,403) | 1,693,370 | 1,452,099 | 241,271 | 85.8% | 1,554,509 | 1,554,509 |
| Transfers and subsidies | - | - | - | - | - | - | - | 28 | 28 |
| Payment for capital assets | 3,000 | - | - | 3,000 | 25 | 2,975 | 0.8% | 25 | 25 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| 3.2 REGULATION AND CONTROL | | | | | | | | | |
| Current payment | 98,750 | - | - | 98,750 | 42,264 | 56,486 | 42.8% | 48,206 | 47,607 |
| Transfers and subsidies | - | 119 | - | 119 | 119 | - | 100.0% | 18 | 18 |
| Payment for capital assets | - | - | - | - | 947 | (947) | 0.0% | 1,975 | 105 |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 1,899,642 | - | (104,403) | 1,795,239 | 1,495,454 | 299,785 | 83.3% | 1,604,761 | 1,602,292 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Economic classification | 2010/11 | | | | | | | 2009/10 | |
|---|---------------------------|----------------------|------------------|------------------------|-----------------------|----------------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Compensation of employees | 67,860 | (16,172) | - | 51,688 | 40,961 | 10,727 | 79.2% | 45,214 | 44,615 |
| Goods and services | 1,828,782 | - | (104,403) | 1,724,379 | 1,437,349 | 287,030 | 83.4% | 1,556,551 | 1,556,551 |
| Interest and rent on land | - | 16,053 | - | 16,053 | 16,053 | - | 100.0% | 950 | 950 |
| Transfers and subsidies to: | | | | | | | | | |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | 119 | - | 119 | 119 | - | 100.0% | 46 | 46 |
| Gifts and donations | - | - | - | - | - | - | - | - | - |
| Payment for capital assets | | | | | | | | | |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 3,000 | - | - | 3,000 | 972 | 2,028 | 32.4% | 2,000 | 130 |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and subsoil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 1,899,642 | - | (104,403) | 1,795,239 | 1,495,454 | 299,785 | 83.3% | 1,604,761 | 1,602,292 |

APPROPRIATION STATEMENT

for the year ended 31 March 2011

| Detail per sub-programme | 2010/11 | | | | | | | 2009/10 | |
|------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 4.1 GAUTENG RAPID RAIL LINK | | | | | | | | | |
| Current payment | - | - | 10 | 10 | 10 | - | 100.0% | 4,676 | 4,676 |
| Transfers and subsidies | 3,655,218 | - | 59,560 | 3,714,778 | 3,714,778 | - | 100.0% | 6,530,248 | 6,056,110 |
| Payment for capital assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| TOTAL | 3,655,218 | - | 59,570 | 3,714,788 | 3,714,788 | - | 100.0% | 6,534,924 | 6,060,786 |

| Economic classification | 2010/11 | | | | | | | 2009/10 | |
|------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of Final Appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | | | | | | | | | |
| Goods and services | - | - | 10 | 10 | 10 | - | 100.0% | 4,676 | 4,676 |
| Transfers and subsidies to: | | | | | | | | | |
| Departmental agencies and accounts | 3,655,218 | - | 59,560 | 3,714,778 | 3,714,778 | - | 100.0% | 6,530,248 | 6,056,110 |
| TOTAL | 3,655,218 | - | 59,570 | 3,714,788 | 3,714,788 | - | 100.0% | 6,534,924 | 6,060,786 |

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) 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 payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

| 4.1 Per Programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|------------------------------|---------------------|--------------------|----------------|--|
| Administration | 205,190 | 174,771 | 30,419 | 14.8% |
| Roads Infrastructure | 1,600,032 | 1,582,634 | 17,398 | 1.0% |
| Public and Freight Transport | 1,795,239 | 1,495,454 | 299,785 | 16.7% |
| Gautrain Rapid Link | 3,714,788 | 3,714,788 | - | 0.0% |

| 4.2 Per Economic classification | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|--------------------------------------|---------------------|--------------------|----------------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 390,086 | 370,160 | 19,926 | 5.0% |
| Goods and services | 3,123,148 | 2,809,953 | 313,195 | 10.0% |
| Interest and rent on land | 16,540 | 16,540 | - | 0.0% |
| Unauthorised expenditure approved | - | - | - | - |
| Transfers and subsidies | | | | |
| Departmental agencies and accounts | 3,714,778 | 3,714,778 | - | 0.0% |
| Households | 9,370 | 9,370 | - | 0.0% |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 12,787 | - | 12,787 | 100.0% |
| Machinery and equipment | 10,910 | 3,040 | 7,870 | 72.0% |
| Land and subsoil assets | 37,221 | 37,091 | 130 | 0.0% |
| Software and other intangible assets | - | 1,339 | (1,339) | 0.0% |
| Payments for financial assets | 409 | 5,376 | (4,967) | (1214%) |

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

Explanations of (Over)/Under Expenditure

Per Programme

Programme 1: Administration

The under-spending was as a result of the reprioritization of some projects in consultation with Treasury during the mid-term review process. Projects were delayed in order to shift funds to the maintenance unit which was over-spending.

Programme 3: Public and Freight Transport

The under-spending was due to bus subsidy invoices not paid as a result of the unfavourable cash position within the department. This was as a result of money owed by the Department of Infrastructure Development.

Per Economic Classification

Compensation

The under-spending under compensation is due to the moratorium placed on filling of funded posts.

Goods and services

The under-spending was due to bus subsidy invoices not paid as a result of the unfavourable cash position within the department. This was as a result of money owed by the Department of Infrastructure Development.

Payment for capital Assets

The under-spending was as a result of the reprioritization process in consultation with Treasury during the mid-term review process. Projects and purchasing of construction equipment were delayed in order to shift funds to the maintenance unit, which was over-spending.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2011

| PERFORMANCE | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|------|------------------|-------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 7,315,249 | 9,939,828 |
| Departmental revenue | 2 | 1,722,896 | 1,539,663 |
| TOTAL REVENUE | | 9,038,145 | 11,479,491 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 370,160 | 346,693 |
| Goods and services | 4 | 2,809,953 | 2,868,527 |
| Interest and rent on land | 5 | 16,540 | 1,074 |
| Total current expenditure | | 3,196,653 | 3,216,294 |
| Transfers and subsidies | 7 | 3,724,148 | 6,138,522 |
| Total transfers and subsidies | | 3,724,148 | 6,138,522 |
| Expenditure for capital assets | | | |
| Tangible capital assets | 8 | 40,131 | 45,207 |
| Software and other intangible assets | 8 | 1,339 | - |
| Total expenditure for capital assets | | 41,470 | 45,207 |
| Payments for financial assets | 6 | 5,376 | 674 |
| TOTAL EXPENDITURE | | 6,967,647 | 9,400,697 |
| SURPLUS FOR THE YEAR | | 2,070,498 | 2,078,794 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 347,602 | 539,131 |
| Annual appropriation | | 106,665 | 534,547 |
| Conditional grants | | 240,937 | 4,584 |
| Departmental revenue | 14 | 1,722,896 | 1,539,663 |
| SURPLUS FOR THE YEAR | | 2,070,498 | 2,078,794 |

STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

| POSITION | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 618,648 | 1,252,864 |
| Unauthorised expenditure | 9 | 271,681 | 713,960 |
| Cash and cash equivalents | 10 | 42,347 | 161,902 |
| Prepayments and advances | 11 | 65 | 216 |
| Receivables | 12 | 304,555 | 376,786 |
| TOTAL ASSETS | | 618,648 | 1,252,864 |
| LIABILITIES | | | |
| Current liabilities | | 618,648 | 1,252,864 |
| Voted funds to be surrendered to the Revenue Fund | 13 | 347,602 | 539,131 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 14 | 184,140 | 154,231 |
| Payables | 15 | 86,906 | 559,502 |
| TOTAL LIABILITIES | | 618,648 | 1,252,864 |
| NET ASSETS | | - | - |

CASH FLOW STATEMENT

for the year ended 31 March 2011

| CASH FLOW | Note | 2010/11 R'000 | 2009/10 R'000 |
|--|------|------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 9,038,145 | 11,479,491 |
| Annual appropriated funds received | 1.1 | 7,315,249 | 9,939,828 |
| Statutory appropriated funds received | | - | - |
| Departmental revenue received | 2 | 1,722,896 | 1,539,663 |
| Direct Exchequer Receipts | | - | - |
| NRF Receipts | | - | - |
| Aid assistance received | | - | - |
| Net decrease in working capital | | 42,065 | 179,026 |
| Surrendered to Revenue Fund | | (2,232,118) | (1,633,356) |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | (3,196,653) | (3,216,294) |
| Payments for financial assets | | (5,376) | (674) |
| Transfers and subsidies paid | | (3,724,148) | (6,138,522) |
| Net cash flow available from operating activities | 16 | (78,085) | 669,671 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (41,470) | (45,207) |
| Proceeds from sale of capital assets | | - | - |
| (Increase)/decrease in loans | | - | - |
| (Increase)/decrease in investments | | - | - |
| (Increase)/decrease in other financial assets | | - | - |
| Net cash flows from investing activities | | (41,470) | (45,207) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution/dividend received | | - | - |
| Increase/(decrease) in net assets | | - | - |
| Increase/(decrease) in non-current payables | | - | - |
| Net cash flows from financing activities | | - | - |
| Net (decrease)/increase in cash and cash equivalents | | (119,555) | 624,464 |
| Cash and cash equivalents at beginning of period | | 161,902 | (462,562) |
| Cash and cash equivalents at end of period | 17 | 42,347 | 161,902 |

ACCOUNTING POLICIES

for the year ended 31 March 2011

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

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

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

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds

are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

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

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 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 National Revenue Fund and not in the financial statements of the employer department.

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

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

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

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other financial assets

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/ services are received or the funds are utilised.

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

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

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

4.5 Investments

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

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



ACCOUNTING POLICIES

for the year ended 31 March 2011

4.6 Loans

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

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

4.7 Inventory

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

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

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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

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

Subsequent recognition

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

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

4.8.2 Immovable assets

Initial recognition

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

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Contingent assets

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

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

Operating lease

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

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be

impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

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

6. Receivables for departmental revenue

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

7. Net assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

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

ACCOUNTING POLICIES

for the year ended 31 March 2011

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Annual appropriation

1.1 Annual appropriation

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

| | Final appropriation R'000 | Actual funds received R'000 | 2010/11 Funds not requested/not received R'000 | 2009/10 Appropriation received R'000 |
|------------------------------|--|--|---|---|
| Administration | 205,190 | 205,190 | - | 191,409 |
| Road infrastructure | 1,600,032 | 1,600,032 | - | 1,608,734 |
| Public and freight transport | 1,795,239 | 1,795,239 | - | 1,604,761 |
| Gautrain rapid link | 3,714,788 | 3,714,788 | - | 6,534,924 |
| Total | 7,315,249 | 7,315,249 | - | 9,939,828 |

1.2 Conditional grants

| | 2010/11 | 2009/10 |
|---|----------------|----------------|
| | R'000 | R'000 |
| Total grants received | 5,673,394 | 4,796,686 |
| Provincial grants included in total grants received | 3,276,428 | 2,380,000 |

| | | |
|------|-----------|-----------|
| Note | 2010/11 | 2009/10 |
| | R'000 | R'000 |
| 33 | 5,673,394 | 4,796,686 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

2. Departmental revenue

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|------|-------------------------|-------------------------|
| Tax revenue* | | 1,705,814 | 1,530,587 |
| Sales of goods and services other than capital assets | 2.1 | 3,849 | 3,626 |
| Interest, dividends and rent on land | 2.2 | 4,410 | 349 |
| Transactions in financial assets and liabilities | 2.3 | 8,823 | 5,101 |
| Total revenue collected | | <u>1,722,896</u> | <u>1,539,663</u> |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | <u>1,722,896</u> | <u>1,539,663</u> |

*The prior year figure for tax revenue has been restated. The figure was incorrectly classified as sales of goods and services other than capital assets.

2.1 Sales of goods and services other than capital assets

2

| | | |
|--|---------------------|---------------------|
| Sales of scrap, waste and other used current goods | 3,849 | 3,626 |
| Total | <u>3,849</u> | <u>3,626</u> |

2.2 Interest, dividends and rent on land

2

| | | |
|--------------|---------------------|-------------------|
| Interest | 4,410 | 49 |
| Rent on land | - | 300 |
| Total | <u>4,410</u> | <u>349</u> |

2.3 Transactions in financial assets and liabilities

2

| | | |
|----------------------------|---------------------|---------------------|
| Receivables | 8,820 | 5,080 |
| Stale cheques written back | 3 | 21 |
| Total | <u>8,823</u> | <u>5,101</u> |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

3. Compensation of employees

Note

2010/11

2009/10

R'000

R'000

3.1 Salaries and wages

3

| | | |
|----------------------------------|----------------|----------------|
| Basic salary | 237,143 | 225,273 |
| Performance award | 4,441 | 1,888 |
| Service based | 17,798 | 13,231 |
| Compensative/circumstantial | 26,798 | 23,752 |
| Other non-pensionable allowances | 39,621 | 38,911 |
| Total | 325,801 | 303,055 |

3.2 Social contributions

3

Employer contributions

| | | |
|--|----------------|----------------|
| Pension | 27,765 | 28,755 |
| Medical | 16,507 | 14,883 |
| Bargaining council | 87 | - |
| Total | 44,359 | 43,638 |
| Total compensation of employees | 370,160 | 346,693 |
| Average number of employees | 1,657 | 1,483 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

4. Goods and services

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|------|------------------|------------------|
| Administrative fees | | 986 | 347 |
| Advertising | | 25,235 | 8,255 |
| Assets less than R5,000 | 4.1 | 745 | 443 |
| Bursaries (employees) | | 1,223 | 2,050 |
| Catering | | 853 | 1,129 |
| Communication | | 16,714 | 10,398 |
| Computer services | 4.2 | 10,480 | 8,212 |
| Consultants, contractors and agency/outsourced services | 4.3 | 2,657,275 | 2,632,748 |
| Entertainment | | 220 | 9 |
| Audit cost – external | 4.4 | 8,865 | 9,978 |
| Fleet services | | 638 | 33 |
| Inventory | 4.5 | 31,535 | 26,681 |
| Operating leases | | 22,034 | 16,650 |
| Owned and leasehold property expenditure | 4.6 | 10,719 | 5,147 |
| Transport provided as part of the departmental activities | | 242 | 103,468 |
| Travel and subsistence | 4.7 | 17,735 | 31,224 |
| Venues and facilities | | 86 | 6,936 |
| Training and staff development | | 4,085 | 4,811 |
| Other operating expenditure | 4.8 | 283 | 8 |
| Total | | 2,809,953 | 2,868,527 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

4.1 Assets less than R5,000

| | 2010/11 | 2009/10 |
|-------------------------|------------|------------|
| | R'000 | R'000 |
| Tangible assets | 745 | 443 |
| Biological assets | - | 173 |
| Machinery and equipment | 745 | 270 |
| Total | 745 | 443 |

4.2 Computer services

| | | |
|-------------------------------------|---------------|--------------|
| | | |
| SITA computer services | - | 41 |
| External computer service providers | 10,480 | 8,171 |
| Total | 10,480 | 8,212 |

4.3 Consultants, contractors and agency/outsourced services

| | | |
|--|------------------|------------------|
| | | |
| Business and advisory services* | 1,485 | 320 |
| Infrastructure and planning* | 292,252 | 190,175 |
| Legal costs | 9,260 | 13,926 |
| Contractors | 876,693 | 737,750 |
| Agency and support/outsourced services | 1,477,585 | 1,690,577 |
| Total | 2,657,275 | 2,632,748 |

*Prior year figures have been restated as the following amounts were erroneously classified under the line item Agency and support/outsourced services: Business and advisory services R320, 000
Infrastructure and planning R190, 175,000

4.4 Audit cost – external

| | | |
|-------------------|--------------|--------------|
| | | |
| Regularity audits | 3,676 | 3,549 |
| Investigations | 5,091 | 6,429 |
| Other | 98 | - |
| Total | 8,865 | 9,978 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

4.5 Inventory

| | 2010/11 | 2009/10 |
|--|---------------|---------------|
| | R'000 | R'000 |
| Learning and teaching support material | 7 | - |
| Food and food supplies | 86 | 359 |
| Fuel, oil and gas | 5,509 | 1,856 |
| Other consumable materials | 3,282 | 1,040 |
| Maintenance material* | 9,773 | 14,509 |
| Stationery and printing | 12,878 | 8,917 |
| Total | 31,535 | 26,681 |

*The prior year amount of R14, 509,000 for Maintenance material was erroneously disclosed as Other consumable material. An error has been corrected and the figures are restated.

4.6 Own & leasehold property expenditure

4

| | | |
|--------------------|---------------|--------------|
| Municipal services | 5,545 | - |
| Other | 5,174 | 5,147 |
| Total | 10,719 | 5,147 |

4.7 Travel and subsistence

4

| | | |
|--------------|---------------|---------------|
| Local | 17,533 | 31,224 |
| Foreign | 202 | - |
| Total | 17,735 | 31,224 |

4.8 Other operating expenditure

4

| | | |
|---|------------|----------|
| Learnerships | 281 | - |
| Professional bodies, membership and subscription fees | 2 | - |
| Other | - | 8 |
| Total | 283 | 8 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

5. Interest and rent on land

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---------------|------|------------------|------------------|
| Interest paid | | 16,540 | 889 |
| Rent on land | | - | 185 |
| Total | | 16,540 | 1,074 |

6. Payments for financial assets

| | | | |
|-------------------|-----|--------------|------------|
| Debts written off | 6.1 | 5,376 | 674 |
| Total | | 5,376 | 674 |

6.1 Debts written off

Nature of debts written off

| | | | |
|-------------------------------|---|--------------|------------|
| Breach of contract | 6 | 14 | - |
| Ex-employees | | 722 | 571 |
| Other Motor Vehicle Penalties | | 4,392 | 3 |
| Other | | 6 | - |
| State guarantees | | 5 | - |
| Subsistence and Travel | | 204 | - |
| Suppliers | | 33 | 100 |
| Total | | 5,376 | 674 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

7. Transfers and subsidies

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|-----------|------------------|------------------|
| Provinces and municipalities* | Annex 1A, | - | 1,671 |
| Departmental agencies and accounts | Annex 1B | 3,714,778 | 6,126,117 |
| Public corporations and private enterprises | Annex 1C | - | 119 |
| Households | Annex 1D | 9,344 | 10,596 |
| Gifts, donations and sponsorships made | Annex 2A | 26 | 19 |
| Total | | 3,724,148 | 6,138,522 |

*The prior year figures for households were restated to include claims against the state which were previously disclosed incorrectly under provinces and municipalities.

8. Expenditure for capital assets

| | | | |
|---|----|----------------|----------------|
| Tangible assets | | 40,131 | 45,207 |
| Machinery and equipment | 30 | 3,040 | 2,959 |
| Land and subsoil assets | 32 | 37,091 | 42,248 |
| Software and other intangible assets | | 1,339 | - |
| Computer software | 31 | 1,339 | - |
| Total | | 41,470 | 45,207 |
| The following amounts have been included as project costs in Expenditure for capital assets | | | |
| Goods and services | | 506,623 | 719,730 |
| Total | | 506,623 | 719,730 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

8.1 Analysis of funds utilised to acquire capital assets – 2010/11

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|---|------------------------------|---------------------------------|------------------------|
| Tangible assets | 40,131 | - | 40,131 |
| Machinery and equipment | 3,040 | - | 3,040 |
| Land and subsoil assets | 37,091 | - | 37,091 |
| Software and other intangible assets | 1,339 | - | 1,339 |
| Computer software | 1,339 | - | 1,339 |
| Total | 41,470 | - | 41,470 |

8.2 Analysis of funds utilised to acquire capital assets – 2009/10

| | | | |
|-----------------------------|---------------|----------|---------------|
| Tangible assets | 45,207 | - | 45,207 |
| Machinery and equipment | 2,959 | - | 2,959 |
| Specialised military assets | - | - | - |
| Land and subsoil assets | 42,248 | - | 42,248 |
| Total | 45,207 | - | 45,207 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

9. Unauthorised expenditure

| Note | 2010/11 | 2009/10 |
|------|---------|---------|
| | R'000 | R'000 |

9.1 Reconciliation of unauthorised expenditure

9

| | | |
|---|----------------|----------------|
| Opening balance | 713,960 | 3,369,897 |
| Unauthorised expenditure – discovered in current year | - | - |
| Less: Amounts approved by Legislature with funding | (442,279) | (2,655,937) |
| Unauthorised expenditure awaiting authorisation/ written off | 271,681 | 713,960 |

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

9

| | | |
|--------------|----------------|----------------|
| Capital | 271,681 | 713,960 |
| Total | 271,681 | 713,960 |

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

9

| | | |
|---|----------------|----------------|
| Unauthorised expenditure relating to overspending of the vote or a main division within a vote | 271,681 | 713,960 |
| Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division | - | - |
| Total | 271,681 | 713,960 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

10. Cash and cash equivalents

| | 2010/11 | 2009/10 |
|---|---------------|----------------|
| | R'000 | R'000 |
| Consolidated paymaster general account* | 42,319 | 161,874 |
| Cash on hand | 28 | 28 |
| Total | 42,347 | 161,902 |

*The prior year balance for the bank account was restated from cash on hand to paymaster general account to ensure fair presentation

11. Prepayments and advances

| | | |
|------------------------|-----------|------------|
| Travel and subsistence | 65 | 216 |
| Total | 65 | 216 |

12. Receivables

| | | 2010/11 | | | 2009/10 | |
|-------------------------|-----------------|-----------------------------|-----------------------------|---------------------------------|----------------|----------------|
| | Note | Less than one year R'000 | One to three years R'000 | Older than three years R'000 | Total R'000 | Total R'000 |
| Claims recoverable | 12.1 Annex 3 | 3,264 | 276,339 | - | 279,603 | 356,699 |
| Recoverable expenditure | 12.2 | 2,637 | - | - | 2,637 | 133 |
| Staff debt | 12.3 | 2,744 | - | - | 2,744 | 3,017 |
| Other debtors | 12.4 | 2,634 | 16,937 | - | 19,571 | 16,937 |
| Total | | 11,279 | 293,276 | - | 304,555 | 376,786 |

12.1 Claims recoverable

| | Note | | |
|------------------------|------|----------------|----------------|
| Provincial departments | 12 | 277,930 | 346,846 |
| Public entities | | 1,673 | 9,853 |
| Total | | 279,603 | 356,699 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

12.2 Recoverable expenditure (disallowance accounts)

| Note | 2010/11 | 2009/10 |
|-------------------------------------|--------------|------------|
| | R'000 | R'000 |
| 12 | | |
| Bank adjustment account | 591 | - |
| Sal: Deduction disallowance account | 3 | - |
| Sal: Reversal control | 35 | 100 |
| Sal: Tax debt | - | 5 |
| Sal: Recoverable | - | 46 |
| Sal: Medical aid | - | 16 |
| Other | 2,008 | (34) |
| Total | 2,637 | 133 |

12.3 Staff debt

12

| | | |
|-------------------------------------|--------------|--------------|
| Breach of contract | 13 | 31 |
| Employees | 38 | 60 |
| Ex-employees | 3,460 | 3,441 |
| Breach of contract ex-employees | 59 | 24 |
| State guarantees | - | 23 |
| Travel and subsistence | - | 4 |
| Debt receivable income and interest | (1,127) | (1,030) |
| Supplier | 259 | 418 |
| Other | 42 | 46 |
| Total | 2,744 | 3,017 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

12.4 Other debtors

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---------------|------|------------------|------------------|
| Other debtors | 12 | 2,634 | - |
| Fraud | | 16,937 | 16,937 |
| Total | | 19,571 | 16,937 |

13. Voted funds to be surrendered to the revenue fund

| | | |
|--|----------------|----------------|
| Opening balance | 539,131 | 119,998 |
| Transfer from statement of financial performance | 347,602 | 539,131 |
| Add: Unauthorised expenditure for current year | - | - |
| Paid during the year | (539,131) | (119,998) |
| Closing balance | 347,602 | 539,131 |

14. Departmental revenue to be surrendered to the revenue fund

| | | |
|--|----------------|----------------|
| Opening balance | 154,231 | 127,926 |
| Transfer from statement of financial performance | 1,722,896 | 1,539,663 |
| Paid during the year | (1,692,987) | (1,513,358) |
| Closing balance | 184,140 | 154,231 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

15. Payables – current

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---------------------------------|---------|------------------|------------------|
| Amounts owing to other entities | Annex 4 | 84,534 | 40,039 |
| Advances received | 15.1 | 484 | 484 |
| Other payables | 15.2 | 1,888 | 518,979 |
| Total | | 86,906 | 559,502 |

15.1 Advances received

15

| | | | |
|---------------------|--|------------|------------|
| Description | | | |
| Guarantees received | | 484 | 484 |
| Total | | 484 | 484 |

15.2 Other payables

15

| | | |
|--------------------------------------|--------------|----------------|
| Cheques payable: Domestic | 135 | 3 |
| Salaries: Persal EBT control account | - | 592 |
| Outstanding payments: Domestic | - | 110,307 |
| Salaries: ACB recalls | 61 | - |
| BAS credit transfers | - | 406,419 |
| Other payables | 1,692 | 1,658 |
| Total | 1,888 | 518,979 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

16. Net cash flow available from operating activities

| | 2010/11 R'000 | 2009/10 R'000 |
|--|------------------|------------------|
| Net surplus/(deficit) as per statement of financial performance | 2,070,498 | 2,078,794 |
| Add back non cash/cash movements not deemed operating activities | (2,148,583) | (1,409,123) |
| (Increase)/decrease in receivables – current | 72,231 | (161,317) |
| (Increase)/decrease in prepayments and advances | 151 | (51) |
| (Increase)/decrease in other current assets | 442,279 | 2,655,937 |
| Increase/(decrease) in payables – current | (472,596) | (2,315,543) |
| Proceeds from sale of capital assets | - | - |
| Proceeds from sale of investments | - | - |
| (Increase)/decrease in other financial assets | - | - |
| Expenditure on capital assets | 41,470 | 45,207 |
| Surrenders to revenue fund | (2,232,118) | (1,633,356) |
| Surrenders to RDP fund/donor | - | - |
| Voted funds not requested/not received | - | - |
| Own revenue included in appropriation | - | - |
| Other non-cash items | - | - |
| Net cash flow generated by operating activities | (78,085) | 669,671 |

17. Reconciliation of cash and cash equivalents for cash flow purposes

| | | |
|--|---------------|----------------|
| Consolidated paymaster general account | 42,319 | 161,874 |
| Cash on hand | 28 | 28 |
| Total | 42,347 | 161,902 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

18. Contingent liabilities

| | | Note | 2010/11 R'000 | 2009/10 R'000 |
|--|---------------|----------|------------------|------------------|
| Liable to | Nature | | | |
| Housing loan guarantees | Employees | Annex 2B | 1,124 | 1,480 |
| Claims against the department | | Annex 2C | 615,274 | 296,624 |
| Other departments (interdepartmental unconfirmed balances) | | Annex 4 | 65,107 | 1,755 |
| Other | | Annex 2C | - | 76,034 |
| Total | | | 681,505 | 375,893 |

19. Commitments

| | | | | |
|---------------------------------|--|--|----------------|----------------|
| Current expenditure | | | | |
| Approved and contracted | | | 20,137 | 18,257 |
| Approved but not yet contracted | | | 76,874 | - |
| | | | 97,011 | 18,257 |
| Capital expenditure | | | | |
| Approved and contracted | | | 574,823 | 545,574 |
| Approved but not yet contracted | | | - | - |
| | | | 574,823 | 545,574 |
| Total Commitments | | | 671,834 | 563,831 |

| | | |
|--------------------------------|--|----------------|
| Commitments | | |
| Commitments less than 1 year | | 273,758 |
| Commitments longer than 1 year | | 398,076 |
| | | 671,834 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

20. Accruals

| | R'000 | R'000 | 2010/11 R'000 | 2009/10 R'000 |
|---|----------------|-----------------|------------------|------------------|
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 199,770 | 165,318 | 365,088 | 265,372 |
| Interest and rent on land | 1 | 156 | 157 | - |
| Capital assets | 62,552 | 38,836 | 101,388 | 248,551 |
| Other | - | 45,081 | 45,081 | 266,380 |
| Total | 262,323 | 249,391 | 511,714 | 780,303 |
| Listed by programme level* | | | | |
| Administration | | | 18,279 | 36,390 |
| Road infrastructure | | | 114,012 | 328,473 |
| Public and freight transport | | | 379,423 | 415,440 |
| Gautrain rapid link | | | - | - |
| Total | | | 511,714 | 780,303 |
| Confirmed balances with other departments | Annex 4 | | 14,137 | 24,334 |
| Confirmed balances with other government entities | Annex 4 | | 5,290 | 13,950 |
| Total | | | 19,427 | 38,284 |

* Prior year accruals per programme level have been reclassified, Gautrain did not have accruals at year end.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|------------------------------|------|------------------|------------------|
| Listed by programme level | | | |
| Administration | | - | 36,390 |
| Road Infrastructure | | - | 328,473 |
| Public and freight transport | | - | 415,440 |
| Total | | - | 780,303 |

21. Employee benefits

| | | |
|-----------------------------------|---------------|---------------|
| Leave entitlement | 20,166 | 16,812 |
| Service bonus (Thirteenth cheque) | 10,688 | 8,896 |
| Performance awards | 4,755 | 3,694 |
| Capped leave commitments * | 22,427 | 18,495 |
| Total | 58,036 | 47,897 |

*Included in the capped leave is a negative amount of R180, 731.89. Negative capped leave came as a result of the leave audit conducted in the 2001 financial year. HR is currently in the process of utilising the affected employees' leave credit to offset the negative balances on persal. It was resolved that for the employees with less than 7 leave credit a mandate be sent to GDF for implementation.

22. Lease commitments

22.1 Operating leases expenditure

| 2010/11 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|-------------------------------------|----------------|
| Not later than 1 year | 22,601 | - | 22,601 |
| Later than 1 year and not later than 5 years | 48,702 | - | 48,702 |
| Later than 5 years | 19,588 | - | 19,588 |
| Total lease commitments | 90,891 | - | 90,891 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

| 2009/10 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|---|----------------------------------|----------------|
| Not later than 1 year # | 12,595 | - | 12,595 |
| Later than 1 year and not later than 5 years | 19,854 | - | 19,854 |
| Later than five years | - | - | - |
| Total lease commitments | 32,449 | - | 32,449 |

Prior year's lease commitments for Buildings and other fixed structured erroneously included actual expenditure of R11, 450,000. The error has been rectified for fair presentation.

22.2 Finance leases expenditure*

| 2010/11 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|---------------|---|----------------------------------|----------------|
| Not later than 1 year | - | - | - | 8,504 | 8,504 |
| Later than 1 year and not later than 5 years- | - | - | - | 7,840 | 7,840 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 16,334 | 16,334 |
| LESS: finance costs | - | - | - | (1,546) | (1,546) |
| Total present value of lease liabilities | - | - | - | 14,798 | 14,798 |

| 2009/10 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|---|---|---------------|---|----------------------------------|----------------|
| Not later than 1 year | - | - | - | 5,771 | 5,771 |
| Later than 1 year and not later than 5 years | - | - | - | 2,656 | 2,656 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 8,427 | 8,427 |
| LESS: finance costs- | - | - | - | (541) | (541) |
| Total present value of lease liabilities | - | - | - | 7,886 | 7,886 |

* In the previous financial years, expenditure for GG vehicles was only recognised in the Statement of Financial Performance, the lease liability was never disclosed. However, in this financial year, the relevant lease liability has been recognised in the disclosure note. Thus, prior year figures have been restated by an amount of R3,469,563.23 to ensure fair representation.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

23. Receivables for departmental revenue

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|--------------|------|------------------|------------------|
| Tax revenue | 23.1 | 169,825 | 146,800 |
| Other | | - | - |
| Total | | 169,825 | 146,800 |

23.1 Analysis of receivables for departmental revenue

| | | | |
|-------------------------|----|----------------|----------------|
| | 23 | | |
| Opening balance | | 146,800 | 309,615 |
| Less: amounts received | | (1,879,531) | (1,821,177) |
| Add: amounts recognised | | 1,902,556 | 1,658,362 |
| Closing balance | | 169,825 | 146,800 |



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 751,195 | 233,785 |
| Add: Irregular expenditure – relating to current year | 24.2 | 2,228,453 | 517,410 |
| Less: Amounts condoned | 24.3 | (751,195) | - |
| Irregular expenditure awaiting condonation | | 2,228,453 | 751,195 |

Analysis of awaiting condonation per age classification

| | | |
|--------------|------------------|----------------|
| Current year | 2,228,453 | 517,410 |
| Prior years | - | 233,785 |
| Total | 2,228,453 | 751,195 |

24.2 Details of irregular expenditure – current year

| Incident | Disciplinary steps taken/criminal proceedings | 2010/11 R'000 |
|---|--|------------------|
| Various contracts entered into without following the procurement processes. | None. These are multi-year contracts which have not been terminated. | 2,228,453 |
| Total | | 2,228,453 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

24.3 Details of irregular expenditure condoned

| | | 2010/11 R'000 |
|--------------|--|------------------|
| Incident | Condoned by (condoning authority) | |
| Various | Departmental Acquisition Council chaired by the Accounting Officer (DAC) | 751,195 |
| Total | | 751,195 |

24.4 Details of irregular expenditure not recoverable (not condoned)

| | | 2010/11 R'000 |
|---|--|------------------|
| Various – Not condoned by DAC chaired by Accounting Officer | | 2,228,453 |
| Total | | 2,228,453 |

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 6,983 | 4,382 |
| Fruitless and wasteful expenditure – relating to current year | 25.2 | 16,541 | 2,601 |
| Less: Amounts condoned | | (6,983) | - |
| Fruitless and wasteful expenditure awaiting condonement | | 16,541 | 6,983 |

25.2 Analysis of awaiting condonation per economic classification

| | | |
|--------------|---------------|--------------|
| Current | 16,177 | 5,383 |
| Capital | 364 | 1,600 |
| Total | 16,541 | 6,983 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

25.3 Analysis of current year's fruitless and wasteful expenditure

2010/11

R'000

| Incident | Disciplinary steps taken/ criminal proceedings | |
|--|---|---------------|
| Municipalities - Interest paid on late payments | None | 10 |
| Auditor-General – Interest paid on late payments | None | 1 |
| Bus subsidies – court order issued to the department for late payments | None | 16,053 |
| Other suppliers – late payments | None | 113 |
| Land proclamation – interest paid in terms of Gauteng Transport Infrastructure Act | None | 364 |
| Total | | 16,541 |

26. Related party transactions

Note

2010/11

R'000

2009/10

R'000

Payments made

| | | |
|--------------------|---------------|---------------|
| Goods and services | 16,118 | 35,225 |
| Total | 16,118 | 35,225 |

Year end balances arising from revenue/payments

| | | |
|----------------------------------|--------------|---------------|
| Receivables from related parties | 1,673 | 12,698 |
| Payables to related parties | 5,555 | 10,953 |
| Total | 7,228 | 23,651 |

27. Key management personnel

No. of Individuals

| | | | |
|--|----|---------------|---------------|
| Political office bearers (provide detail below) | 2 | 1,726 | 1,668 |
| Officials: | | | |
| Level 15 to 16 | 8 | 8,328 | 6,152 |
| Level 14 (incl. CFO if at a lower level) | 15 | 8,050 | 7,815 |
| Total | | 18,104 | 15,635 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

28. Public private partnership

Contract fee received

| | Note | 2010/11 R'000 | 2009/10 R'000 |
|--|------|------------------|------------------|
| DORA | | - | 2,976,720 |
| MTEF | | - | 2,380,000 |
| Borrow | | - | 1,173,528 |
| Hartlands properties variation | | - | 2,559 |
| MTEF/Prior year expenditure roll overs | | - | (474,138) |
| Re-alignment variation (Zonkizizwe) | | - | 193,924 |
| Other Income | | - | 10,478 |

Contract fee paid

| | | | |
|-------------------|--|---|-----------|
| | | - | 5,920,719 |
| Fixed component | | - | 5,372,231 |
| Indexed component | | - | 548,488 |

Analysis of indexed component

| | | | |
|---|--|---|---------|
| | | - | 548,488 |
| Goods and services (excluding lease payments) | | - | 548,488 |

Capital/ (Liabilities)

| | | | |
|---------------------|--|---|-----------|
| | | - | 5,372,231 |
| Property | | - | 461,329 |
| Plant and equipment | | - | 4,910,902 |

Balance Sheet

| | | | |
|--------------------------------|--|---|-----------|
| | | - | - |
| Prepayments and advances | | - | 2,905 |
| Cash and cash equivalents | | - | 384,066 |
| Property, plant and equipment | | - | 611 |
| Provisions | | - | (16,633) |
| Other payables and liabilities | | - | (577,767) |
| Accumulated surplus | | - | 206,818 |

In the 2009/10 financial year, the department recognised the Gautrain project as a Public Private Partnership. In the 2010/11 financial year, the department has recognised then Gautrain Project as property, plant and equipment and capital work-in-progress in line with the concessionaire agreement and National Treasury annual financial statements guidelines. For more information, refer to Disclosure note 30 and 32 on movable & immovable tangible capital assets respectively.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

29. Impairment and other provisions ^{Note}

Impairment

| | 2010/11 R'000 | 2009/10 R'000 |
|--------------|------------------|------------------|
| Debtors | 2,634 | 18,340 |
| Total | 2,634 | 18,340 |

30. Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2011

| | Opening balance R'000 | Current Year Adjustments to prior year balances R'000 | Additions* R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|---|---------------------|--------------------|-----------------------------|
| Machinery and equipment | 51,845 | (13,120) | 1,879,950 | (18,276) | 1,900,399 |
| Transport assets | 5,478 | - | 1,841,229 | (13,186) | 1,833,521 |
| Computer equipment | 21,170 | (2,456) | 22,170 | (2,912) | 37,972 |
| Furniture and office equipment | 18,073 | (9,932) | 2,759 | (1,988) | 8,912 |
| Other machinery and equipment | 7,124 | (732) | 13,792 | (190) | 19,994 |
| Total movable tangible capital assets | 51,845 | (13,120) | 1,879,950 | (18,276) | 1,900,399 |

*Included in additions is an amount of 1,737,407,000 being transfer-in of transport assets from Gautrain Management Agency.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

30.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2011

| | Cash | Non-cash | (Capital work in progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|---|--------------|------------------|--|--|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 3,040 | 1,876,524 | - | 386 | 1,879,950 |
| Transport assets | - | 1,841,229 | - | - | 1,841,229 |
| Computer equipment | 2,039 | 19,919 | - | 212 | 22,170 |
| Furniture and office equipment | 286 | 2,326 | - | 147 | 2,759 |
| Other machinery and equipment | 715 | 13,050 | - | 27 | 13,792 |
| Total additions to movable tangible capital assets | 3,040 | 1,876,524 | - | 386 | 1,879,950 |

30.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2011

| | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash Received Actual |
|--|----------------------|--|----------------------------|---------------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Machinery and equipment | 13,186 | 5,090 | 18,276 | - |
| Transport assets | 13,186 | - | 13,186 | - |
| Computer equipment | - | 2,912 | 2,912 | - |
| Furniture and office equipment | - | 1,988 | 1,988 | - |
| Other machinery and equipment | - | 190 | 190 | - |
| Total disposal of movable tangible capital assets | 13,186 | 5,090 | 18,276 | - |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

30.3 Movement for 2009/10

Movement in movable tangible capital assets per asset register for the year ended 31 March 2010

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--|--------------------------------------|----------------------------|----------------------------|--------------------------------------|
| MACHINERY AND EQUIPMENT | 56,013 | 2,321 | 6,489 | 51,845 |
| Transport assets | 5,957 | - | 479 | 5,478 |
| Computer equipment | 22,783 | 1,487 | 3,100 | 21,170 |
| Furniture and office equipment | 18,700 | 560 | 1,187 | 18,073 |
| Other machinery and equipment | 8,573 | 274 | 1,723 | 7,124 |
| Total movable tangible capital assets | 56,013 | 2,321 | 6,489 | 51,845 |

30.4 Minor assets

Minor assets of the department as at 31 March 2011

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|--|--|--|--------------------------------------|--|--|------------------------|
| Opening Balance | - | - | - | 22,238 | - | 22,238 |
| Current year adjustment to prior year balances | - | - | - | 13,121 | - | 13,121 |
| Additions | - | - | - | 1,331 | - | 1,331 |
| Disposals | - | - | - | (6,819) | - | (6,819) |
| Total | - | - | - | 29,871 | - | 29,871 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-----------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------|
| Number of minor assets at cost | - | - | - | 24,469 | - | 24,469 |
| Total number of minor assets | - | - | - | 24,469 | - | 24,469 |

Minor assets of the department as at 31 March 2010

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|--------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| Minor assets | - | - | - | 22,238 | - | 22,238 |
| Total | - | - | - | 22,238 | - | 22,238 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-----------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|--------|
| Number of minor assets at cost | - | - | - | 13,608 | - | 13,608 |
| Total number of minor assets | - | - | - | 13,608 | - | 13,608 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

31. Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2011

| | Opening balance | Current year adjust-ments to prior year balances | Additions | Disposals | Closing balance |
|--|----------------------------|---|------------------|------------------|----------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Computer software | 31,364 | (25) | 14,848 | (1) | 46,186 |
| Total intangible capital assets | 31,364 | (25) | 14,848 | (1) | 46,186 |

31.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2011

| | Cash | Non-Cash | (Development work in progress—current costs) | Received current year, not paid (Paid current year, received prior year) | Total |
|---|--------------|-----------------|---|---|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Computer software | 1,339 | 13,509 | - | - | 14,848 |
| Total additions to intangible capital assets | 1,339 | 13,509 | - | - | 14,848 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

31.2 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2011

| | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash Received Actual |
|---|----------------------|--|----------------------------|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Computer software | - | 1 | 1 | - |
| Total disposals of intangible capital assets | - | 1 | 1 | - |

31.3 Movement for 2009/10

Movement in intangible capital assets per asset register for the year ended 31 March 2010

| | Opening balance | Additions | Disposals | Closing balance |
|--|------------------------|------------------|------------------|------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Computer software | 31,334 | 30 | - | 31,364 |
| Total intangible capital assets | 31,334 | 30 | - | 31,364 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

32. Immovable tangible capital assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2011

| | Opening balance | Current year adjust-ments to prior year balances | Additions | Disposals | Closing balance |
|--|-------------------|---|------------------|-----------|-------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | 27,144,832 | 12,957 | 83,025 | - | 27,240,814 |
| Other fixed structures | 27,144,832 | 12,957 | 83,025 | - | 27,240,814 |
| Land and subsoil assets | 2,368,240 | - | 1,329,842 | - | 3,698,082 |
| Land | 2,368,240 | - | 1,329,842 | - | 3,698,082 |
| Total immovable tangible capital assets | 29,513,072 | 12,957 | 1,412,867 | - | 30,938,896 |

The value of the System PPE Work-in-progress for Gautrain Management Agency (GMA) as per the fifty four (54) milestone report is R25,284,109,343. The amount funded by the Government to date is R26,868,083,000. The asset is within the control of the Gautrain Management Agency's and Department of Roads, and Transport. The Concessionaire will operate and maintain the Gautrain from June 2011 to 2026 and thereafter, will hand over the asset to the Province in pre-determined and pre-defined conditions as per the terms stipulated in the Concession Agreement.

GMA should not recognise as asset or capital work-in-progress in its accounting records. The Department of Roads and Transport should recognise PPE to the extent that elements of the Gautrain project were completed at year-end or capital work in progress to the extent that elements of the project were still under construction at year-end.

The following note relates to Gautrain Management Agency:

| | R'000 |
|--|-------------------|
| Capital Work-in-Progress and completed Gautrain assets | 25,284,109 |
| Total Construction costs per milestone 54 | 25,284,109 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

32.1 Additions

Additions to immovable tangible capital assets per asset register for the year ended 31 March 2011

| | Cash | Non-cash | (Capital work in progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|--|--------------|-----------------|--|--|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Building and other fixed structures | 506,623 | 25,777,776 | (26,105,968) | (95,406) | 83,025 |
| Other fixed structures | 506,623 | 25,777,776 | (26,105,968) | (95,406) | 83,025 |
| Land and subsoil assets | 37,091 | 1,292,751 | - | - | 1,329,842 |
| Land | 37,091 | 1,292,751 | - | - | 1,329,842 |
| Total additions to immovable tangible capital assets | 543,714 | 27,070,527 | (26,105,968) | (95,406) | 1,412,867 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

32.2 Movement for 2009/10

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2010

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--------------------------------------|--------------------------|--------------------|--------------------|--------------------------|
| Buildings and other fixed structures | 26,807,670 | 337,162 | - | 27,144,832 |
| Other fixed structures | 26,807,670 | 337,162 | - | 27,144,832 |
| Land and subsoil assets | 2,325,992 | 42,248 | - | 2,368,240 |
| Land | 2,325,992 | 42,248 | - | 2,368,240 |
| Total immovable tangible assets | 29,133,662 | 379,410 | - | 29,513,072 |

32.3 Immovable assets valued at R1

Immovable assets valued at R1 in the asset register as at 31 March 2011

| | Buildings and other fixed structures R'000 | Heritage assets R'000 | Land and subsoil assets R'000 | Investment property R'000 | Total R'000 |
|---------------------|---|--------------------------|----------------------------------|------------------------------|----------------|
| R1 Immovable assets | 36 | - | 1,123 | - | 1,159 |
| Total | 36 | - | 1,123 | - | 1,159 |

Immovable assets valued at R1 in the asset register as at 31 March 2010

| | Buildings and other fixed structures R'000 | Heritage assets R'000 | Land and subsoil assets R'000 | Investment property R'000 | Total R'000 |
|---------------------|---|--------------------------|----------------------------------|------------------------------|----------------|
| R1 Immovable assets | 36 | - | 21 | - | 57 |
| Total | 36 | - | 21 | - | 57 |

for the year ended 31 March 2011

33. Statement of conditional grants received

| Name of department | Grant allocation | | | | | Spent | | 2009/10 | |
|----------------------------------|--|------------|------------------|-------------------|------------------|-------------------------------|----------------------------|-------------------------|----------------------------|
| | Division of Revenue Act/ Provincial Grants | Roll overs | DORA adjustments | Other adjustments | Total available | Amount received by department | Amount spent by department | Division of Revenue Act | Amount spent by department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Gautrain rapid link | 2,528,360 | - | - | 1,186,428 | 3,714,788 | 3,714,788 | 3,714,788 | 2,976,720 | 2,976,720 |
| Public transport Operation Grant | 1,496,442 | - | - | - | 1,496,442 | 1,496,442 | 1,269,342 | 1,403,826 | 1,403,826 |
| Overload control | - | - | - | - | - | - | - | 5,034 | 450 |
| Provincial grants | - | - | - | - | - | - | - | - | - |
| Infrastructure grant | 462,164 | - | - | - | 462,164 | 462,164 | 448,327 | 411,106 | 411,106 |
| | 4,486,966 | - | - | 1,186,428 | 5,673,394 | 5,673,394 | 5,432,457 | 4,796,686 | 4,792,102 |

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

34. World cup expenditure

| | | 2010/11 | 2009/10 |
|---|--|----------|---------|
| | | Quantity | R'000 |
| Tickets acquired | | 102 | 5 |
| | | | - |
| | | 2010/11 | 2009/10 |
| | | Quantity | R'000 |
| Distribution of tickets | | | |
| Clients/Stakeholders | | 102 | 5 |
| Accounting Authority | | | |
| Executive | | - | - |
| Non-executive | | - | - |
| Accounting Officer | | - | - |
| Senior Management | | - | - |
| Other employees | | - | - |
| Family members of officials | | - | - |
| Other government entities | | - | - |
| Audit Committee members | | - | - |
| Other | | - | - |
| <i>Members of the Executive Council</i> | | | |
| <i>Please specify</i> | | | |
| Total | | 102 | 5 |
| | | | - |

*The above tickets were park and ride tickets for the world cup match between SA and Mexico on the 11 of June 2010

for the year ended 31 March 2011

Annexure 1A

Statement of conditional grants paid to municipalities

| Name of municipality | Grant allocation | | | | Transfer | | | Spent | | 2009/10 | |
|-------------------------------|-------------------------|------------|-------------|-----------------|-----------------|-----------------|--|---------------------------------|------------------------------|---------|--|
| | Division of Revenue Act | Roll overs | Adjustments | Total available | Actual transfer | Funds with-held | Re-allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | | % of available funds spent by municipality |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| Municipal-ity rates and taxes | - | - | - | - | - | - | - | - | - | - | 1,671 |
| Total | - | - | - | - | - | - | - | - | - | - | 1,671 |

Annexure 1B

Statements of transfers to departmental agencies and accounts

| Department/agency/account | Transfer allocation | | | | Transfer | | 2009/10 |
|---------------------------|------------------------|------------|-------------|-----------------|-----------------|----------------------------------|-------------------------|
| | Adjusted appropriation | Roll overs | Adjustments | Total available | Actual transfer | % of available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | Appropriation Act R'000 |
| Gautrain Rapid Rail Link | 2,528,360 | - | 1,126,858 | 3,655,218 | 3,714,778 | 102% | 6,126,117 |
| Total | 2,528,360 | - | 1,126,858 | 3,655,218 | 3,714,778 | 102% | 6,126,117 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 1C

Statement of transfers/subsidies to public corporations and private enterprises

| Name of public corporation/ private enterprise | Transfer allocation | | | Expenditure | | | | 2009/10 | |
|---|-------------------------------------|---------------------|----------------------|--------------------------|--------------------------|---------------------------------------|------------------|---------|------------------|
| | Adjusted appropriation Act R'000 | Roll overs R'000 | Adjustments R'000 | Total available R'000 | Actual transfer R'000 | % of Available funds transferred % | Capital R'000 | | Current R'000 |
| Public corporations | | | | | | | | | |
| Transfers | | | | | | | | | |
| Claim against State Private Enterprise | - | - | - | - | - | - | - | - | 119 |
| Subsidies | | | | | | | | | |
| Total | - | - | - | - | - | - | - | - | 119 |

for the year ended 31 March 2011

Annexure 1D

Statement of transfers to households

| Households | Transfer allocation | | | Expenditure | | 2009/10 |
|----------------------------|----------------------------------|------------------|-------------------|-----------------------|-----------------------|----------------------------------|
| | Adjusted Appropriation Act R'000 | Roll overs R'000 | Adjustments R'000 | Total available R'000 | Actual transfer R'000 | % of available funds transferred |
| Transfers | | | | | | |
| Employee service benefits: | | | | | | |
| Injury on Duty | - | - | 293 | 293 | 293 | 100.0% |
| Employee service benefits: | | | | | | |
| leave gratuity | - | - | 1,233 | 1,233 | 1,233 | 100.0% |
| Claims against state | - | - | 7,818 | 7,818 | 7,818 | 100.0% |
| Total | - | - | 9,344 | 9,344 | 9,344 | 100.0% |
| | | | | | | 12,886 |

for the year ended 31 March 2011

Annexure 1E

Statement of gifts, donations and sponsorships received in kind

| Name of organisation | Nature of gift, donation or sponsorship | 2010/11 R'000 | 2009/10 R'000 |
|-------------------------------------|---|------------------|------------------|
| Received in kind | | | |
| WestPoint Trading Enterprise 123 | Sponsorship of an official trip to India and Canada | 228 | - |
| WestPoint Trading Enterprise 123 | Sponsorship of an official trip to India for the 4th International Exhibition & Conference on Inter- national and Homeland Security: SAFE 2010 | 80 | - |
| Total | | 308 | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 2A

Statements of gifts, donations and sponsorships made and remissions, refunds and payments made as an Act of Grace

| | 2010/11 R'000 | 2009/10 R'000 |
|--|------------------|------------------|
| Nature of gift, donation or sponsorship (Group major categories but list material items including name of organisation) | | |
| Paid in cash | | |
| Sponsorship – Mr. O.P. Fourie | 26 | 19 |
| Subtotal | 26 | 19 |
| Made in kind | | |
| Computer equipment – Lusito Labomama Project | - | 43 |
| Furniture and office equipment – various organisations | - | 109 |
| Subtotal | - | 152 |
| Remissions, refunds, and payments made as an act of grace | | |
| Subtotal | - | - |
| Total | 26 | 171 |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 2B

Statement of financial housing guarantees issued as at 31 March 2011 – Local

| Guarantor institution | Original guaranteed capital amount R'000 | Opening balance 1 April 2010 R'000 | Guarantees draw downs during the year R'000 | Guarantees repayments/ cancelled/ reduced/ released during the year R'000 | Revaluations R'000 | Closing balance 31 March 2011 R'000 | Guaranteed interest for year ended 31 March 2011 R'000 | Realised losses not recoverable i.e. claims paid out R'000 |
|-----------------------------------|---|---------------------------------------|--|--|-----------------------|--|---|---|
| Standard Bank of SA | 1,251 | 218 | 28 | - | - | 246 | - | - |
| Nedbank Limited | 507 | 94 | - | (50) | - | 44 | - | - |
| Firststrand Bank Limited: FNB | 2,936 | 344 | - | (93) | - | 251 | - | - |
| ABSA | 1,368 | 242 | - | (5) | - | 237 | - | - |
| Company Unique Finance | 156 | 29 | - | (29) | - | - | - | - |
| Old Mutual Finance Limited | 188 | 30 | - | (30) | - | - | - | - |
| Peoples Bank Limited (Former FBC) | 348 | 68 | - | (40) | - | 28 | - | - |
| Nedbank Limited Incorporation NIB | 512 | 99 | - | (16) | - | 83 | - | - |
| First Rand Bank Ltd (FNB-Former) | 464 | 93 | - | (21) | - | 72 | - | - |
| Old Mutual Bank DIV- of Nedbank | 1,053 | 234 | - | (81) | - | 153 | - | - |
| Investec Bank Limited | - | - | 10 | - | - | 10 | - | - |
| BoE Bank Ltd | 158 | 29 | - | (29) | - | - | - | - |
| Total | 8,942 | 1,480 | 38 | (394) | - | 1,124 | - | - |

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 2C

Statement of contingent liabilities as at 31 March 2011

| Nature of Liability | Opening balance 1 April 2010 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 March 2011 R'000 |
|--------------------------------------|---------------------------------------|---|---|---|--|
| Claims against the department | | | | | |
| Claims* | 296,549 | 357,264 | (38,539) | - | 615,274 |
| PALAMA | 75 | - | (75) | - | - |
| Subtotal | 296,624 | 357,264 | (38,614) | - | 615,274 |
| Other | | | | | |
| Gauteng Department of Finance | 76,010 | - | (76,010) | - | - |
| Department of Education | 24 | - | (24) | - | - |
| Subtotal | 76,034 | - | (76,034) | - | - |
| Total | 372,658 | 357,264 | (114,648) | - | 615,274 |

*An error identified in prior year's contingent liabilities (Claims) Annexure has been corrected. The figure previously disclosed erroneously excluded some of the additions that related to 2009/10 financial year.

Claims as disclosed in the AFSs (2009/10)

Prior year adjustment

Claims as disclosed in the AFSs (2010/11)

R'000

124,819

171,730

296,549

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 3

Claims recoverable

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total |
|--|-------------------------------|---------------------|---------------------------------|---------------------|----------------|
| | 31/03/2011 R'000 | 31/03/2010 R'000 | 31/03/2011 R'000 | 31/03/2010 R'000 | |
| Department | | | | | |
| Gauteng | | | | | |
| Department of Infrastructure Development | - | 346,846 | 277,930 | - | 346,846 |
| Sub-total | - | 346,846 | 277,930 | 277,930 | 346,846 |
| Other | | | | | |
| Government Entities | | | | | |
| Urban Transport Fund | - | 9,853 | - | - | 9,853 |
| g-FleeT* | 1,673 | - | - | 1,673 | - |
| Sub-total | 1,673 | 9,853 | - | 1,673 | 9,853 |
| Total | 1,673 | 356,699 | 277,930 | - | 356,699 |

* g-FleeT: The total amount receivable from g-FleeT at year end was R2 million. R1,7 million is disclosed in Annexure 3 (above), the remaining balance of R365 298,00 is disclosed in this note as receivable.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

Annexure 4

Inter-government payables

| Government entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|----------------------------------|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 31/03/2011 R'000 | 31/03/2010 R'000 | 31/03/2011 R'000 | 31/03/2010 R'000 | 31/03/2011 R'000 | 31/03/2010 R'000 |
| Departments | | | | | | |
| Current | | | | | | |
| Cradle of Human Kind | 14,137 | 23,930 | - | - | 14,137 | 23,930 |
| Gauteng Department of Finance | - | - | 61,313 | 1,755 | 61,313 | 1,755 |
| City of JHB/VWeigh Bridge | - | 404 | - | - | - | 404 |
| Department of Justice | - | - | 3,794 | - | 3,794 | - |
| Subtotal | 14,137 | 24,334 | 65,107 | 1,755 | 79,244 | 26,089 |
| Other government entity | | | | | | |
| Current | | | | | | |
| g-FleetT | 5,290 | 13,950 | - | - | 5,290 | 13,950 |
| Subtotal | 5,290 | 13,950 | - | - | 5,290 | 13,950 |
| Total | 19,427 | 38,284 | 65,107 | 1,755 | 84,534 | 40,039 |

Department of Community & Safety. An amount of R1,2 million has been confirmed as an inter-departmental balance between the two departments relating to overtime worked by staff transferred to community safety after configuration in 2004.

for the year ended 31 March 2011

Annexure 5

Inventory

| Inventory | Note | Quantity | 2010/11 R'000 | Quantity | 2009/10 R'000 |
|---|------|----------|------------------|----------|------------------|
| Opening balance | | | 1,916 | | 2,611 |
| Add/(Less): Adjustments to prior year balance | | | - | | - |
| Add: Additions/purchases - cash | 4.5 | | 31,535 | | 26,681 |
| Add: Additions - non-cash | | | - | | - |
| (Less): Disposals | | | (1) | | - |
| (Less): Issues | | | (29,684) | | (27,276) |
| Add/(Less): Adjustments | | | 1 | | - |
| Closing balance | | | 3,767 | | 1,916 |

g-FleeT Management

ANNUAL FINANCIAL STATEMENTS

for the period ended 31 March 2011



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REPORT OF THE ACCOUNTING OFFICER

for the period ended 31 March 2011

The Accounting Officer hereby presents the Annual Financial Statements for the year ended 31 March 2011 to the Executive Authority and Legislature of the Gauteng Provincial Government. The preparation and submission of these financial statements is the responsibility of the Accounting Officer.

Services rendered by the entity and financial results

a. Hiring out of vehicles

g-FleeT hires out motor vehicles on the following basis to clients within the government:

- Permanently allocated vehicles
- Pool vehicles
- VIP and Taxi services

b. Fleet management services:

g-FleeT also provides fleet management services to those departments which purchase and own vehicles themselves. Tariffs are reviewed annually and are based on a fixed daily rate as well as a kilometre rate.

Financial results

During the 2010/11 financial year, of the approved budget of R869 077 133, g-FleeT Management spent R807 442 876 of the approved budget, which represents 93%. Under-spending during the year under review amounts to R61 634 257 (7%).

The under-spending is due to capital yard projects that could not be rolled-out due to a change of mandate during the year under review. Also, there have been invoices that are still under dispute with the respective service providers that were not paid.

The revenue on leasing of vehicles for the period under review amounts to R676 433 000 (adjusted 2010: R615 646 000).

Review of financial position

g-FleeT acquired vehicles to the value of R148 561 000 (Adjusted 2010: R66 946 000) during the year to replace and increase the fleet. This reflects g-FleeT's commitment to renew and increase the fleet so as to remain sustainable.

Events subsequent to Statement of Financial Position date

Management is not aware of any matter or circumstances arising since the end of the financial year not otherwise dealt within the Annual Financial Statements, which significantly affect the financial position of the entity or the results of its operations.

Holding Concern

g-FleeT is a Trading Entity of the Department of Roads and Transport.

Going Concern

The financial statements have been prepared on a going concern basis as the management is satisfied that the department will be a going concern in the year ahead.

Corporate governance arrangements

The Department of Roads and Transport, inclusive of g-FleeT Management as a Trading Entity, has a fraud prevention policy in place. It also has an internal inspection unit that assists management to ensure that all branches and entities comply with the guidelines, policies and procedures within the Department and Trading Entity. The Internal Audit function is performed by the Gauteng Audit Services (GAS).

Learner Driver Support Programme

The Learner Driver Support Programme was launched by the Premier in October 2010, as part of the broader campaign to train youth about road safety and professional driving as part of skills development, and as a way of ensuring job creation and poverty eradication in the province. The project targeted learners in grades 11 and 12. Pilot schools participating in the project include Modiri, Reitumetsi, Daspoort and Lesedi Secondary Schools. The total number of learners registered for training was 328, however, only 268 of those learners attended the learner training and 211 wrote their learners test and only 159 learners passed the learners test.

Learners out of the 159 were provided with driver training, the challenge being that they have to be 18 years of age before they undergo the driver training as per the National Road Traffic Act of 1996.

Fraud

During the financial year under review, investigations into suspected fuel card frauds involving 11 fuel cards totalling R812 656.45 were initiated. The investigations are still underway and will be finalised in the new financial year.

Fixed Assets

Verification of all assets on the asset register on the 1st of September and on the 31st of March 2011 has been performed. Only 97% of the vehicles were physically verified due to various challenges at certain locations where the 3% of the outstanding assets are held. The 3% was verified through communication with the clients using these vehicles.

Impairment, residual and useful life

An impairment process was carried out as at 31 March 2011 on all vehicles on the asset register as the resultant impairment charge. Residual values and useful lives have been effected against the vehicles and impairment charges were considered necessary on other assets.

Contingent Liabilities:

Liability against third party is payable by g-Fleet as the fleet has not been insured against any third party accidents.

Financial Management

The entity had a disclaimer in the 2009/10 financial year, which therefore created a challenge in that the entity deployed more resources towards the disclaimer items to ensure that there was a better outcome for the year under review.

The management of the Trading Entity took a decision some years back to present its financial statements in accordance with the statements of SA Generally Accepted Accounting Practice (SA GAAP) requirements of an accrual-based accounting system. The Trading Entity changed its financial management system from BAS to Pastel Evolution in order to comply with the standard requirements of an accrual-based accounting system.

g-Fleet has undertaken a review process in order to procure a financial system that would integrate the Financial Reporting, Asset Management and Billing System.



SCOPA Resolutions


| Reference to previous audit report and SCOPA resolution | Subject | Finding on progress |
|--|--|--|
| <p>The MEC to investigate a possible dereliction of duty and take appropriate disciplinary action against the officials responsible for the causes of the late submission of the financial statements and submit a report thereon to the committee by 31 January 2011</p> | <p>Late submission of financial statements</p> | <p>The committee should note that the late submission of the AFS was not as result of the dereliction of duty. However, it was due to a high staff turnover that was caused as a result of management's decision not to renew and retain staff that had been working for the entity throughout the years, in particular the year under audit. Also, the timing of the execution was crucial in that it coincided with the year end. No disciplinary action will be taken against any official, except to say that management is working around the clock to turn around g-FleeT audit opinion in the 2010/11 Financial Year.</p> |
| <p>The MEC to ensure that effective measures to retain institutional memory are instituted, as well as that proper hand-over procedure is prepared by the HR unit and that these are implemented. That the MEC provides the Committee with a report on such measures as well as the effectiveness thereof by 31 March 2011</p> | <p>Staff turnover</p> | <p>The entity is in the process of finalising the structure and then conducting a match and place exercise that would ensure that most of the officials that have the institutional memory are retained in the organisation. The structure is in the process of finalisation with the organisational design from the office of the Premier. The targeted date of finalising the structure, match and place has been planned for 30 April 2011.</p> |
| <p>g-FleeT to provide the Committee with a progress report on the implementation and the effectiveness of the intervention mechanism put in place by 31 March 2011</p> | <p>Action plan put in place to address the issues raised by the AG with special focus on the basis of disclaimer as highlighted in paragraph 4 to 12 of the AG's report.</p> | <p>g-FleeT has appointed a service provider from an audit firm to assist the entity in addressing all the issues under the basis of disclaimer. The service provider has been assisting g-FleeT with the high level technical review and compliance to SAGAAP standards of the issues prior to submission to the AG for audit. The focus has been on the issues that the AG indicated would undergo re-auditing, particularly the 2009/10 AFS to ascertain that they are correct as was done with the 2010/11 AFS. The closing balances of the 2009/10 are the opening balances in the 2010/11 Financial Year.</p> |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Property, Plant and Equipment: This issue is a major challenge for the entity as it relates to the asset register. The register has since been revised and corrected as the challenges came from the prior years. The main issues were that the entity did not have an asset management system to manage and monitor these assets (vehicles). • Operating and Finance Leases: The leases have been reviewed and corrected. • Cash flow statement: The technical high level review also included double checking and confirming correctness and accuracy of the cash flow statement prior to submission. • Capital work in progress: The capital work in progress has also been reworked to ensure that it talks to the requirements of SA GAAP standards. • Payable: The payables have been completed, corrected and accurately fair valued as per SA GAAP standards. • Receivables: The receivables have been completed, corrected accurately and fair valued as per SA GAAP standards. • Revenue: The entity has reviewed and checked the 3 way (FIS, Assets Register and the General Ledger) reconciliation to confirm the accuracy and completeness of the revenue that is recorded in the 2009/10 financial statements. • Fruitless and Wasteful Expenditure: The entity continues to negotiate with the service providers that have since charged interest on late payment and in some cases the interest has been waived, however, in other cases, the service provider insist that the interest be paid. Internal process will be instituted to report and disclose the amounts in the financial statements. <p>A register has been developed to record all received invoices and date stamp at a central point to ensure easy management and monitoring so that all invoices are settled within 30 days from date of receipt.</p> |
|--|--|

| | | |
|--|--|---|
| | | <ul style="list-style-type: none"> • Operating Expenditure: All expenditure is recorded and accounted for on the Pastel system to ensure that the entity accounts for the entire operating expenditure. <p>Monthly reconciliations and confirmations are also performed on the compensation of employees to ensure agreement to the general ledger balance.</p> |
|--|--|---|

Approval

The Annual Financial Statements set out on pages 195 to 207 have been approved by the Accounting Officer.



.....
 Steward Lumka
 Acting Head of Department
 Date: 31 May 2011



GAUTENG PROVINCIAL GOVERNMENT

Report of the Audit Committee – Cluster 04

We are pleased to present our report for the financial year ended 31 March 2011

Audit Committee and Attendance:

NON-EXECUTIVE MEMBERS:

The Audit Committee consists of three external members listed hereunder and is required to meet a minimum of at least four times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), four meetings were held during the current year, i.e. two meetings for Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor General Report.

| Name of Member | Number of Meetings Attended |
|---------------------------------------|-----------------------------|
| Dr Cleopas Sanangura (Chairperson) | 04 |
| Lorraine Francois (Member) | 04 |
| Sedzani Mudau (Member) | 04 |

EXECUTIVE MEMBERS:

In terms of the GPG Audit Committee Charter, the Officials listed hereunder are obliged to attend the meetings of the Audit Committee:

| Compulsory Attendees | Number of Meetings Attended |
|--|-----------------------------|
| Chikane Chikane (Chief Executive Officer) | 04 |
| Kgomotso Mojapelo (Chief Financial Officer) | 04 |
| Jackee Khumalo (Chief Operating Officer) | 04 |

The Audit Committee noted that the (Head of Department) did not attend one meetings scheduled for g-FleeT, which resulted in the meeting being cancelled. There was no letter of apology tendered with a duly authorised representative attending on her behalf. Therefore, the Audit Committee is not satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control applied by g-FleeT over financial risk and risk management is not effective, efficient nor transparent. The controls around procurement, systems and contract management were below standard resulting in the findings mentioned in the management letter. g-FleeT did not comply with the minimum requirements PFMA, GRAP, Treasury Regulations and GAAP resulting in the late submission of financial statements to the AGSA. It is also important to mention that g-FleeT received a disclaimer in the previous year and have migrated to an unqualified audit opinion, which is a great achievement.

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General, it was noted that matters were reported indicating any material deficiencies in the system of internal control or any deviations therefrom. The Internal Audit unit did not perform all its planned audits as some were cancelled due to insufficient resources.

The system of internal control was not entirely effective for the year under review as management is finding its feet in restoring order. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the Internal Auditors and the Auditor-General South Africa. In certain instances, the matters reported previously

have not been fully and satisfactorily addressed. Accordingly, we can report that the system of internal control for the period under review was inefficient and ineffective.

Management has given the Audit Committee assurance that they will be putting resources towards cleaning all the outstanding issues during the year.

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

The Audit Committee is not satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of g-Fleet during the year under review. It was however noted that inter departmental balances were not agreed on and Departments owes g-Fleet a R315 million. There is room for improvement going forward especially on the presentation and quality of management reports.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor-General and the Accounting Officer the Audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the Auditor-General's management report and management's response thereto;
- Reviewed changes in accounting policies and practices (delete if not applicable);
- Reviewed the departments compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee did not review the current year financial statements, as they were not submitted for review. Financial statements were presented at the meeting. As a result the financials were approved after the AGSA had already signed the financial statements. The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee is not satisfied that the internal audit function is operating effectively and that it has not addressed the risks pertinent to the department in its audit as some audits were cancelled.

Forensic Investigations

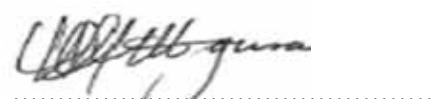
The Audit Committee is not satisfied that the forensic investigations are properly reported with age-analysis of all reported issues indicated. The Accounting Officer has full discretion on what should be investigated or reported. The whole system of forensic audit is not functional.

One-on-One with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to ensure that there are not unresolved issues.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are not unresolved issues



Dr Cleopas Sanangura
Chairperson of the Audit Committee

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE No. 7: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT FOR THE YEAR ENDED 31 MARCH 2011

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the g-FleeT Management Trading Entity (g-FleeT), which comprise the statement of financial position as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages 195 to 207

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), 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 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the g-FleeT Management Trading Entity as at 31 March 2011 and its statement of comprehensive income and statement of cash flows for the year then ended, in accordance with SA Statements of GAAP and the requirements of the PFMA.

Emphasis of matters

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

Significant uncertainties

9. As disclosed in note 28 to the financial statements, the entity is the defendant on various legal disputes. The ultimate outcome of the matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

10. As disclosed in note 26 to the financial statements, the corresponding figures for the year ended 31 March 2010 were restated in the financial statements of the g-FleeT for the year ended 31 March 2011 as a result of material misstatements in the prior year.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and in terms of *General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 69 to 88 and material non-compliance with laws and regulations applicable to the g-FleeT.

Predetermined objectives

Presentation of information

12. The reported performance against predetermined objectives was deficient in respect of the following criteria:
- Performance against predetermined objectives was not reported using the National Treasury guidelines.
13. The following audit findings relate to the above criteria:

Reasons for major variances between planned and actual reported targets were not provided in the report on predetermined objectives

14. Adequate explanations for the major variances between planned and actual reported targets for all the programmes were not explained.

Usefulness of information

15. The reported performance information was deficient in respect of the following criteria:
- Measurability: Indicators are well-defined and verifiable, and targets are specific, measurable and time-bound.
 - Consistency: Objectives, indicators and targets are consistent between planning and reporting documents.
16. The following audit findings relate to the above criteria:

Indicators and targets were not well defined, measurable and time bound

17. For all the programmes, the reported and planned targets were not:
- Specific in clearly identifying the nature and required level of performance, only gave percentage without giving the variables to be used in the calculation of the percentage.

REPORT OF THE AUDITOR-GENERAL

- Measurable in identifying the required level of performance
- Time-bound in specifying the time period or deadline for delivery.

Reported objectives, indicators and targets were not consistent when compared to the planned targets

18. The actual achievement with regard to 40% of the planned indicators/ targets specific in the draft annual plan and draft strategic plan were not consistent with reported targets.

Reliability of information

19. The reported performance information was deficient in respect of the following criteria:
- Accuracy: The amounts, numbers and other data relating to reported actual performance were recorded and reported appropriately.
20. The following audit findings relate to the above criteria:

The reported performance against targets were not accurate when compared to the source information.

21. For the targets reported by management, there was no evidence supporting the actual performance against targets.

Compliance with laws and regulations

Strategic planning and performance management

22. The accounting officer did not take adequate steps to ensure that the strategic plan for the entity was approved by executive authority as required by Treasury Regulation 5.1.1.

Annual financial statements, performance and monthly reports

23. The financial statements submitted for audit did not comply with section 40(1) of the PFMA. Material misstatements were identified during the audit, which were corrected by management.
24. Contrary to section 40(1)(b)(i) of the PFMA which states that the financial statements be submitted to Auditor-General within two months after the end of the financial year, the financial statements were submitted on 29 June 2011 for audit.
25. Contrary to Treasury Regulation (TR) 19.8, the entity did not submit monthly report of actual revenue and expenditure for the preceding month and anticipated amounts for that month, to the accounting officer of the parent department, as required by section 40(4)(b) of the PFMA. Furthermore, the audit committee did not review this information as required by TR 3.1.9.

Expenditure management

26. Some payments due to creditors were not settled within 30 days from receipt of an invoice, as required by section 38(1)(f) of the PFMA and TR 8.2.3.
27. As disclosed in note 12 to the financial statements, the entity incurred irregular expenditure of R17 922 000 relating to contracts entered into current and prior financial years, contrary to the requirement of section 38(1)(c)(ii) of the PFMA as well as TR 6.3.1(a). In addition, the accounting officer did not report deviations to the Auditor-General within 10 days as required by SCM Practice Note 6 of 2007-08.
28. Goods and services with a transaction value of between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers as required by SCM Practice Note No. 8 of 2007-08.

29. As disclosed in note 12 to the financial statements, the entity incurred fruitless and wasteful expenditure to the amount of R1 818 000 due to interest on late payments of invoices, contrary to the requirements of section 38(1)(c)(ii) of the PFMA as well as TR9.1.1.

Revenue management

30. In terms of section 38(1)(c)(i) of the PFMA and TR 7.2, the accounting officer must take effective and appropriate steps to collect all money due to the entity. However, the total receivables that were disclosed in note 18 to the financial statement over 120 days amounted to R315 000 616.

INTERNAL CONTROL

31. In accordance with the PAA and in terms of *General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

32. The accounting officer did not exercise oversight responsibility regarding performance reporting and compliance with laws and regulations and related controls.
33. The accounting officer did not implement HR management to ensure that adequate and sufficiently skilled resources were in place and that performance was monitored.
34. The accounting officer did not establish and communicate policies and procedures relevant to the entity in terms of the reporting framework to enable and support understanding and execution of internal control objectives, processes and responsibilities.
35. The accounting officer did not establish an IT governance framework that supports and enables the business, delivers values and improves performance. This was evidenced by the lack of an asset management system for the property, plant and equipment.

Financial and performance management

36. The accounting officer did not implement adequate record keeping systems that would support the accounting processes of the entity.
37. The accounting officer did not implement controls over the daily, monthly and annual processing and reconciliation. That was the reason the entity had material adjustments in the financials.
38. The accounting officer did not review and monitor compliance with applicable laws and regulations
39. The accounting officer did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

Governance

40. The accounting officer did not implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, were conducted and that a risk strategy to address the risks was developed and monitored.

OTHER REPORTS

Investigations

Investigations in progress

41. Investigations were conducted by the entity based on allegations of procurement irregularities and possible fruitless and wasteful expenditure. There was also an investigation on petrol card abuse by officials. These investigations were still in progress at the date of this report.

Investigations completed during the financial year

42. Investigations were finalised during the financial year by the entity based on allegations salaries and overtime irregularities as well as tender irregularities on the service provider not complying with SCM regulations. The entity was in a process of implementing the recommendations of investigators at the date of this report.

Auditor-General

Johannesburg

29 August 2011



STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

| | | Restated | Restated |
|--|-------|-----------|----------|
| | Notes | 2011 | 2010 |
| | | R'000 | R'000 |
| 2009 | | | |
| | | R'000 | R'000 |
| Assets | | | |
| Non-Current Assets | | | |
| | | 512,200 | 508,435 |
| Property, plant and equipment | 13 | 340,127 | 388,030 |
| Intangible assets | 14 | 200 | 301 |
| Deposits | 15 | 91 | 91 |
| Rental paid in advance | 17 | 83,576 | 84,776 |
| Finance lease receivable | 16 | 88,206 | 35,237 |
| | | 487,200 | 337,190 |
| Current Assets | | | |
| Deposits | 15 | 765 | 765 |
| Rental paid in advance | 17 | 1,200 | 1,200 |
| Trade and other receivables | 18 | 333,375 | 275,597 |
| Finance lease receivable | 16 | 49,615 | 30,552 |
| Cash and cash equivalents | 20 | 102,245 | 29,085 |
| | | 3,830 | 5,819 |
| Non-Current Assets Held for Sale | | | |
| Total assets | 19 | 1,003,230 | 851,444 |
| Equity & Liabilities | | | |
| Reserves | | | |
| Retained earnings | | 758,489 | 603,321 |
| | | 69,834 | 71,415 |
| Non-Current liabilities | | | |
| Non-current portion of finance lease obligations | 21 | 538 | 2,610 |
| Deferred income (Grants) | 22 | 69,296 | 68,805 |
| | | 174,897 | 176,708 |
| Current Liabilities | | | |
| Trade and other payables | 23 | 152,327 | 152,190 |
| Current portion of deferred income | 22 | 13,870 | 13,870 |
| Current portion of finance lease obligations | 21 | 2,111 | 2,233 |
| Employee benefit liability | 24 | 6,589 | 8,415 |
| Total Equity and Liabilities | | 1,003,230 | 851,444 |
| | | | 787,960 |

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

| | | | Restated | Restated |
|--|-------|-----------|-----------|-----------|
| | Notes | 2011 | 2010 | 2009 |
| | | R'000 | R'000 | R'000 |
| Revenue | | | | |
| Leasing of vehicles | 3 | 676,433 | 615,646 | 578,982 |
| Other income | 4 | 14,798 | 17,533 | - |
| Expenditure | | (538,232) | (586,498) | (514,421) |
| Employee costs | 5 | (52,096) | (50,078) | (45,023) |
| Administrative expenses | 6 | (27,481) | (37,823) | (94,131) |
| Operational expenses | 7 | (368,672) | (412,358) | (300,119) |
| Depreciation and amortisation | 8 | (85,895) | (75,598) | (75,084) |
| Impairment of assets | 9 | (2,050) | (2,790) | (64) |
| Loss on disposal of assets | 10 | (2,038) | (7,851) | - |
| Operating profit | | 152,999 | 46,681 | 64,561 |
| Finance costs | 11 | (2,391) | (3,137) | (11 527) |
| Net Profit for the year | | 150,608 | 43,544 | 53,034 |
| Total Comprehensive Income for the year | | 150,608 | 43,544 | 53,034 |

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2011

| | Note | Accumulated Surplus R'000 | Total R'000 |
|--------------------------------------|------|---------------------------------|----------------|
| Balance as at 01 April 2009 | | 536,342 | 536,342 |
| Prior year error | 26 | 23,435 | 23,435 |
| Restated balance as at 01 April 2009 | | 559,777 | 559,777 |
| Restated profit for the year | | 43,544 | 43,544 |
| Balance as at 01 April 2010 | | 603,321 | 603,321 |
| Net Profit for the year | | 150,608 | 150,608 |
| Prior year adjustment | | 4,570 | 4,570 |
| Balance as at 31 March 2011 | | 758,499 | 758,499 |

STATEMENT OF CASH FLOWS

for the year ended 31 March 2011

| | Note | 2011 R'000 | 2010 R'000 |
|---|------|---------------|---------------|
| Cash Flows From Operating Activities | 25 | 209,528 | 56,159 |
| Net Cash Generated from operating activities | | | |
| Net Cash Inflow From Operating Activities | | 209,528 | 56,159 |
| Cash Flows From Investing Activities | | (147,962) | (56,053) |
| Purchase of furniture & equipment | | (728) | (3,021) |
| Purchase of vehicles | | (148,561) | (66,081) |
| Proceeds on sale of fixed assets | | 1,327 | 13,049 |
| Cash Flows From Financing Activities | | 11,594 | 3,564 |
| Advance Received from other departments | | 14,361 | 8,200 |
| Finance lease obligations settled | 11 | (2,194) | (3,827) |
| Finance lease obligation – interest | | (573) | (809) |
| Net (Decrease) increase In Cash and Cash Equivalents | | 73,160 | 3,670 |
| Cash And Cash Equivalents At Beginning Of the Year | | 29,085 | 25,415 |
| Cash And Cash Equivalents At End Of the Year | 20 | 102,245 | 29,085 |

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of Preparation

1.1 Statement of compliance

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SAGAAP) and the Public Finance Management Act of 1999 as amended.

1.2 Basis of measurement

The Annual Financial Statements have been prepared under the historical cost basis except in the case of non-current assets classified as held for sale which are measured at fair value less costs to sell at each reporting date.

1.3 Functional and presentation currency

These Annual Financial Statements are presented in South African Rand, which is g-Fleet's functional currency. All financial information presented in Rand has been rounded to the nearest thousand.

1.4 Use of estimates and judgements

The preparation of Annual Financial Statements in conformity with GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements are disclosed in Note 1 to the Financial Statements.

2. Revenue recognition

Revenue comprises both vehicle rental revenue and revenue from the disposal of vehicles and excludes value added tax. Rental revenue includes fees from the provision of services incidental to vehicle rental (such as the sale of fuel).

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- a) The amount of revenue can be measured reliably;
- b) It is probable that the economic benefits associated with the transaction will flow to g-Fleet;
- c) The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- d) The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

3. Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure is treated as a current asset in the statement of financial position until such expenditure is recovered from a third party or funded from future revenue.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including the Public Finance Management Act, the State Tender Board Act, or any regulations made in terms of this act, or any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the Statement of financial performance after approval per the departmental delegations.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from the responsible official (a debtor account should be raised), or the voted funds if the responsible official cannot be determined. It is treated as current assets in the statement of financial position until such expenditure is recovered from the responsible official or funded from future voted funds.

4. Property, plant & equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets obtained at no consideration are initially recognised at their fair values. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method to allocate cost or re-valued amounts to the residual values over the assets' estimated useful lives.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are written over the shorter of the lease term or the useful lives unless it is reasonably certain that the entity will receive ownership by the end of the lease term. The estimated useful lives for the current and comparative years are as follows:

| | |
|--------------------|------------|
| Light vehicles | 3-30 years |
| Heavy vehicles | 6-35 years |
| Computer equipment | 3-6 years |
| Office equipment | 5 years |

| | |
|---------------------|------------|
| Technical equipment | 5-9 years |
| Office furniture | 3-23 years |
| Workshop equipment | 5 years |
| Kitchen equipment | 6-8 years |

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income/other expenses in profit or loss

5. Intangible assets

Acquired computer software programmes that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the computer software from the date it is available for use. The estimated useful life for computer software for the current and comparative period is five years. Amortisation methods, useful lives and residual lives are reviewed at each reporting date and adjusted if appropriate.

6. Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Immediately before classification as held for sale, the asset is measured

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

in terms of the entity's accounting policies. Thereafter it is measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on the initial classification of the asset and any subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment losses.

7. Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine if there is any objective evidence that it is impaired. A financial asset is impaired if a loss event has occurred after the initial recognition of the asset, and that loss event had a negative impact on the estimated cash flows of that asset that can be estimated reliably.

Loans and receivables (including trade and other receivables)

The entity considers evidence of impairment for loans and receivables at both a specific and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables that are not found to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

Carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any such indication, the asset's

recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing the value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset or CGU. For the purposes of assessing impairment, assets are grouped at the lowest levels and cash flows are generated from continuing use independently from the cash flows from other assets.

Impairment losses are recognised in profit or loss. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are reversed if there has been a change in estimate of the recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

8. Financial instruments

The entity classifies financial instruments on initial recognition as financial assets, financial liabilities or as equity instruments, in accordance with the substance of the contractual arrangement

Financial instruments are recognised on the statement of financial position at fair value when the entity becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial carrying value of the financial instrument.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset have been transferred. The entity

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

derecognises a financial liability when its contractual obligations are discharged, expired or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position where there is a legally enforceable right to set-off the recognised amount and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

8.1 Financial assets

The entity has classified its financial assets in the statement of financial position under the following categories:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. The entity's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (policy notes 9 and 10).

8.2 Financial liabilities

Financial liabilities, not classified at fair value through profit and loss, are classified as financial liabilities carried at amortised cost. These liabilities are subsequently measured at amortised cost using the effective interest rate method. The entity's financial liabilities carried at amortised cost comprise trade and other payables (policy note 11).

9. Financial Risks Management

Overview

The entity has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk.

This note presents information about the entity's exposure to each of the above risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Audit Committee has overall responsibility for the establishment and oversight of the entity's risk management framework. The Audit Committee has established the Audit and Risk unit within the Department of Public Transport Roads and Works, which is responsible for developing and monitoring the entity's risk management policies. The Audit and Risk unit reports regularly to the Audit Committee on its activities. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

9.1 Credit Risk

Credit risk is the risk of financial loss to g-FleeT if a customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from g-FleeT receivables from customers.

Potential concentrations of credit risk consist mainly of cash and cash equivalents and receivables.

Ongoing credit evaluations are performed on the financial condition of receivable counterparties. Trade receivables are presented net of the allowance for impairment.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

9.2 Deposits

g-FleeT limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing as approved by the Treasury Department. The credit qualities of counterparties are also reviewed on a continuous basis by the Treasury Department.

9.3 Liquidity risk

Liquidity risk is the risk that g-FleeT will not be able to meet its financial obligations as they fall due.

Liquidity risk arises primarily from an uncertainty in revenue and expenditure flows.

g-FleeT manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that the entity always has sufficient liquidity to meet the liabilities when due, in both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the entity's reputation.

10. Trade receivables

Trade receivables are measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When a trade receivable is uncollectible, it is written

off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

11. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

12. Trade payables

Trade and other payables are carried at the fair value of the consideration to be paid in future for goods and services that have been received or supplied or invoiced or formally agreed with the supplier.

13. Employee benefits

13.1 Retirement benefits

The entity provides retirement benefits for its employees through a defined contribution plan for government employees. For defined contribution plans, the entity pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The entity has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses in profit or loss in the periods during which the services are rendered by the employees.

13.2 Termination benefits

Termination benefits are payable when employment is terminated by the entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer, the offer is expected to be accepted, and the number of employees expected to accept can be reliably estimated. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

13.3 Medical benefits

The entity provides medical benefits for its employees through defined contribution plans. The entity has no further payment once contributions have been paid. The contributions are recognised as employee benefit expenses in profit or loss in the periods during which the services are rendered by the employees.

13.4 Bonus plans

The entity recognises a provision for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation as a result of services received from the employee, and the obligation can be reliably measured.

13.5 Leave entitlement

Employee entitlements to Annual leave are recognised when they accrue. An accrual is raised for the estimated liability for Annual leave as a result of services rendered by employees up to the reporting date. The related expense is recognised as employee benefit expenses in profit or loss.

14. Government Grants

Grants from government departments are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the period on a systematic basis in the same periods in which the expenses are recognised.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants (deferred income) and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets.

15. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

The entity leases certain property, plant and equipment, and where the entity has substantially all the risks and rewards of ownership these leases are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

Each minimum lease payment is allocated between the reduction of the outstanding liability and finance expense. The finance expense is allocated to each period during the lease term so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

16. Fair valuation

The fair value of expenditure and financial liabilities for disclosure purposes is estimated by discounting the future cash flows at a discount rate derived from comparable market interest rates.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

17. Finance costs

Finance costs comprise interest expense on borrowings (including finance lease liabilities) and the unwinding of discount on liabilities that have been calculated at the present value of the expected cash flows.

18. New standards and interpretation not adopted

At the date of authorisation of the financial statements of g-Fleet Management for the year ended 31 March 2011, the following Standards and Interpretations were in issue but not yet effective:

| | Standard/Interpretation | Effective date |
|---|--|---|
| IAS 12 amendment | Deferred tax: Recovery of Underlying Assets | Annual periods beginning on or after 1 January 2012* |
| IAS 24 (AC 126) (revised) | Related Party Disclosures | Annual periods beginning on or after 1 January 2011* |
| 11 individual amendments to 6 standards | Improvements to International Financial Reporting Standards 2010 | Amendments are effective for annual periods beginning on or after 1 July 2010 or for annual periods beginning on or after 1 January 2011* |
| IFRS 1 (AC 138) amendment | Limited exemption from Comparative IFRS 7 Disclosures for Firsttime Adopters | Annual periods beginning on or after 1 July 2010* |
| IFRS 1 amendment | Severe Hyperinflation and Removal of Fixed Dates for Firsttime Adopters | Annual periods beginning on or after 1 July 2011*(1) |
| IFRS 7 (AC 144) amendment | Disclosures – Transfers of Financial Assets | Annual periods beginning on or after 1 July 2011* |
| IFRS 9 (2009) (AC 146) | Financial Instruments | Annual periods beginning on or after 1 January 2013* |
| IFRS 9 (2010) (AC 146) | Financial Instruments | Annual periods beginning on or after 1 January 2013* |
| IFRIC 14 (AC 447) amendment | Prepayments of a Minimum Funding Requirement | Annual periods beginning on or after 1 January 2011* |
| IFRIC 19 (AC 452) | Extinguishing Financial Liabilities with Equity Instruments | Annual periods beginning on or after 1 July 2010* |

*These amendments have not yet been approved by the Accounting Practices Board

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

IAS12, IFRIC 14 and IFRIC 19 are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

and Interpretations will be as follows:

IAS 24 (AC 126) (revised) will be adopted by g-FleeT Management for the first time for its financial reporting period ending 31 March 2012. The standard will be applied retrospectively.

IAS 24 (AC 126) (revised) addresses the disclosure requirements in respect of related parties, with the main changes relating to the definition of a related party and disclosure requirements by government-related entities. The change in the definition of a related party has resulted in a number of new related party relationships being identified.

Government-related entities will have to provide the following disclosures: name of the government and nature of the relationship; nature and amount of each individually significant transaction and a qualitative or quantitative indication of the extent of other transactions that are collectively, but not individually, significant.

The amendments to IFRS 7 will be adopted by g-FleeT Management for the first time for its financial reporting period ending 31 March 2013. In terms of the amendments additional disclosure will be provided regarding transfers of financial assets that are:

- Not derecognised in their entirety, and;
- Derecognised in their entirety, but for which g-FleeT Management retains continuing involvement.

g-FleeT currently recovers receivables and settles payables in the ordinary course of business. Should they in future decide to factor their receivables, then the impact would be assessed.

IFRS 9 (AC 146) will be adopted by g-FleeT Management for the first time for its financial reporting period ending 31 March 2014. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (AC 146) addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39 (AC 133). Under IFRS 9 (AC 146) there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business

model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

The impact on the financial statements for 31 March 2011 has not yet been estimated.

IFRS 9 (2010) (AC 146) will be adopted by g-FleeT Management for the first time for its financial reporting period ending 31 March 2014. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) (AC 146) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39 (AC 133). Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39 (AC 133), except for the following two aspects:

Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

Under IFRS 9 (2010) (AC 146) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value. IFRS 9 (2010) (AC 146) incorporates, the guidance in IAS 39 dealing with fair value measurement, and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9.

Reassessment of Embedded Derivatives.

The impact on the financial statements for 31 March 2011 has not yet been estimated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Accounting Estimates and Judgements

1.1 Key sources of estimation uncertainty

Revenue (letting of vehicles)

The entity makes estimates concerning income earned but not reported. The entity does not always receive details of kilometres travelled by some vehicles on a timely basis. The kilometres travelled are a key component in the entity's billing. Accordingly, in order to account for income in the correct accounting period, the entity estimates the distances (kilometres) travelled by these vehicles on the basis of actual fuel consumed in the corresponding period, taking into account the reasonable fuel consumption per litre.

Trade receivables and trade payables

Normal trade credit terms between g-FleeT and its clients have been judged to be equal to 30 days. Where trade receivables and payables are settled beyond the normal trade credit terms, the transaction is deemed to include a financing arrangement. The resulting trade receivable or trade payable is discounted from the date of settlement to reporting date using a market related discount rate. The entity discounts its trade receivables using a discount rate equivalent to that which it is charged by other entities on similar transactions. Trade payables are discounted using the entity's incremental borrowing rates which are applicable to similar institutions from their commercial bankers for borrowing funds on similar terms.

Residual values and useful lives of items of property, plant and equipment

Motor vehicles

The entity estimates useful lives for both light and heavy motor vehicles based on the number of years that assets have been in use, as well as the entities capital expenditure plan. The useful lives of vehicles acquired under the new operating model, have been estimated as three years based on the period of the agreements with the user departments, as well as the entity's new policy to dispose of vehicles at the end of the contract period.

In accordance with advice from a professional independent valuer, it is estimated that light and heavy

vehicles have residual values approximating 30% of the open market value.

Computer equipment, office equipment and furniture & fittings

The entity estimates that the useful life of the furniture & fittings, being the period of time for which the assets can be utilised without significant modifications, replacements or improvements is 16 years based on current levels of usage and repairs and maintenance costs incurred. The useful lives of other assets have been estimated based on a period of time which the assets can be utilised as well the entity's capital expenditure plan.

The entity estimates that the residual values of office equipment and furniture & fittings should be taken as zero at the end of the useful life. This is principally driven by the fact that at the end of the useful lives, these assets are normally disposed of through donations or scrapping. Accordingly, there are no meaningful disposal proceeds to justify residual values.

Residual values for computer equipment should be taken as zero at the end of the useful life. Because of technological obsolescence, computer equipment is considered valueless at the end of its useful life. In the case of most DPTRW entities, computers are generally kept for longer periods in relation to the market. Thus, at the point of disposal these assets can only be scrapped or donated.

1.2 Critical judgments in applying the group's accounting policies

Revenue recognition on permanent lease contracts

The entity receives advances from user departments, with which the entity acquires vehicles required by the user departments and rents the vehicles to the user departments. Ownership of the vehicles vests with the entity throughout the rental period and does not pass to the user department. As management have determined that the entity bears substantially all the risks and rewards associated with the vehicles in question, these arrangements have been classified as operating leases, with the entity being a lessor, and rental income earned has been recognised as revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

2. Financial Risk Management

Information about g-FleeT's exposure to risks, its objectives, policies and processes for measuring and managing such risks is disclosed in the Accounting policies (No.9). The quantitative disclosure is provided in this note.

2.1 Credit Risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 2011 R'000 | 2010 R'000 |
|-----------------------------|----------------|----------------|
| Deposits | 856 | 856 |
| Trade and Other Receivables | 333,523 | 275,596 |
| Cash and Cash Equivalents | 102,245 | 29,085 |
| | <u>436,624</u> | <u>305,537</u> |

At 31 March 2011, g-FleeT did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

No security is held against Cash and Cash Equivalents.

The maximum exposure to credit risk for receivables at the reporting date by geographic region is as disclosed in Note 16.1.

i) Concentration risk

As g-FleeT is involved in servicing the government departments, all its receivables are from provincial and national departments. g-FleeT is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

ii) Past due analysis

| | 2011 R'000 | | 2010 R'000 | |
|--------------------------|----------------|---------------|----------------|---------------|
| | Gross | Impairment | Gross | Impairment |
| Not Past (Current) | 64,279 | 470 | 101,740 | 377 |
| Past due 30 to 60 days | 110,030 | 751 | 76,257 | 513 |
| Past due 61 to 90 days | 34,624 | 0 | - | - |
| Past due 91 to 120 days | 18,964 | 365 | 19,552 | 1,547 |
| Past due 121 to 150 days | 16,034 | 384 | 19,580 | 950 |
| Past due 151 to 180 days | 11,928 | 366 | 18,645 | 1,573 |
| Past due 181 to 365 days | 88,471 | 14,158 | 55,226 | 13,727 |
| Past due 366 days | 10,000 | 10,000 | 10,102 | 6,101 |
| | <u>354,330</u> | <u>26 494</u> | <u>301,102</u> | <u>24,788</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

The movement in the allowance for impairment in respect of receivables during the year was as follows:

Trade Receivables

| | 2011 | 2010 |
|-----------------------------------|---------------|---------------|
| | R'000 | R'000 |
| Balance at 1 April 2010 | 24,788 | 35,920 |
| Increase/(Decrease) in impairment | 1,706 | (11,132) |
| Balance at 31 March 2011 | 26,494 | 24,788 |

Other Receivables

| | | |
|-----------------------------------|--------------|----------|
| Balance at 1 April 2010 | - | - |
| Increase/(Decrease) in impairment | 2,797 | - |
| Balance at 31 March 2011 | 2,797 | - |

2.2 Liquidity Risk

2011

| | Finance Lease Liabilities | Trade and Other Payables |
|-----------------------|---------------------------------|--------------------------------|
| Less than 1 year | 2,331 | 152,377 |
| Between 1 and 2 years | 576 | 0 |
| Between 2 and 5 years | 0 | 0 |
| | 2,907 | 152,377 |

2010

| | Finance Lease Liabilities | Trade and Other Payables |
|-----------------------|---------------------------------|--------------------------------|
| Less than 1 year | 2,738 | 153,133 |
| Between 1 and 2 years | 2,865 | - |
| Between 2 and 5 years | - | - |
| | 5,603 | 153,133 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

2.3 Fair values

Fair values versus carrying amounts:

| | 2011 | | 2010 | |
|---|--------------------------|---------------------|--------------------------|---------------------|
| | Carrying Amount R'000 | Fair Value R'000 | Carrying Amount R'000 | Fair Value R'000 |
| Loans and receivables | | | | |
| - Deposits | 856 | 856 | 856 | 856 |
| - Trade and Other Receivables | 338,093 | 333,523 | 279,281 | 275,596 |
| - Cash and Cash Equivalents | 102,245 | 102,245 | 29,085 | 29,085 |
| | 441,194 | 436,624 | 309,222 | 305,537 |
| - Trade and other Payables | 152,327 | 150,585 | 152,191 | 151,108 |
| Finance Liabilities measured at amortised cost | | | | |
| - Finance lease obligations | 2,649 | 2,649 | 4,843 | 4,843 |

3. Leasing of Vehicles

| | 2011 | 2010 |
|-------------------------|---------|---------|
| | R'000 | R'000 |
| Operating Lease Revenue | 644,517 | 593,476 |
| Finance Lease Revenue | 31,916 | 22,170 |
| | 676,433 | 615,646 |

Revenue comprises vehicle rentals received from all Gauteng Provincial Departments, some national departments, other provincial departments, some constitutional and public entities and some municipalities countrywide.

g-Fleet hires out motor vehicles to its clients within the government on the following basis:

- Permanently allocated vehicles
- Pool vehicles
- VIP and Taxi services

It is not practical to breakdown revenue per category, as the system is currently not configured to provide such information.

4. Other Income

| | | |
|---|--------|--------|
| Realised portion of previously deferred grant | 13,870 | 13,479 |
| Other | 928 | 4,054 |
| | 14,798 | 17,533 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

5. Employee Costs

| | 2011 R'000 | 2010 R'000 |
|----------------------------|---------------|---------------|
| Basic salary costs | 35,818 | 20,218 |
| Pension contributions | 2,885 | 2,275 |
| Medical aid contributions | 1,073 | 1,178 |
| Other salary related costs | 5.1 12,320 | 26,407 |
| | <u>52,096</u> | <u>50,078</u> |

Average number of employees

| Employees | Employees |
|-----------|-----------|
| 310 | 333 |

5.1 Other Salary Related Costs

| | 2011 R'000 | 2010 R'000 |
|-----------------------------|---------------|---------------|
| Performance bonus | 223 | 629 |
| Leave discounting | 77 | 121 |
| Overtime | 52 | 2,914 |
| Compensation | 1 | 389 |
| Periodic payments | 11,359 | 14,462 |
| Service bonus | 1,016 | 1,311 |
| Home owners allowance | 809 | 655 |
| Capital remuneration | (447) | 209 |
| Non pensionable | 1,050 | 1,549 |
| Bargain council | 6 | 4 |
| Movement in leave provision | 115 | 2,500 |
| Movement in bonus provision | (1,941) | 1,664 |
| | <u>12,320</u> | <u>26,407</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

6. Administrative Expenses

| | 2011 | 2010 |
|------------------------|---------------|---------------|
| | R'000 | R'000 |
| Advertising | 1,405 | 2,030 |
| Audit Fees | 2,200 | 1,566 |
| Bank Charges | 17 | 35 |
| Conferences | 876 | 2,942 |
| Consumables | 2,104 | 4,899 |
| Courier Services | 79 | 92 |
| Entertainment | 5 | (2) |
| Equipment | 55 | (31) |
| Events Management | 289 | 124 |
| Financial Advisors | 1,577 | 12,311 |
| Impairment of Debtors | 4,306 | (11,133) |
| Legal Fees | 970 | - |
| Maintenance | 1,699 | - |
| Other Supplies | 110 | 126 |
| Phone Expenses | 3,016 | 2,474 |
| Postage | 7 | 17 |
| Promotions | - | 772 |
| Publications | 34 | 433 |
| Recruitment | (9) | 368 |
| Refunds | 275 | - |
| Rental | 9 | 2 |
| Resettlement | 64 | 14 |
| Security Expense | 7,324 | 18,542 |
| Stationery | 871 | 1,961 |
| Subscriptions | 160 | 275 |
| Travel and Subsistence | - | - |
| Prof Staff | - | - |
| Vehicle Expenditure | 38 | - |
| Training | - | 6 |
| | <u>27,481</u> | <u>37,823</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

7. Operating Expenses

| | 2011 | 2010 |
|---|----------------|----------------|
| | R'000 | R'000 |
| Conferences and Seminars | - | 251 |
| Consumables | 41 | 622 |
| Entertainment | 3 | 30 |
| Equipment | 32 | (33) |
| Fair valuation of payables | 1,347 | (3,292) |
| Fair valuation of receivables | 884 | (2,156) |
| Financial, advisory & management consultation | 1,564 | 8,655 |
| Fines and penalties | 1,230 | 1,684 |
| Tracking | 30,193 | 55,232 |
| Toll fees | 3,479 | 3,688 |
| Licence fees | 4,024 | 2,224 |
| Fuel, oil & grease | 85,522 | 108,028 |
| Spares and accessories | 8,850 | 10,325 |
| Tyres, tubes and batteries | 8,950 | 9,745 |
| Vehicle expenses | 131,613 | 71,796 |
| Maintenance and repairs | 7,358 | 6,877 |
| Marketing and communications | - | 172 |
| Transaction costs | 7,561 | 8,532 |
| Towing costs | - | 50 |
| Transport consultant and contractor | 6,301 | 23,452 |
| Legal fees | 627 | 1,823 |
| Train & staff Dev: external | 3,440 | 73 |
| Operating lease expenses | 6,271 | 12,011 |
| Personnel agency fees | 2,325 | 28,809 |
| Rates and Taxes | 1,210 | 1,031 |
| Refunds | 589 | 2,171 |
| Venues and facilities | - | 115 |
| SITA | 24 | 110 |
| Software licences | 48 | - |
| Travel and subsistence | 1,343 | 3,015 |
| Vehicle repairs | 53,843 | 57,318 |
| | <u>368,672</u> | <u>412,358</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

8. Depreciation and Amortisation

Property, Plant and Equipment
Intangible Assets

| 2011 | 2010 |
|--------|--------|
| R'000 | R'000 |
| 85,794 | 75,497 |
| 101 | 101 |
| 85,895 | 75,598 |

9. Impairment of Assets

Impairment of Assets
Impairment of Assets Held for Sale

| | |
|-------|-------|
| 921 | 2,790 |
| 1,129 | - |
| 2,050 | 2,790 |

Impairment assessment was performed at the end of the reporting period on all assets and vehicles were impaired due to accidents and wear and tear.

10. Loss on Disposal of Assets

Proceeds
Less: Carrying amount of assets sold
Loss on disposal of assets held for sale

| | |
|----------|----------|
| 12,188 | 13 049 |
| (14,226) | (20 900) |
| (2,038) | (7,851) |

Loss on disposal of assets is as a result of obsolete and uneconomical vehicles sold on auction during the reporting period.

11. Finance Cost

Interest recognised on financial lease liabilities measured at amortised cost
Interest charged by suppliers

| | |
|-------|-------|
| 573 | 809 |
| 1,818 | 2,328 |
| 2,391 | 3,137 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

12. Fruitless, Wasteful and Irregular Expenditure

| 2011 | 2010 |
|-------|-------|
| R'000 | R'000 |

12.1 Included in finance cost expenditure per the statement of comprehensive income is the following:

| | | |
|---|-------|-------|
| Opening balance | 2,328 | - |
| Less: Amounts condoned | - | - |
| Less: Amounts transferred to receivables for recovery | - | - |
| Incurred during the year: Interest costs | 1,818 | 2,328 |
| Fruitless and wasteful expenditure awaiting condonement | 4,146 | 2,328 |

a. Irregular expenditure

| | | |
|------------------------|--------|---|
| Irregular expenditure | 17,922 | - |
| Less: Amounts condoned | - | - |
| Irregular expenditure | 17,922 | - |

b. Details of irregular expenditure

| Incidents | Disciplinary steps taken/ criminal proceedings |
|--|---|
| Various contracts entered into without following the procurement processes | No disciplinary action has been taken |
| | 17,922 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

13. Property, Plant and Equipment

| 2011 | Office Furniture and Equipment R'000 | Vehicles R'000 | Tools R'000 | Total Amount R'000 |
|--|---|---------------------------|------------------------|-----------------------------------|
| Carrying amount at 01 April 2010 | 12,807 | 375,171 | 52 | 388,030 |
| Cost | 23,072 | 655,266 | 3,576 | 681,914 |
| Accumulated Depreciation | (10,265) | (280,095) | (734) | (291,094) |
| Impairment | - | - | (2,790) | (2,790) |
| | (2,784) | (45,100) | (17) | (47,901) |
| Additions | 728 | 148,561 | - | 149,289 |
| Disposals | - | (22,849) | - | (22,849) |
| Depreciation | (3,512) | (82,265) | (17) | (85,794) |
| Transfers to lease receivables – cost | | (102,593) | | (102,593) |
| Transfers to lease receivables – accumulated depreciation | | 5,853 | | 5,853 |
| Impairment charge | - | (921) | - | (921) |
| Transfer to non-current assets held for sale | - | (8,023) | - | (8,023) |
| Transfer of non-current assets held for sale : Accumulated Depreciation | - | 4,400 | - | 4,400 |
| Accumulated depreciation on disposals | - | 12,735 | - | 12,735 |
| Carrying amount at 31 March 2011 | 10,023 | 330,069 | 35 | 340,127 |
| Cost | 23,800 | 670,362 | 3,576 | 679,738 |
| Accumulated Depreciation | (13,777) | (339,372) | (751) | (353,900) |
| Impairment | - | (921) | (2,790) | (3,711) |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

| 2010 | Office Furniture and Equipment R'000 | Vehicles R'000 | Tools R'000 | Total Amount R'000 |
|---|--|-------------------|----------------|--------------------------|
| Carrying amount on 01 April 2009 | 9,799 | 456,163 | 723 | 466,685 |
| Cost | 15,387 | 730,296 | 3,576 | 749,259 |
| Accumulated Depreciation | (5,588) | (274,133) | (2,853) | (282,574) |
| Impairment | - | - | - | - |
| Correction of Errors from prior year | 4,063 | (40,207) | 2,136 | 34,008 |
| Cost | 4,705 | 27,987 | - | 32,692 |
| Accumulated depreciation | (642) | (38,198) | 2,136 | (36,704) |
| Transfer to lease receivables - cost | - | (59,748) | - | (59,748) |
| Transfer to lease receivables - accumulated | - | (29,752) | - | (29,752) |
| Revised carrying amount at beginning of year | 13,862 | 415,956 | 2,859 | 432,677 |
| Revised cost | 20,092 | 698,535 | 3,576 | 722,203 |
| Revised accumulated depreciation | (6,230) | (282,579) | (717) | (289,526) |
| Revised impairment | - | - | - | - |
| | (1,055) | (40,785) | (2,807) | (44,649) |
| Additions | 3,021 | 66,081 | - | 69,102 |
| Disposals | (41) | (54,663) | - | (54,704) |
| Transfers to lease receivables – cost | | (37,336) | | (37,336) |
| Transfers to lease receivables – accumulated depreciation | | 32,855 | | 32,855 |
| Depreciation | (4,076) | (71,405) | (17) | (75,497) |
| Impairment charge | - | - | (2,790) | (2,790) |
| Transfer to non-current assets held for sale at cost | - | (17,351) | - | (17,351) |
| Transfer to non-current assets held for sale accumulated depreciation | - | 11,801 | - | 11,801 |
| Disposals - accumulated depreciation | - | 29,233 | - | 29,233 |
| Accumulated depreciation adjustment | 41 | - | - | 41 |
| Carrying amount on 31 March 2010 | 12,807 | 375,171 | 52 | 388,030 |
| Cost | 23,072 | 655,266 | 3,576 | 681,914 |
| Accumulated Depreciation | (10,265) | (280,095) | (734) | (291,094) |
| Impairment | - | - | (2,790) | (2,790) |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

The entity leases various computer equipment and cellular phones under non-cancellable finance agreements. These agreements are between 3 to 5 years. Office equipment and furniture & fittings include the following amounts where the entity is a lessee under a finance lease

| | 2011 | 2010 |
|---------------------------------|---------|---------|
| | R'000 | R'000 |
| Cost-capitalised Finance Leases | 8,107 | 9,043 |
| Accumulated Depreciation | (6,125) | (4,923) |
| Net Book Value | 1,982 | 4,120 |

14. Intangible Assets

Computer software

| | | |
|--------------------------------------|-------|-------|
| Carrying amount at beginning of year | 301 | 402 |
| Cost | 502 | 502 |
| Accumulated Depreciation | (201) | (100) |
| Amortization | (101) | 101) |
| Additions | - | - |
| Carrying amount at end of year | 200 | 301 |
| Cost | 502 | 502 |
| Accumulated Depreciation | (302) | (201) |

15. Deposits

| | | |
|---|-----|-----|
| Opening amount at beginning of the year | 856 | 342 |
| Deposit made during the year | - | 514 |
| Closing balance at year end | 856 | 856 |
| Non-current portion of deposit | 91 | 91 |
| Current portion of deposit | 765 | 765 |
| | 856 | 856 |

The deposit amounts consist of deposits paid for the rental of property.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

16. Finance Lease Receivable

g-Fleet enters into finance leasing arrangements with various Government Departments. These leases are for varying lease periods with an average term of five years.

| | 2011 | 2010 |
|--|----------------|---------------|
| | R'000 | R'000 |
| Current portion of finance lease receivables | 49,615 | 30,543 |
| Non - current portion of finance lease receivables | 88,206 | 35,237 |
| | <u>137,821</u> | <u>65,780</u> |

Reconciliation between the total gross investment in the lease and the present value of the minimum lease payments

| 2011 | Total gross investment | Unearned finance income | Present value |
|-------------------|------------------------|-------------------------|----------------|
| Up to 1 year | 87,620 | (38,005) | 49,615 |
| 1- 5 years | 116,875 | (28,980) | 87,895 |
| More than 5 years | 452 | (141) | 311 |
| Total | <u>204,947</u> | <u>(67,126)</u> | <u>137,821</u> |

| 2010 | gross investment | Unearned finance income | Present value |
|-------------------|------------------|-------------------------|---------------|
| Up to 1 year | 62,460 | (31,917) | 30,543 |
| 1 - 5 years | 49,710 | (24,053) | 25,657 |
| More than 5 years | 11,445 | (1,865) | 9,580 |
| Total | <u>123,615</u> | <u>(57,835)</u> | <u>65,780</u> |

17. Rental Paid in Advance (Construction work in progress)

| | 2011 | 2010 |
|---|---------------|---------------|
| Opening amount of improvements at beginning of the year | 85,976 | 59,964 |
| Improvements for the year | - | 29,612 |
| Operating lease liability | (1,200) | (3,600) |
| Closing balance at year end | <u>84,776</u> | <u>85,976</u> |
| Non-current portion of construction work in progress (rent paid in advance) | 83,576 | 84,776 |
| Current portion of rent paid in advance | <u>1,200</u> | <u>1,200</u> |
| | <u>84,776</u> | <u>85,976</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

Rent paid in advance arose when the Entity and the Department of Roads and Transport entered to an agreement which stipulates that rental payments by the Entity of their Bedfordview offices should be set off against any expenditure incurred by the Entity on improvements.

18. Trade and Other Receivables

18.1 Trade Receivables

Less: Impairment of receivables

Other Debtors

Less Impairment of other debtors

Less Fair valuation of Debtors

| 2011 | 2010 |
|----------|----------|
| R'000 | R'000 |
| 354,330 | 301,102 |
| (26,494) | (24,788) |
| 327,836 | 276,314 |
| 12,707 | 2,968 |
| (2,599) | - |
| (4,569) | (3,685) |
| 333,375 | 275,597 |

18.2 Balances with Other Departments

(By geographical location)

Free State

Western Cape

Mpumalanga

Northern Cape

Kwazulu-Natal

Gauteng – ELS

North West

Eastern Cape

Limpopo

National

Other

Total

| Owing by other departments | Owing by other departments |
|----------------------------|----------------------------|
| 729 | 351 |
| - | 84 |
| - | 58 |
| 198 | 184 |
| 8,786 | 2,247 |
| 198,180 | 153,732 |
| 3,389 | 3,746 |
| 471 | 458 |
| 140 | 109 |
| 128,466 | 121,704 |
| 13,971 | 18,429 |
| 354,330 | 301,102 |

Impairment provision largely comprises of amounts that are being disputed by user departments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

18.3 Analysis of Receivables

| | 2011 R'000 | 2010 R'000 |
|---|----------------|----------------|
| Not later than one year | 341,330 | 291,002 |
| Later than one but not later than two years | 3,000 | 4,000 |
| Later than two years | 10,000 | 6,100 |
| Total | 354,330 | 301,102 |

19. Non-current Assets Held for Sale

| | | |
|---|--------------|--------------|
| Non-current assets held for sale | | |
| Carrying amount at beginning of year | 5,818 | 3,856 |
| Disposals | (4,480) | (3,588) |
| Transfer from PPE | 8,023 | 17,351 |
| Accumulated Depreciation on assets transferred from PPE | (4,402) | (11,801) |
| Impairment charge | (1,129) | - |
| Carrying amount at end of the period | 3,830 | 5,818 |

Vehicles held for sale are comprised of vehicles transferred from property plant and equipment as reflected in Note 12 above. The transferred assets consist of vehicles that are uneconomical to maintain and those that were involved in accidents. Management has committed to selling these assets through an auction to be held in the new financial year.

20. Cash and Cash Equivalents

| | | |
|---|----------------|---------------|
| Paymaster General Account | 102,227 | 29,067 |
| Petty cash | 18 | 18 |
| Cash and cash equivalents in the statement of cash flows | 102,245 | 29,085 |
| Paymaster General Account | 102,227 | 29,067 |
| Cash on hand | 1 | 18 |
| Cash and cash equivalents | 102,228 | 29,085 |

Cash and cash equivalents comprise cash that is highly liquid and is held with registered banking institutions. The carrying amount of these assets is shown at fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

21. Finance Lease Obligations

| | 2011 | 2010 |
|--|-------|-------|
| | R'000 | R'000 |
| Current portion of finance lease obligations | 2,111 | 2,610 |
| Non-current portion of finance lease obligations | 538 | 2,233 |
| | 2,649 | 4,843 |

Reconciliation between the total of the minimum lease payments and the present value:

| 2011 | Minimum Lease Payments | Finance costs | Present value |
|--------------|------------------------|---------------|---------------|
| Up to 1 year | 2,331 | (220) | 2,111 |
| 1 - 5 years | 576 | (38) | 538 |
| Total | 2,907 | (258) | 2,649 |

| 2010 | Minimum Lease Payments | Finance costs | Present value |
|--------------|------------------------|---------------|---------------|
| Up to 1 year | 2,738 | (505) | 2,233 |
| 1 - 5 years | 2,865 | (255) | 2,610 |
| Total | 5,603 | (760) | 4,843 |

The finance lease obligations are repayable monthly over the different lease terms. The finance lease obligations are secured by finance lease assets included in property, plant and equipment. Refer to note 12.

22. Deferred Income (Grants)

| | | |
|--|----------|----------|
| Opening balance | 82,675 | 87,954 |
| Advances | 14,361 | 8,200 |
| Income recognised | (13,870) | (13,479) |
| Closing balance | 83,166 | 82,675 |
| Current Portion of Deferred Income | 13,870 | 13,870 |
| Non-current Portion of Deferred Income | 69,296 | 68,805 |
| | 83,166 | 82,675 |

g-FleeT receives Grants, which are recognised as a liability in the year in which they are received from user Departments. These amounts are then recognised as revenue over the periods in the proportions in which depreciation on those assets is charged.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

23. Trade and Other payables

| | 2010 | 2009 |
|----------------------------------|----------------|----------------|
| | R'000 | R'000 |
| Trade payables | 153,181 | 154,398 |
| Other payables | 1,742 | 1,082 |
| | <u>154,923</u> | <u>155,480</u> |
| Less Fair valuation of Creditors | (2,596) | (3,290) |
| | <u>152,327</u> | <u>152,190</u> |

24. Employee Benefit Liabilities

| | | |
|--|----------------|--------------|
| Balance at the beginning of the year | 8,415 | 5,915 |
| Amounts paid / accrued during the year | <u>(1,826)</u> | <u>2,500</u> |
| Balance at the end of the year | <u>6,589</u> | <u>8,415</u> |

25. Net Cash Flow generated by Operating Activities

| | | | |
|---|----|----------------|----------------|
| Net surplus as per Statement of Comprehensive income | | 150,608 | 43,544 |
| Adjusted for items separately disclosed: | 10 | 2,038 | 7,851 |
| (Profit)/Loss from sale of vehicles | | | |
| Adjusted for non-cash items: | | | |
| Income received in advance recognised | 20 | (13,870) | (13,479) |
| Depreciation | 8 | 85,794 | 75,498 |
| Amortisation of Intangible Assets | 8 | 101 | 101 |
| Impairment of Fixed Assets | 9 | 2,050 | 2,790 |
| Impairment of Debtors | 6 | 4,306 | (11,133) |
| Fair Valuation of Debtors | 16 | 884 | 2,156 |
| Fair Valuation of Creditors | 21 | (2,010) | 3,292 |
| Non Current Assets held for sale | | 1,988 | (1,963) |
| Movement in Leave Pay Liability | 22 | (1,827) | 2,500 |
| Finance lease receivable | | 107,945 | 59,423 |
| Construction work in progress | 15 | 1,200 | (26,961) |
| Net cash flow generated by operating before movements in working capital | | <u>339,207</u> | <u>143,619</u> |
| Movements in working capital | | | |
| Decrease/(Increase) in trade and other receivables | | (129,816) | (114,006) |
| (Decrease)/Increase in trade and other payables | | 137 | 26,546 |
| Cash flow generated by operations | | <u>209,528</u> | <u>56,159</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

26. Prior Year Adjustments

26.1

Adjustments amounting to R4,507,000 (2010: R23,435,000) were processed against Opening Retained Earnings. These adjustments emanated from vehicles that were previously expensed and not capitalised, finance lease obligations omitted, straight lining of the operating lease rentals and rental deposits previously expensed. The impact of the adjustments is as follows:

| | 2011 R'000 | 2010 R'000 |
|---|---------------|---------------|
| Effect on statement of financial performance | | |
| Decrease in Vehicle Repairs | - | 25,140 |
| Increase in Operating Lease Rentals | - | (5,749) |
| Decrease in Operating Lease Income | - | (15,381) |
| Decrease in depreciation expense | 4,507 | 19,425 |
| | 4,507 | 23,435 |
| Effect on statement of financial position | | |
| Increase in Property, Plant and Equipment | 4,507 | (67,211) |
| Decrease in Construction Work In Progress | - | (2,149) |
| Increase in Deposits | - | 514 |
| Decrease in non-current assets held for sale | - | (853) |
| Increase in Finance Lease obligation | - | (3,863) |
| Increase in Finance Lease debtor | - | 50,127 |
| Net effect on retained earnings | 4,507 | 23,435 |

26.2

The impact of the above changes in the restated 2010 balances is as follows:

Statement of Financial Position Effect

| 2010 | | Change R'000 | After Change R'000 |
|--|---------|-----------------|-----------------------|
| Assets | | | |
| PPE | 542,484 | (154,454) | 388,030 |
| Finance lease receivable | 0 | 65,780 | 65,780 |
| Rent paid in advance (Construction work in progress) | 0 | 85,976 | 85,976 |
| Deposit | 342 | 514 | 856 |
| Trade and Other Receivables | 305,246 | (29,650) | 275,596 |
| Cash and cash equivalents | 29,213 | (128) | 29,085 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

| | | | |
|--|---------|----------|---------|
| Non-current assets classified as held for sale | 3,856 | 1,963 | 5,819 |
| Liabilities | | | |
| Non- current portion Finance Leases obligation | 2,516 | 94 | 2,610 |
| Current portion Finance Leases obligation | 1,499 | 734 | 2,233 |
| Employee benefit liability | 6,762 | 1,653 | 8,415 |
| Trade and other payables | 189,948 | (37,758) | 152,190 |
| Deferred income (Grant) | 82,626 | 49 | 82,675 |

Statement of Comprehensive Income and Other Income effect for 2010

| | | | |
|----------------------------|---------|----------|---------|
| Revenue | 671,689 | (56,043) | 615,646 |
| Expenses | | | |
| Depreciation | 84,854 | (9,256) | 75,598 |
| Finance cost | 7,624 | (4,487) | 3,137 |
| Employee cost | 50,486 | (408) | 50,078 |
| Impairment of assets | 617 | 2,173 | 2,790 |
| Administrative expenses | 54,239 | (16,416) | 37,823 |
| Operational expense | 413,756 | (1,398) | 412,358 |
| Profit/ (loss) on disposal | - | 7,851 | 7,851 |

27. Senior Management Emoluments

The senior management of the Trading Entity is comprised of the following officials for the period under review. The details of the remuneration are as follows:

2011

| Executive Management and Directors | Position | Salary | Bonuses and Performance payments | Pension Contributions | Other benefits | Total |
|------------------------------------|--------------------------|---------|----------------------------------|-----------------------|----------------|-----------|
| Chikane Chikane | Chief Executive Officer | 585,622 | 75,448 | 76,132 | 265,518 | 1,002,720 |
| Jackee Khumalo | Chief Operations Officer | 163,207 | - | - | 108,818 | 272,025 |
| Hlalanathi Sishi | Director: Maintenance | 473,988 | 40,962 | 61,618 | 198,167 | 774,735 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

| | | | | | | |
|------------------|--|---------|--------|--------|---------|---------|
| Tebogo Mokete | Director, Finance | 427,077 | 35,150 | 68,841 | 180,342 | 711,410 |
| Andile Ngcobo | Director, Marketing and Communications | 394,806 | - | 51,325 | 179,025 | 625,156 |
| Thembanani Banda | Director, Corporate Service | 473,988 | 39,011 | 61,873 | 214,931 | 789,803 |
| Tebogo Moqhobai | Director, VIP and Pool | 396,437 | 32,628 | 51,536 | 179,592 | 660,193 |
| Moffat Caluza | Director, Transport Support Services | 163,143 | 30,215 | 21,209 | 103,420 | 317,987 |
| Ravanne Mathews | Director, Permanent Allocation | 396,437 | 32,628 | 51,536 | 179,772 | 660,373 |
| Salome Jafta | Director, TSS | 40,394 | 772 | 5,251 | 20,315 | 66,732 |

2010

| Executive Management and Directors | Position | Salary | Bonuses and Performance payments | Pension Contributions | Other benefits | Total |
|------------------------------------|--|---------|----------------------------------|-----------------------|----------------|---------|
| Thembanani Banda | Director, Corporate Service | 350,929 | - | 45,620 | 160,030 | 556,579 |
| Ravanne Mathews | Director, Permanent Allocation | 374,920 | 30,781 | 48,739 | 169,993 | 624,433 |
| Andile Ngcobo | Director, Marketing and Communications | 374,920 | 29,857 | 48,739 | 169,993 | 623,509 |
| Moffat Caluza | Director, Transport Support Services | 374,920 | 23,107 | 48,739 | 164,665 | 611,431 |
| Tebogo Mokete | Director, Finance | 437,059 | 16,716 | 56,817 | 195,255 | 705,847 |
| Tebogo Moqhobai | Director, VIP and Pool | 128,733 | - | 16,726 | 59,063 | 204,522 |
| Hlalanathi Sishi | Director: Maintenance | 418,155 | 39,011 | 54,360 | 189,593 | 701,119 |
| Hlophe DS | Chief Director | 138,920 | 46,052 | 19,960 | 62,638 | 267,570 |
| Jafta SNN | CEO | 52,406 | 52,406 | 6,812 | 23,759 | 135,383 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

28. Related Party Transaction

| Related Party | Nature of Relationship | Transaction Type | Amount payable by g-FleeT R'000 | Amount receivable by g-FleeT R'000 | Value of Transactions R'000 |
|---|---|---|------------------------------------|---------------------------------------|--------------------------------|
| Balances as at 31/03/2011 | - | - | 31/03/2011 | 31/03/2011 | 31/03/2011 |
| Department of Roads and Transport (DRT) | g-FleeT is a trading entity under the DRT | Hire of vehicles, Payment of salaries, rates and cellphones | 1,673 | 5,290 | 16,118 |

The outstanding balance is unsecured, interest free and is expected to be paid within a year.

The above transaction occurred under terms that were no less favourable than those available in similar arms length dealings with other government departments.

| Related Party | Nature of Relationship | Transaction Type | Amount payable by g-FleeT R'000 | Amount receivable by g-FleeT R'000 | Value of Transactions R'000 |
|---|---|--|------------------------------------|---------------------------------------|--------------------------------|
| Balances as at 31/03/2010 | - | - | 31/03/2010 | 31/03/2010 | 31/03/2010 |
| Department of Roads and Transport (DRT) | g-FleeT is a trading entity under DRT | Hire vehicles, Payment of salaries, rates and cellphones | 2,845 | 9,953 | 40,000 |
| Impophoma Infrastructure Support Entity | Impophoma is a trading entity under DID and g-FleeT (DRT) | Hire of vehicles and call-centre facilities, payment of salaries | 1,860 | - | 5,000 |
| Emoyeni Conference Centre | Emoyeni is a trading entity under DID and g-FleeT (DRT) | Payment of salaries and hire of conference centre | 572 | 1,838 | 1,050 |
| Urban Transport Fund (UTF) | UTF and g-FleeT are both entities under DRT | Intelligence number plates | - | - | 487 |

The outstanding balances are unsecured, interest free and are expected to be paid within a year.

The above transactions occurred under terms that were no less favourable than those available in similar arms length dealings with other government departments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

29. Commitments

| 2011 | 2010 |
|-------|-------|
| R'000 | R'000 |

29.1 Commitments under Leases

Operating leases

Minimum future lease payments are as follows:

| | | |
|---|---------------|----------------|
| Within one year | 75,239 | 78,899 |
| More than one year and less than five years | 12,062 | 30,485 |
| | <u>87,301</u> | <u>109,384</u> |

Operating leases consists of property rentals at different regions within the country for a period of 2 to 5 years.

29.2 Contractual commitments

Contracts have been entered into for improvements to the Bedfordview site and the installation of Mobitrax units.

| 2011 | 2010 |
|-------|-------|
| R'000 | R'000 |

Property

| | | |
|-----------------|--------|--------|
| Within one year | 15,000 | 15,000 |
|-----------------|--------|--------|

Equipment

| | | |
|---|---------------|---------------|
| Within one year | 2,332 | 2,000 |
| More than one year and less than five years | 576 | 7,000 |
| | <u>17,908</u> | <u>24,000</u> |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

30. Contingent liabilities

Contingent liabilities consist of:

| Type of matter | Value R'000 |
|--|---------------|
| Contract – claim for outstanding invoices and accident damages | 1,000 |
| Tender – repudiation of appointment | 18,178 |
| Contract – breach | 1,164 |
| Contract – breach and damages | 500 |
| Outstanding invoices | 5,950 |
| Secondment of Staff | 306 |
| 76 Accident related 3rd Party claims outstanding | 1,507 |
| Housing guarantees | 209 |
| Total | 28,814 |



SECTION 4 HR Oversight

Department of Roads and Transport (GDRT) Province of Gauteng

1. Departments must in their Annual Reports, with effect from the 2008/09 financial year; under the main heading "Human Resource Management" include the following Headings:

1.1 Signing of Performance Agreements by SMS Members.

1.2 Filling of SMS Posts

Information and Reporting Format

1. Signing of Performance Agreements by SMS Members

(This new heading must be inserted in the Annual Report before the heading "Performance Rewards" and paragraphs must be numbered accordingly)

Table No. 1.1 - Signing of Performance Agreements by SMS Members as on 31-05-2011

| SMS Level | Total Number of Funded SMS Posts Per Level | Total Number of SMS Members Per Level | Total Number of Signed Performance Agreements Per Level | Signed Performance Agreements as % of Total Number of SMS Members Per Level |
|--|---|--|--|--|
| Director- General / Head of Department | 1 | 1 | 0 | 0% |
| Salary Level 16, but not HOD | 0 | 2 | 1 | 50.00% |
| Salary Level 15 | 6 | 7 | 1 | 14.28% |
| Salary Level 14 | 16 | 11 | 5 | 45.45% |
| Salary Level 13 | 66 | 49 | 20 | 40.81% |
| Total | 89 | 70 | 27 | 38.57% |

Table No. 1.2 - Reasons for not having concluded Performance Agreements for all SMS members as on 31-05-2011

| |
|-------------------------|
| Structure not finalized |
| 1. |
| 2. |
| 3. |

Departments must indicate good cause or reason for not having concluded and filed signed performance agreements for all SMS members. See paragraphs 4 and 5 of Circular.

Table No. 1.3 - Reasons for not having concluded Performance

Agreements for all SMS members as on 31-05-2011

| |
|-----------------------------|
| No disciplinary steps taken |
| 1. |
| 2. |
| 3. |
| 4. |

Departments must indicate good cause or reason for not having concluded and filed signed performance agreements for all SMS members. See paragraphs 4 and 5 of Circular.

2. Filling of SMS Posts (New Heading in Annual Report)

Table 2.1 - SMS posts information as on 31-03-2011 (31 March of each financial year end)

| SMS Level | Total Number of Funded SMS Posts Per Level | Total Number of SMS posts Filled Per Level | % of SMS Posts Filled Per Level | Total Number of SMS posts Vacant Per Level | % of SMS Posts Vacant Per Level |
|--|---|---|--|---|--|
| Director- General / Head of Department | 1 | 1 | 100% | 0 | 0 |
| Salary Level 16, but not HOD | 0 | 2 | 0 | 0 | 0 |
| Salary Level 15 | 6 | 5 | 83% | 1 | 17% |
| Salary Level 14 | 16 | 16 | 100% | 0 | 0 |
| Salary Level 13 | 66 | 57 | 86% | 9 | 14% |
| Total | 89 | 80 | 90% | 10 | 11% |

Table 2.2 - SMS posts information as on 30 September 2010 (30 September of each financial year)

| SMS Level | Total Number of Funded SMS Posts Per Level | Total Number of SMS posts Filled Per Level | % of SMS Posts Filled Per Level | Total Number of SMS posts Vacant Per Level | % of SMS Posts Vacant Per Level |
|--|---|---|--|---|--|
| Director- General / Head of Department | 1 | 1 | 100% | 0 | 0 |

¹ Fill in date of applicable information i.e., 31 March 2009 or 31 March of each financial year end

² Fill in date of applicable information i.e., 30 September 2009 or 30 September of each financial year (mid-year information)

| | | | | | |
|------------------------------|-----------|-----------|------------|-----------|------------|
| Salary Level 16, but not HOD | 0 | 2 | 0 | 0 | 0 |
| Salary Level 15 | 6 | 4 | 66% | 2 | 33% |
| Salary Level 14 | 16 | 12 | 75% | 4 | 25% |
| Salary Level 13 | 66 | 53 | 80% | 13 | 20% |
| Total | 89 | 72 | 81% | 19 | 21% |

Table 2.3 – Advertising and Filling of SMS posts as on 31-03-2011 (31 March of each financial year end. Information supplied is for the financial year)

| SMS Level | Advertising | Filling of Posts | |
|--|---|--|--|
| | Number of Vacancies Per Level Advertised in 6 Months of Becoming Vacant | Number of Vacancies Per Level Filled in 6 Months After Becoming Vacant | Number of Vacancies Per Level not Filled in 6 Months but Filled in 12 Months |
| Director- General / Head of Department | 0 | 0 | 0 |
| Salary Level 16, but not HOD | 0 | 0 | 0 |
| Salary Level 15 | 1 | 1 | 0 |
| Salary Level 14 | 3 | 3 | 0 |
| Salary Level 13 | 2 | 2 | 0 |
| Total | 6 | 6 | 0 |

¹ Fill in date of applicable information i.e., 31 March 2009 or 31 March of each financial year end

² Fill in date of applicable information i.e., 30 September 2009 or 30 September of each financial year (mid-year information)

Table 2.4 - Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

| Reasons for vacancies not advertised within six months: |
|---|
| 1. None because the vacancies were advertised within six months of becoming vacant. |
| 2. |
| Reasons for vacancies not filled within 12 months: |
| 1. None |
| 2. |

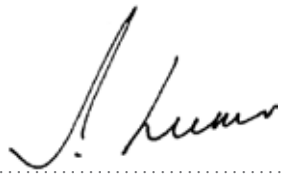
Table No 2.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

| 1. No disciplinary action was taken. |
|--|
| 1. |
| 2. |
| Reasons for vacancies not filled within 12 months: |
| 1. None |
| 2. |

See paragraph 6 of Circular.

Certify correctness of information

3. The above Information is certified as correct



.....
Acing Head of Department
Mr. Stewart Lumka



Table 4.1 - Main Service for Service Delivery Improvement and Standards

| Main Services | Actual Customers | Potential Customers | Standard of Service | Actual Achievement against Standards |
|--|---|-----------------------------|--|---|
| Employee Health and Wellness | Employees and immediate family members | Taxi commuters and extended | Daily services accessible to all | Services available to all employees |
| | Taxi, Bus, Truck industry employees | members of families | employees | N/A |
| To handle litigation of the Department | MEC | N/A | To finalise 5 court cases | 21 cases finalised |
| To provide opinions to the Department | HOD | N/A | To provide opinion within 14 days of request | All opinions are finalised within time frame |
| To review and draft contracts | DDG's | | To provide a contract within 14 days of request | All contracts finalised within time frame |
| To handle access to information | Chief Directors' and Directors | | To provide information within 60 days of request | All requesters received the information within time frame |
| To plan, design, construct, maintain and protect the provincial road network and public transport infrastructure development | Consultants, stakeholders, Local Authorities Public , Directorate: Transport Infrastructure: Capital Projects | Departments | Departmental standards and Code of Procedure | Departmental standards met by consulting engineers |
| To proclaim roads | Land owners, State Attorney, Deed Office, valuers Directorate: Roads Infrastructure: Capital Projects | N/A | Gauteng Transport Infrastructure Act, 2001 (Act 8 of 2001) | Requirements in term of GTIA met. |
| To evaluate road conditions | Directorate: Maintenance, Consultants Stakeholders and Local Authorities | N/A | Departmental standards | Standards met |
| To test materials for new advance road pavement designs to use in the industry with the Heavy vehicle Simulator (HVS) | Directorate: Transport Infrastructure: Capital Projects, Consultants Stakeholders Local Authorities | N/A | N/A | N/A |
| To train youth | Training service providers Training Institutions | N/A | Skills Development Act | Target of 10% met |
| To prioritise previously disadvantage areas infrastructure | Public Consultants Stakeholders Local Authorities | N/A | Departmental objective | 20 Townships project |

| | | | | |
|---|--|--|--|--|
| Safekeeping of drawings, report books etc. iro. Provincial roads. To deliver an effective and efficient client service internally and externally in connection with Provincial Roads (Helpdesk) | Public Consulting Engineers Stakeholders Officials Local Authorities | None | Departmental objective | N/A |
| Manage coordinate and integrate the overall planning of transport in metropolitan areas | DRT, District and Metropolitan Municipalities, PRASA, Transnet | Commuters and Public | PLTF | Draft 2009 - 2014 PLTF |
| Implementation of freight plan for Gauteng | Transport Authorities, Municipalities, GDARD, Blue IQ, Transnet | Freight Industry; all road users | According to the Gauteng Freight Implementation Strategy | Initiated five projects: Air Quality Management Plan, Gauteng Freight Data Base update, Reduction of Congestion through Freight Management; Maize Triangle Strategy and Freight Access Strategy to uplift WRDM |
| Manage the overall planning of transport infrastructure in the province | DoT, DRT, local municipalities | All road users in Gauteng | Strategic Road Network | Maintenance and updating of the Strategic Road Network according to road user and economic development needs |
| Construction of Intermodal Public Transport Facilities | Municipalities, Public Transport Operators, Commuters & General Public | All persons who may be interested in the public transport industry | NDOT, Department and municipal road and building standards | Commenced with the construction of Intermodal Public Transport Facilities at Bophelong and Zandspruit |
| Construction of Non Motorised Transport Infrastructure (NMT) | Municipalities, General Public, Cyclists | N/A | Department and municipal NMT standards | 3.5km of walkways and cycle lanes were constructed in West Rand District Municipality |
| Distribution of Shovakalula bicycles to learners | Municipalities, Schools, learners | Road and Farm workers | NDOT set standards | 3000 bicycles distributed to 3000 learners at schools in West Rand and Metsweding District Municipalities |

| | | | | |
|---|---|--|--|---|
| Construction of bicycle storage (parking racks) facilities | Municipalities and schools | Local municipal offices and other government customer oriented departments | Department and municipal building standards | 10 bicycle storage facilities were constructed and handed over to 10 schools in West Rand District Municipality |
| Conversion of government vehicles to greener alternative fuels. | Departmental g-Fleet and the Maintenance fleet - GDRT | Government departments, Municipalities, Public Transport Operators | Policy imperatives in terms of the Environment (DEAT, DoE, DST, SANERI, CSIR, NDOT & GDED), SABS and other international standards | 4 g-Fleet vehicles were converted to Compressed Natural Gas (CNG) for research, 2 Maintenance fleet bakkies |
| Employee Health and Wellness | Employees and immediate family members | Taxi commuters and extended | Daily services accessible to all | Services available to all employees |
| | Taxi, Bus, Truck industry employees | members of families | employees | N/A |
| Perform sensitive eNaTIS transactions for registering authorities | 28 | 0 | 21 days | 21 days |

Table 4.2 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

| Salary bands | Salaries (R'000) | Salaries as % of Personnel Cost | Overtime (R'000) | Overtime as % of Personnel Cost | HOA (R'000) | HOA as % of Personnel Cost | Medical Ass. (R'000) | Medical Ass. as % of Personnel Cost | Total Personnel Cost per Salary Band (R'000) |
|--|------------------|---------------------------------|------------------|---------------------------------|--------------|----------------------------|----------------------|-------------------------------------|--|
| Lower skilled (Levels 1-2) | 13970 | 67.9 | 57 | 0.3 | 1255 | 6.1 | 1836 | 8.9 | 20587 |
| Skilled (Levels 3-5) | 50559 | 64.6 | 727 | 0.9 | 5825 | 7.4 | 6320 | 8.1 | 78220 |
| Highly skilled production (Levels 6-8) | 69681 | 71.4 | 1583 | 1.6 | 3291 | 3.4 | 5438 | 5.6 | 97634 |
| Highly skilled supervision (Levels 9-12) | 51544 | 74.7 | 181 | 0.3 | 1383 | 2 | 1985 | 2.9 | 68967 |
| Senior management (Levels 13-16) | 34605 | 80.3 | 0 | 0 | 1714 | 4 | 607 | 1.4 | 43083 |
| Contract (Levels 1-2) | 21 | 91.3 | 0 | 0 | 0 | 0 | 0 | 0 | 23 |
| Contract (Levels 3-5) | 296 | 74.9 | 0 | 0 | 13 | 3.3 | 11 | 2.8 | 395 |
| Contract (Levels 6-8) | 644 | 74.9 | 0 | 0 | 15 | 1.7 | 75 | 8.7 | 860 |
| Contract (Levels 9-12) | 10060 | 83.7 | 0 | 0 | 255 | 2.1 | 61 | 0.5 | 12013 |
| Contract (Levels 13-16) | 10871 | 78.5 | 0 | 0 | 1056 | 7.6 | 89 | 0.6 | 13857 |
| Periodical Remuneration | 28 | 0.1 | 0 | 0 | 0 | 0 | 0 | 0 | 18877 |
| Abnormal Appointment | 6547 | 52.7 | 0 | 0 | 0 | 0 | 0 | 0 | 12420 |
| Total | 248826 | 67.8 | 2548 | 0.7 | 14807 | 4 | 16422 | 4.5 | 366936 |

Table 4.3 - Employment and Vacancies by Programme at end of period

| Programme | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|--------------------------------------|-----------------|------------------------|--------------|--|
| Administration**old, Permanent | 513 | 272 | 47 | 1 |
| Gt: trading entities**old, Permanent | 57 | 34 | 40.4 | 0 |
| Public transport, Permanent | 461 | 151 | 67.2 | 0 |
| Road infrastructure**old, Permanent | 2169 | 1376 | 36.6 | 0 |
| Total | 3200 | 1833 | 42.7 | 1 |

Table 4.4 - Employment and Vacancies by Salary Band at end

| Salary Band | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|------------------------|-------------------------------|---------------------|---|
| Lower skilled (Levels 1-2), Permanent | 215 | 0 | 100 | 0 |
| Skilled (Levels 3-5), Permanent | 1 161 | 1002 | 13.7 | 1 |
| Highly skilled production (Levels 6-8), Permanent | 1 110 | 522 | 53 | 0 |
| Highly skilled supervision (Levels 9-12), Permanent | 595 | 201 | 66.2 | 0 |
| Senior management (Levels 13-16), Permanent | 78 | 67 | 14.1 | 0 |
| Contract (Levels 3-5), Permanent | 2 | 2 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 3 | 3 | 0 | 0 |
| Contract (Levels 9-12), Permanent | 20 | 20 | 0 | 0 |
| Contract (Levels 13-16), Permanent | 16 | 16 | 0 | 0 |
| Total | 3200 | 1833 | 42.7 | 1 |

Table 4.5 - Employment and Vacancies by Critical Occupation at end of period

| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|------------------------|-------------------------------|---------------------|---|
| Administrative related, Permanent | 477 | 193 | 59.5 | 0 |
| All artisans in the building metal machinery etc., Permanent | 5 | 5 | 0 | 0 |
| Artisan project and related superintendents, Permanent | 19 | 11 | 42.1 | 0 |
| Auxiliary and related workers, Permanent | 103 | 71 | 31.1 | 0 |
| Building and other property caretakers, Permanent | 15 | 5 | 66.7 | 0 |
| Bus and heavy vehicle drivers, Permanent | 1 | 1 | 0 | 0 |
| Cartographers and surveyors, Permanent | 1 | 1 | 0 | 0 |
| Cartographic surveying and related technicians, Permanent | 12 | 4 | 66.7 | 0 |
| Civil engineering technicians, Permanent | 3 | 2 | 33.3 | 0 |
| Cleaners in offices workshops hospitals etc., Permanent | 41 | 27 | 34.1 | 0 |
| Client inform clerks(switchb recept inform clerks), Permanent | 8 | 3 | 62.5 | 0 |

| | | | | |
|---|-----|-----|------|---|
| Computer system designers and analysts., Permanent | 1 | 0 | 100 | 0 |
| Conservation labourers, Permanent | 6 | 2 | 66.7 | 0 |
| Economists, Permanent | 4 | 2 | 50 | 0 |
| Electrical and electronics engineering technicians, Permanent | 6 | 4 | 33.3 | 0 |
| Engineering sciences related, Permanent | 80 | 42 | 47.5 | 0 |
| Engineers and related professionals, Permanent | 143 | 49 | 65.7 | 0 |
| Finance and economics related, Permanent | 36 | 15 | 58.3 | 0 |
| Financial and related professionals, Permanent | 17 | 12 | 29.4 | 0 |
| Financial clerks and credit controllers, Permanent | 20 | 20 | 0 | 0 |
| Food services aids and waiters, Permanent | 3 | 2 | 33.3 | 0 |
| Head of department/chief executive officer, Permanent | 5 | 4 | 20 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 81 | 44 | 45.7 | 0 |
| Human resources clerks, Permanent | 79 | 29 | 63.3 | 0 |
| Human resources related, Permanent | 34 | 19 | 44.1 | 0 |
| Identification experts, Permanent | 9 | 1 | 88.9 | 0 |
| Information technology related, Permanent | 2 | 1 | 50 | 0 |
| Legal related, Permanent | 9 | 2 | 77.8 | 0 |
| Library mail and related clerks, Permanent | 23 | 15 | 34.8 | 0 |
| Logistical support personnel, Permanent | 18 | 7 | 61.1 | 0 |
| Material-recording and transport clerks, Permanent | 61 | 43 | 29.5 | 0 |
| Messengers porters and deliverers, Permanent | 31 | 24 | 22.6 | 0 |
| Other administrat & related clerks and organisers, Permanent | 605 | 234 | 61.3 | 1 |
| Other administrative policy and related officers, Permanent | 258 | 92 | 64.3 | 0 |
| Other information technology personnel., Permanent | 31 | 19 | 38.7 | 0 |
| Other occupations, Permanent | 1 | 1 | 0 | 0 |
| Photographic lithographic and related workers, Permanent | 2 | 2 | 0 | 0 |
| Quantity surveyors & rela prof not class elsewhere, Permanent | 1 | 0 | 100 | 0 |

| | | | | |
|---|-------------|-------------|-------------|----------|
| Risk management and security services, Permanent | 6 | 5 | 16.7 | 0 |
| Road superintendents, Permanent | 28 | 26 | 7.1 | 0 |
| Road trade workers., Permanent | 47 | 46 | 2.1 | 0 |
| Road workers, Permanent | 706 | 670 | 5.1 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 69 | 30 | 56.5 | 0 |
| Senior managers, Permanent | 86 | 45 | 47.7 | 0 |
| Trade labourers, Permanent | 4 | 2 | 50 | 0 |
| Trade/industry advisers & other related profession, Permanent | 2 | 0 | 100 | 0 |
| Work planners, Permanent | 1 | 1 | 0 | 0 |
| Total | 3200 | 1833 | 42.7 | 1 |

Table 4.6 - Job Evaluation

| Salary Band | Number of Posts | Number of Jobs Evaluated | % of Posts Evaluated | Number of Posts Upgraded | % of Upgraded Posts Evaluated | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|--|-----------------|--------------------------|----------------------|--------------------------|-------------------------------|----------------------------|---------------------------------|
| Lower skilled (Levels 1-2) | 215 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 3-5) | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 9-12) | 20 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Band A) | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Band D) | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 1161 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 1110 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 595 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 56 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3200 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.7 - Profile of employees whose positions were upgraded due to their posts being upgraded

| Beneficiaries | African | Asian | Coloured | White | Total |
|-----------------------------|---------|-------|----------|-------|-------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Employees with a Disability | 0 | 0 | 0 | 0 | 0 |

Table 4.8 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

| Occupation | Number of Employees | Job Evaluation Level | Remuneration Level | Reason for Deviation | No of Employees in Dept |
|--------------------------------|---------------------|----------------------|--------------------|----------------------|-------------------------|
| - | 0 | - | - | - | 0 |
| - | 0 | - | - | - | 0 |
| Total | 0 | - | - | - | 0 |
| Percentage of Total Employment | 0 | - | - | - | 0 |

Table 4.9 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

| Beneficiaries | African | Asian | Coloured | White | Total |
|-----------------------------|---------|-------|----------|-------|-------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Employees with a Disability | 0 | 0 | 0 | 0 | 0 |

Table 4.10 - Annual Turnover Rates by Salary Band

| Salary Band | Employment at Beginning of Period (April 2010) | Appointments | Terminations | Turnover Rate |
|---|--|--------------|--------------|---------------|
| Lower skilled (Levels 1-2), Permanent | 0 | 0 | 10 | 0 |
| Skilled (Levels 3-5), Permanent | 872 | 1 | 38 | 4.4 |
| Highly skilled production (Levels 6-8), Permanent | 480 | 11 | 9 | 1.9 |
| Highly skilled supervision (Levels 9-12), Permanent | 177 | 7 | 6 | 3.4 |
| Senior Management Service Band A, Permanent | 40 | 4 | 1 | 2.5 |

| | | | | |
|---|-------------|-----------|-----------|----------|
| Senior Management Service Band B, Permanent | 9 | 2 | 2 | 22.2 |
| Senior Management Service Band C, Permanent | 4 | 0 | 0 | 0 |
| Senior Management Service Band D, Permanent | 2 | 1 | 0 | 0 |
| Contract (Levels 3-5), Permanent | 4 | 1 | 3 | 75 |
| Contract (Levels 6-8), Permanent | 5 | 0 | 2 | 40 |
| Contract (Levels 9-12), Permanent | 25 | 3 | 9 | 36 |
| Contract (Band A), Permanent | 16 | 0 | 2 | 12.5 |
| Contract (Band D), Permanent | 2 | 0 | 0 | 0 |
| Total | 1636 | 30 | 82 | 5 |

Table 4.11 - Annual Turnover Rates by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2010) | Appointments | Terminations | Turnover Rate |
|---|---|---------------------|---------------------|----------------------|
| Administrative related, Permanent | 194 | 2 | 14 | 7.2 |
| All artisans in the building metal machinery etc., Permanent | 7 | 0 | 0 | 0 |
| Appraisers-valuers and related professionals, Permanent | 1 | 0 | 0 | 0 |
| Artisan project and related superintendents, Permanent | 5 | 0 | 0 | 0 |
| Attorneys, Permanent | 1 | 0 | 0 | 0 |
| Auxiliary and related workers, Permanent | 35 | 0 | 2 | 5.7 |
| Building and other property caretakers, Permanent | 15 | 0 | 1 | 6.7 |
| Bus and heavy vehicle drivers, Permanent | 2 | 0 | 1 | 50 |
| Cartographers and surveyors, Permanent | 1 | 0 | 0 | 0 |
| Cartographic surveying and related technicians, Permanent | 8 | 0 | 0 | 0 |
| Civil engineering technicians, Permanent | 6 | 0 | 0 | 0 |
| Cleaners in offices workshops hospitals etc., Permanent | 30 | 0 | 3 | 10 |
| Client inform clerks(switchb recept inform clerks), Permanent | 7 | 0 | 1 | 14.3 |
| Communication and information related, Permanent | 4 | 0 | 0 | 0 |

| | | | | |
|---|----|---|---|------|
| Computer system designers and analysts., Permanent | 7 | 0 | 0 | 0 |
| Economists, Permanent | 4 | 0 | 0 | 0 |
| Electrical and electronics engineering technicians, Permanent | 1 | 0 | 0 | 0 |
| Engineering sciences related, Permanent | 39 | 4 | 0 | 0 |
| Engineers and related professionals, Permanent | 37 | 5 | 1 | 2.7 |
| Finance and economics related, Permanent | 14 | 1 | 1 | 7.1 |
| Financial and related professionals, Permanent | 4 | 0 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 13 | 0 | 0 | 0 |
| Food services aids and waiters, Permanent | 3 | 0 | 0 | 0 |
| General legal administration & rel. professionals, Permanent | 3 | 0 | 0 | 0 |
| Head of department/chief executive officer, Permanent | 3 | 0 | 0 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 32 | 1 | 2 | 6.3 |
| Human resources clerks, Permanent | 15 | 1 | 0 | 0 |
| Human resources related, Permanent | 10 | 1 | 0 | 0 |
| Identification experts, Permanent | 1 | 0 | 0 | 0 |
| Information technology related, Permanent | 2 | 0 | 0 | 0 |
| Inspectors of apprentices works and vehicles, Permanent | 1 | 0 | 0 | 0 |
| Language practitioners interpreters & other commun, Permanent | 3 | 0 | 0 | 0 |
| Legal related, Permanent | 3 | 0 | 0 | 0 |
| Library mail and related clerks, Permanent | 18 | 0 | 2 | 11.1 |
| Light vehicle drivers, Permanent | 1 | 0 | 0 | 0 |
| Logistical support personnel, Permanent | 3 | 0 | 0 | 0 |
| Material-recording and transport clerks, Permanent | 21 | 0 | 1 | 4.8 |
| Medical specialists, Permanent | 1 | 0 | 0 | 0 |
| Messengers porters and deliverers, Permanent | 21 | 0 | 0 | 0 |
| Motor vehicle drivers, Permanent | 4 | 1 | 1 | 25 |

| | | | | |
|--|-------------|-----------|-----------|----------|
| Motorised farm and forestry plant operators, Permanent | 1 | 0 | 1 | 100 |
| Other administrat & related clerks and organisers, Permanent | 235 | 2 | 4 | 1.7 |
| Other administrative policy and related officers, Permanent | 108 | 2 | 5 | 4.6 |
| Other information technology personnel., Permanent | 8 | 3 | 0 | 0 |
| Other occupations, Permanent | 117 | 1 | 2 | 1.7 |
| Photographic lithographic and related workers, Permanent | 1 | 0 | 0 | 0 |
| Printing and related machine operators, Permanent | 2 | 0 | 1 | 50 |
| Rank: Unknown, Permanent | 1 | 0 | 0 | 0 |
| Road superintendents, Permanent | 3 | 0 | 0 | 0 |
| Road trade workers., Permanent | 23 | 0 | 0 | 0 |
| Road workers, Permanent | 464 | 0 | 31 | 6.7 |
| Secretaries & other keyboard operating clerks, Permanent | 34 | 1 | 3 | 8.8 |
| Security guards, Permanent | 4 | 0 | 0 | 0 |
| Senior managers, Permanent | 31 | 5 | 3 | 9.7 |
| Trade labourers, Permanent | 24 | 0 | 2 | 8.3 |
| Total | 1636 | 30 | 82 | 5 |

Table 4.12 - Reasons why staff are leaving the department

| Termination Type | Number | Percentage of Total Resignations | Percentage of Total Employment | Total | Total Employment |
|---------------------------------|-----------|----------------------------------|--------------------------------|-----------|------------------|
| Death, Permanent | 14 | 17.1 | 0.9 | 82 | 1636 |
| Resignation, Permanent | 17 | 20.7 | 1 | 82 | 1636 |
| Expiry of contract, Permanent | 15 | 18.3 | 0.9 | 82 | 1636 |
| Dismissal-misconduct, Permanent | 3 | 3.7 | 0.2 | 82 | 1636 |
| Retirement, Permanent | 33 | 40.2 | 2 | 82 | 1636 |
| Total | 82 | 100 | 5 | 82 | 1636 |

Resignations as % of Employment

5

Table 4.13 - Granting of Employee Initiated Severance Packages

| Category | No of applications received | No of applications referred to the MPSA | No of applications supported by MPSA | No of Packages approved by department |
|--|------------------------------------|--|---|--|
| Lower Skilled (Salary Level 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Salary Level 3-5) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 6-8) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 9-12) | 0 | 0 | 0 | 0 |
| Senior Management (Salary Level 13 and higher) | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

Table 4.14 - Promotions by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2010) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|--|---|---|---|--|--|
| Death, Permanent | 14 | 17.1 | 0.9 | 82 | 1636 |
| Administrative related | 194 | 4 | 2.1 | 89 | 45.9 |
| All artisans in the building metal machinery etc. | 7 | 0 | 0 | 0 | 0 |
| Appraisers-valuers and related professionals | 1 | 0 | 0 | 1 | 100 |
| Artisan project and related superintendents | 5 | 0 | 0 | 2 | 40 |
| Attorneys | 1 | 0 | 0 | 0 | 0 |
| Auxiliary and related workers | 35 | 0 | 0 | 23 | 65.7 |
| Building and other property caretakers | 15 | 0 | 0 | 14 | 93.3 |
| Bus and heavy vehicle drivers | 2 | 0 | 0 | 2 | 100 |
| Cartographers and surveyors | 1 | 0 | 0 | 0 | 0 |
| Cartographic surveying and related technicians | 8 | 0 | 0 | 8 | 100 |
| Civil engineering technicians | 6 | 0 | 0 | 5 | 83.3 |
| Cleaners in offices workshops hospitals etc. | 30 | 0 | 0 | 22 | 73.3 |
| Client inform clerks (switchboard reception inform clerks) | 7 | 0 | 0 | 6 | 85.7 |
| Communication and information related | 4 | 0 | 0 | 1 | 25 |

| | | | | | |
|--|----|---|------|----|------|
| Computer system designers and analysts. | 7 | 0 | 0 | 6 | 85.7 |
| Economists | 4 | 0 | 0 | 4 | 100 |
| Electrical and electronics engineering technicians | 1 | 0 | 0 | 0 | 0 |
| Engineering sciences related | 39 | 1 | 2.6 | 4 | 10.3 |
| Engineers and related professionals | 37 | 1 | 2.7 | 7 | 18.9 |
| Finance and economics related | 14 | 2 | 14.3 | 7 | 50 |
| Financial and related professionals | 4 | 0 | 0 | 3 | 75 |
| Financial clerks and credit controllers | 13 | 0 | 0 | 8 | 61.5 |
| Food services aids and waiters | 3 | 0 | 0 | 2 | 66.7 |
| General legal administration & rel. professionals | 3 | 1 | 33.3 | 0 | 0 |
| Head of department/chief executive officer | 3 | 1 | 33.3 | 0 | 0 |
| Human resources & organisat developm & relate prof | 32 | 4 | 12.5 | 19 | 59.4 |
| Human resources clerks | 15 | 0 | 0 | 13 | 86.7 |
| Human resources related | 10 | 3 | 30 | 8 | 80 |
| Identification experts | 1 | 0 | 0 | 1 | 100 |
| Information technology related | 2 | 0 | 0 | 1 | 50 |
| Inspectors of apprentices works and vehicles | 1 | 0 | 0 | 0 | 0 |
| Language practitioners interpreters & other commun | 3 | 0 | 0 | 2 | 66.7 |
| Legal related | 3 | 0 | 0 | 0 | 0 |
| Library mail and related clerks | 18 | 0 | 0 | 11 | 61.1 |
| Light vehicle drivers | 1 | 0 | 0 | 0 | 0 |
| Logistical support personnel | 3 | 0 | 0 | 3 | 100 |
| Material-recording and transport clerks | 21 | 0 | 0 | 17 | 81 |
| Medical specialists | 1 | 0 | 0 | 0 | 0 |
| Messengers porters and deliverers | 21 | 0 | 0 | 18 | 85.7 |
| Motor vehicle drivers | 4 | 0 | 0 | 1 | 25 |
| Motorised farm and forestry plant operators | 1 | 0 | 0 | 1 | 100 |

| | | | | | |
|---|-------------|-----------|------------|-------------|-------------|
| Other administrat & related clerks and organisers | 235 | 0 | 0 | 151 | 64.3 |
| Other administrative policy and related officers | 108 | 0 | 0 | 89 | 82.4 |
| Other information technology personnel. | 8 | 0 | 0 | 6 | 75 |
| Other occupations | 117 | 3 | 2.6 | 104 | 88.9 |
| Photographic lithographic and related workers | 1 | 0 | 0 | 1 | 100 |
| Printing and related machine operators | 2 | 0 | 0 | 1 | 50 |
| Rank: Unknown | 1 | 0 | 0 | 0 | 0 |
| Road superintendents | 3 | 0 | 0 | 3 | 100 |
| Road trade workers. | 23 | 0 | 0 | 18 | 78.3 |
| Road workers | 464 | 0 | 0 | 432 | 93.1 |
| Secretaries & other keyboard operating clerks | 34 | 1 | 2.9 | 19 | 55.9 |
| Security guards | 4 | 0 | 0 | 4 | 100 |
| Senior managers | 31 | 6 | 19.4 | 1 | 3.2 |
| Trade labourers | 24 | 0 | 0 | 17 | 70.8 |
| TOTAL | 1636 | 27 | 1.7 | 1155 | 70.6 |

Table 4.15 - Promotions by Salary Band

| Salary Band | Employment at Beginning of Period (April 2010) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|---|---|---|---|--|--|
| Skilled (Levels 3-5), Permanent | 872 | 0 | 0 | 745 | 85.4 |
| Highly skilled production (Levels 6-8), Permanent | 480 | 2 | 0.4 | 307 | 64 |
| Highly skilled supervision (Levels 9-12), Permanent | 177 | 14 | 7.9 | 99 | 55.9 |
| Senior management (Levels 13-16), Permanent | 55 | 8 | 14.5 | 0 | 0 |
| Contract (Levels 3-5), Permanent | 4 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 5 | 0 | 0 | 0 | 0 |
| Contract (Levels 9-12), Permanent | 25 | 2 | 8 | 4 | 16 |
| Contract (Levels 13-16), Permanent | 18 | 1 | 5.6 | 0 | 0 |
| Total | 1636 | 27 | 1.7 | 1155 | 70.6 |

Table 4.16 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

| Occupational Categories | Male, African | Male, Co- loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---|----------------------|-----------------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Legislators, senior officials and managers, Permanent | 21 | 0 | 2 | 23 | 3 | 14 | 0 | 1 | 15 | 2 | 43 |
| Professionals, Permanent | 93 | 1 | 1 | 95 | 12 | 72 | 1 | 3 | 76 | 9 | 192 |
| Technicians and associate professionals, Permanent | 154 | 8 | 2 | 164 | 13 | 137 | 5 | 4 | 146 | 23 | 346 |
| Clerks, Permanent | 107 | 4 | 0 | 111 | 6 | 181 | 10 | 3 | 194 | 42 | 353 |
| Service and sales workers, Permanent | 4 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Craft and related trades workers, Permanent | 38 | 0 | 0 | 38 | 36 | 2 | 0 | 1 | 3 | 1 | 78 |
| Plant and machine operators and assemblers, Permanent | 46 | 0 | 1 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 47 |
| Elementary occupations, Permanent | 639 | 3 | 0 | 642 | 32 | 85 | 3 | 0 | 88 | 8 | 770 |
| Total | 1102 | 16 | 6 | 1124 | 102 | 491 | 19 | 12 | 522 | 85 | 1833 |

| | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|-----------------------------|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Employees with disabilities | 5 | 1 | 0 | 6 | 1 | 1 | 0 | 0 | 1 | 0 | 8 |

Table 4.17 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---------------------------|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Top Management, Permanent | 5 | 0 | 1 | 6 | 0 | 1 | 0 | 0 | 1 | 0 | 7 |

| | | | | | | | | | | | |
|--|-------------|-----------|----------|-------------|------------|------------|-----------|-----------|------------|-----------|-------------|
| Senior Management, Permanent | 24 | 0 | 1 | 25 | 8 | 19 | 4 | 2 | 25 | 2 | 60 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 72 | 2 | 2 | 76 | 23 | 80 | 1 | 3 | 84 | 18 | 201 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 192 | 9 | 0 | 201 | 38 | 214 | 10 | 5 | 229 | 54 | 522 |
| Semi-skilled and discretionary decision making, Permanent | 781 | 4 | 0 | 785 | 33 | 167 | 4 | 2 | 173 | 11 | 1002 |
| Contract (Top Management), Permanent | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 |
| Contract (Senior Management), Permanent | 13 | 0 | 0 | 13 | 0 | 1 | 0 | 0 | 1 | 0 | 14 |
| Contract (Professionally qualified), Permanent | 15 | 1 | 0 | 16 | 0 | 4 | 0 | 0 | 4 | 0 | 20 |
| Contract (Skilled technical), Permanent | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 3 | 0 | 3 |
| Contract (Semi-skilled), Permanent | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 |
| Total | 1102 | 16 | 6 | 1124 | 102 | 491 | 19 | 12 | 522 | 85 | 1833 |

Table 4.18 - Recruitment

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-----------|
| Top Management, Permanent | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior Management, Permanent | 2 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 3 | 1 | 6 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 5 | 0 | 0 | 5 | 0 | 2 | 0 | 0 | 2 | 0 | 7 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 4 | 1 | 0 | 5 | 0 | 5 | 1 | 0 | 6 | 0 | 11 |
| Semi-skilled and discretionary decision making, Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Professionally qualified), Permanent | 2 | 1 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Contract (Semi-skilled), Permanent | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Total | 14 | 2 | 2 | 18 | 0 | 10 | 1 | 0 | 11 | 1 | 30 |

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--------------------|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| No data | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.19 - Promotions

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Senior Management, Permanent | 2 | 0 | 1 | 3 | 1 | 2 | 1 | 1 | 4 | 0 | 8 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 41 | 2 | 0 | 43 | 7 | 45 | 2 | 2 | 49 | 14 | 113 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 113 | 5 | 0 | 118 | 11 | 145 | 6 | 3 | 154 | 29 | 312 |
| Semi-skilled and discretionary decision making, Permanent | 585 | 3 | 0 | 588 | 10 | 134 | 4 | 2 | 140 | 10 | 748 |
| Contract (Top Management), Permanent | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Contract (Professionally qualified), Permanent | 3 | 1 | 0 | 4 | 0 | 2 | 0 | 0 | 2 | 0 | 6 |
| Total | 744 | 11 | 1 | 756 | 29 | 329 | 13 | 8 | 350 | 53 | 1188 |

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|-----------------------------|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Employees with disabilities | 4 | 1 | 0 | 5 | 1 | 1 | 0 | 0 | 1 | 0 | 7 |

Table 4.20 - Terminations

| Occupational Bands | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-----------|
| Senior Management, Permanent | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 3 | 1 | 0 | 4 | 1 | 1 | 0 | 0 | 1 | 0 | 6 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 1 | 0 | 0 | 1 | 0 | 6 | 0 | 0 | 6 | 2 | 9 |
| Semi-skilled and discretionary decision making, Permanent | 29 | 0 | 0 | 29 | 1 | 7 | 0 | 0 | 7 | 1 | 38 |
| Unskilled and defined decision making, Permanent | 10 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| Contract (Senior Management), Permanent | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 |
| Contract (Professionally qualified), Permanent | 7 | 1 | 0 | 8 | 0 | 1 | 0 | 0 | 1 | 0 | 9 |
| Contract (Skilled technical), Permanent | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 2 |
| Contract (Semi-skilled), Permanent | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 3 |
| Total | 56 | 2 | 0 | 58 | 2 | 19 | 0 | 0 | 19 | 3 | 82 |

| | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---------|---------------|----------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| No data | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.21 - Disciplinary Action

| Disciplinary action | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total | Not Available |
|----------------------------|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|----------------------|
| Total | 9 | 1 | 0 | 10 | 1 | 1 | 0 | 0 | 1 | 1 | 13 | 0 |

Table 4.22 - Disciplinary Action

| Occupational Categories | Male, African | Male, Coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|----------------------|-----------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Legislators, Senior Officials and Managers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and Associate Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service and Sales Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Agriculture and Fishery Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related Trades Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and Machine Operators and Assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary Occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.23 - Performance Rewards by Race, Gender and Disability

| Demographics | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|-----------------------------|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| African, Female | 311 | 490 | 63.5 | 1 324 | 4 256 |
| African, Male | 735 | 1097 | 67 | 2 306 | 3 138 |
| Asian, Female | 8 | 12 | 66.7 | 40 | 4 984 |
| Asian, Male | 1 | 6 | 16.7 | 6 | 6 245 |
| Coloured, Female | 12 | 19 | 63.2 | 56 | 4 652 |
| Coloured, Male | 5 | 15 | 33.3 | 23 | 4 588 |
| Total Blacks, Female | 331 | 521 | 63.5 | 1 419 | 4 288 |
| Total Blacks, Male | 741 | 1 118 | 66.3 | 2 335 | 3 152 |
| White, Female | 75 | 85 | 88.2 | 383 | 5 112 |
| White, Male | 48 | 101 | 47.5 | 272 | 5 673 |
| Employees with a disability | 5 | 8 | 62.5 | 16 | 3 113 |
| Total | 1200 | 1833 | 65.5 | 4 426 | 3 688 |

Table 4.24 - Performance Rewards by Salary Band for Personnel below Senior Management Service

| Salary Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|--|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| Lower skilled (Levels 1-2) | 14 | 0 | 0 | 34 | 2 429 |
| Skilled (Levels 3-5) | 760 | 1002 | 75.8 | 1 987 | 2 614 |
| Highly skilled production (Levels 6-8) | 298 | 522 | 57.1 | 1 505 | 5 050 |
| Highly skilled supervision (Levels 9-12) | 114 | 201 | 56.7 | 800 | 7 018 |
| Contract (Levels 3-5) | 0 | 2 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 0 | 3 | 0 | 0 | 0 |
| Contract (Levels 9-12) | 12 | 20 | 60 | 86 | 7 167 |
| Periodical Remuneration | 0 | 177 | 0 | 0 | 0 |
| Abnormal Appointment | 0 | 192 | 0 | 0 | 0 |
| Total | 1198 | 2119 | 56.5 | 4412 | 3683 |

Table 4.25 - Performance Rewards by Critical occupation

| Critical Occupations | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|---|--------------------------------|-------------------------|---------------------------------------|---------------------|---|
| Administrative related | 52 | 188 | 27.7 | 341 | 6 558 |
| All artisans in the building metal machinery etc. | 5 | 26 | 19.2 | 24 | 4 800 |
| Appraisers-valuers and related professionals | 1 | 1 | 100 | 5 | 5 000 |
| Artisan project and related superintendents | 4 | 9 | 44.4 | 25 | 6 250 |
| Attorneys | 1 | 1 | 100 | 8 | 8 000 |
| Auxiliary and related workers | 22 | 32 | 68.8 | 78 | 3 545 |
| Building and other property caretakers | 15 | 15 | 100 | 39 | 2 600 |
| Bus and heavy vehicle drivers | 2 | 18 | 11.1 | 5 | 2 500 |
| Cartographers and surveyors | 0 | 1 | 0 | 0 | 0 |
| Cartographic surveying and related technicians | 5 | 8 | 62.5 | 17 | 3 400 |
| Civil engineering technicians | 6 | 6 | 100 | 43 | 7 167 |
| Cleaners in offices workshops hospitals etc. | 22 | 29 | 75.9 | 56 | 2 545 |
| Client inform clerks(switchb receipt inform clerks) | 4 | 6 | 66.7 | 11 | 2 750 |
| Communication and information related | 1 | 3 | 33.3 | 5 | 5 000 |
| Computer system designers and analysts. | 6 | 6 | 100 | 31 | 5 167 |
| Economists | 4 | 4 | 100 | 21 | 5 250 |
| Electrical and electronics engineering technicians | 1 | 1 | 100 | 5 | 5 000 |
| Engineering sciences related | 12 | 42 | 28.6 | 93 | 7 750 |
| Engineers and related professionals | 23 | 42 | 54.8 | 154 | 6 696 |
| Finance and economics related | 6 | 16 | 37.5 | 37 | 6 167 |
| Financial and related professionals | 3 | 5 | 60 | 17 | 5 667 |
| Financial clerks and credit controllers | 10 | 14 | 71.4 | 47 | 4 700 |
| Food services aids and waiters | 1 | 3 | 33.3 | 2 | 2 000 |
| General legal administration & rel. professionals | 2 | 3 | 66.7 | 11 | 5 500 |
| Head of department/chief executive officer | 0 | 3 | 0 | 0 | 0 |
| Human resources & organisat developm & relate prof | 20 | 34 | 58.8 | 128 | 6 400 |

| | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Human resources clerks | 9 | 18 | 50 | 45 | 5 000 |
| Human resources related | 9 | 16 | 56.3 | 67 | 7 444 |
| Identification experts | 1 | 1 | 100 | 5 | 5 000 |
| Information technology related | 1 | 3 | 33.3 | 8 | 8 000 |
| Inspectors of apprentices works and vehicles | 1 | 2 | 50 | 7 | 7 000 |
| Language practitioners interpreters & other commun | 2 | 3 | 66.7 | 10 | 5 000 |
| Legal related | 1 | 2 | 50 | 7 | 7 000 |
| Library mail and related clerks | 9 | 15 | 60 | 31 | 3 444 |
| Light vehicle drivers | 0 | 2 | 0 | 0 | 0 |
| Logistical support personnel | 3 | 3 | 100 | 16 | 5 333 |
| Material-recording and transport clerks | 18 | 22 | 81.8 | 77 | 4 278 |
| Medical specialists | 0 | 1 | 0 | 0 | 0 |
| Messengers porters and deliverers | 16 | 23 | 69.6 | 41 | 2 563 |
| Motor vehicle drivers | 2 | 16 | 12.5 | 7 | 3 500 |
| Motorised farm and forestry plant operators | 1 | 0 | 0 | 2 | 2 000 |
| Other administrat & related clerks and organisers | 193 | 239 | 80.8 | 680 | 3 523 |
| Other administrative policy and related officers | 90 | 107 | 84.1 | 467 | 5 189 |
| Other information technology personnel. | 6 | 10 | 60 | 31 | 5 167 |
| Other occupations | 103 | 129 | 79.8 | 333 | 3 233 |
| Photographic lithographic and related workers | 1 | 1 | 100 | 2 | 2 000 |
| Printing and related machine operators | 1 | 1 | 100 | 4 | 4 000 |
| Road superintendents | 3 | 3 | 100 | 30 | 10 000 |
| Road trade workers. | 23 | 29 | 79.3 | 104 | 4 522 |
| Road workers | 438 | 536 | 81.7 | 1 114 | 2 543 |
| Secretaries & other keyboard operating clerks | 17 | 38 | 44.7 | 69 | 4 059 |
| Security guards | 4 | 4 | 100 | 10 | 2 500 |
| Senior managers | 2 | 39 | 5.1 | 12 | 6 000 |
| Trade labourers | 18 | 36 | 50 | 45 | 2 500 |
| Trade related | 0 | 8 | 0 | 0 | 0 |
| Water plant and related operators | 0 | 10 | 0 | 0 | 0 |
| Total | 1200 | 1833 | 65.5 | 4427 | 3689 |

Table 4.26 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

| SMS Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) | % of SMS Wage Bill | Personnel Cost SMS (R'000) |
|-----------------|--------------------------------|-------------------------|---------------------------------------|---------------------|---|---------------------------|-----------------------------------|
| Band A | 2 | 63 | 3.2 | 14 | 700 | 0 | 39 277 |
| Band B | 0 | 11 | 0 | 0 | 0 | 0 | 0 |
| Band C | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| Band D | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 83 | 2.4 | 14 | 700 | 0 | 39277 |

Table 4.27 - Foreign Workers by Salary Band

| Salary Band | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at End of Period | Total Change in Employment |
|--|---------------------------------------|----------------------------|------------------------------------|----------------------------|-----------------------------|----------------------------|--|--|-----------------------------------|
| Skilled (Levels 3-5) | 1 | 3.3 | 1 | 3 | 0 | 0 | 30 | 33 | 3 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 1 | 3 | 1 | 33.3 | 30 | 33 | 3 |
| Senior management (Levels 13-16) | 1 | 3.3 | 1 | 3 | 0 | 0 | 30 | 33 | 3 |
| Contract (Levels 9-12) | 15 | 50 | 17 | 51.5 | 2 | 66.7 | 30 | 33 | 3 |
| Contract (Levels 13-16) | 13 | 43.3 | 13 | 39.4 | 0 | 0 | 30 | 33 | 3 |
| Total | 30 | 100 | 33 | 100 | 3 | 100 | 30 | 33 | 3 |

Table 4.28 - Foreign Workers by Major Occupation

| Major Occupation | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at End of Period | Total Change in Employment |
|----------------------------|---------------------------------------|----------------------------|------------------------------------|----------------------------|-----------------------------|----------------------------|--|--|-----------------------------------|
| Elementary occupations | 1 | 3.3 | 1 | 3 | 0 | 0 | 30 | 33 | 3 |
| Professionals and managers | 29 | 96.7 | 32 | 97 | 3 | 100 | 30 | 33 | 3 |
| Total | 30 | 100 | 33 | 100 | 3 | 100 | 30 | 33 | 3 |

Table 4.29 - Sick Leave for Jan 2010 to Dec 2010

| 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) | Total number of Employees using Sick Leave | Total number of days with medical certification |
|--|---------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|--|---|
| Lower skilled (Levels 1-2) | 42 | 97.6 | 5 | 0.5 | 8 | 10 | 917 | 41 |
| Skilled (Levels 3-5) | 3470 | 88 | 423 | 46.1 | 8 | 903 | 917 | 3052 |
| Highly skilled production (Levels 6-8) | 2684.5 | 81.2 | 334 | 36.4 | 8 | 1 382 | 917 | 2181 |
| Highly skilled supervision (Levels 9-12) | 783 | 80.5 | 114 | 12.4 | 7 | 813 | 917 | 630 |
| Senior management (Levels 13-16) | 131 | 84 | 25 | 2.7 | 5 | 347 | 917 | 110 |
| Contract (Levels 3-5) | 12 | 100 | 2 | 0.2 | 6 | 4 | 917 | 12 |
| Contract (Levels 6-8) | 18 | 100 | 4 | 0.4 | 5 | 10 | 917 | 18 |
| Contract (Levels 9-12) | 14 | 92.9 | 6 | 0.7 | 2 | 24 | 917 | 13 |
| Contract (Levels 13-16) | 13 | 100 | 4 | 0.4 | 3 | 33 | 917 | 13 |
| Total | 7167.5 | 84.7 | 917 | 100 | 8 | 3526 | 917 | 6070 |

Table 4.30 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

| 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) | Total number of days with medical certification | Total number of Employees using Disability Leave |
|--------------|------------|-----------------------------------|--|---|---------------------------|------------------------|---|--|
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.31 - Annual Leave for Jan 2010 to Dec 2010

| Salary Band | Total Days Taken | Average days per Employee | Number of Employees who took leave |
|--|------------------|---------------------------|------------------------------------|
| Lower skilled (Levels 1-2) | 268 | 12 | 23 |
| Skilled (Levels 3-5) | 17635.32 | 22 | 804 |
| Highly skilled production (Levels 6-8) | 9351.92 | 20 | 472 |
| Highly skilled supervision (Levels 9-12) | 3424 | 20 | 174 |
| Senior management (Levels 13-16) | 848 | 15 | 57 |
| Contract (Levels 3-5) | 40 | 8 | 5 |
| Contract (Levels 6-8) | 51 | 10 | 5 |
| Contract (Levels 9-12) | 292 | 16 | 18 |
| Contract (Levels 13-16) | 280 | 16 | 18 |
| Total | 32190.24 | 20 | 1576 |

Table 4.32 - Capped Leave for Jan 2010 to Dec 2010

| Salary Band | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31 December 2010 | Number of Employees who took Capped leave | Total number of capped leave available at 31 December 2010 | Number of Employees as at 31 December 2010 |
|--|----------------------------------|---|--|---|--|--|
| Lower skilled (Levels 1-2) | 1 | 1 | 0 | 1 | 0 | 0 |
| Skilled (Levels 3-5) | 154 | 4 | 37 | 41 | 29059 | 775 |
| Highly skilled production (Levels 6-8) | 114 | 5 | 53 | 22 | 11008 | 208 |
| Highly skilled supervision (Levels 9-12) | 28 | 4 | 53 | 8 | 4264 | 81 |
| Senior management (Levels 13-16) | 4 | 2 | 53 | 2 | 1367 | 26 |
| Total | 301 | 4 | 42 | 74 | 45698 | 1090 |

Table 4.33 - Leave Payouts

| Reason | Total Amount (R'000) | Number of Employees | Average Payment per Employee (R) |
|--|----------------------|---------------------|----------------------------------|
| Capped leave payouts on termination of service for 2010/11 | 638 | 48 | 13292 |
| Current leave payout on termination of service for 2010/11 | 423 | 19 | 22263 |
| Total | 1061 | 67 | 15836 |

Table 4.34 - 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 |
|--|---|
| Road workers | Employees received HIV/AIDS education and condoms |

Table 4.35 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | | x | |
| 2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | x | | The unit consist of dedicated professionals and admin staff |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of the programme. | x | | HCT, Education, referral for care and support, counselling |
| 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 | |
| 5. Has the department reviewed the employment policies and practices of your department 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 | |
| 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 | | |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | x | | Policy, on-going education on discrimination and stigma |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/ indicators. | x | | |

Table 4.36 - Collective Agreements

| | |
|---|------------|
| Resolution 1 of 2010: Reconfiguration Process | 2010/04/03 |
|---|------------|

Table 4.37 - Misconduct and Discipline Hearings Finalised

| Outcomes of disciplinary hearings | Number | Percentage of Total | Total |
|-----------------------------------|-----------|---------------------|-----------|
| Dismissal | 4 | 0 | 4 |
| Two months suspension without pay | 1 | - | 1 |
| One month suspension without pay | 1 | - | 1 |
| Final Written Warning | 4 | - | 4 |
| Written Warning | 1 | - | 1 |
| Abscondment | 2 | - | 2 |
| Total | 13 | - | 13 |

Table 4.38 - Grievances Lodged

| Number of grievances addressed | Number | Percentage of Total | Total |
|--------------------------------|-----------|---------------------|----------|
| Grievance Lodged | 66 | 0 | 0 |
| Total | 66 | - | - |

Table 4.39 - Disputes Lodged

| Number of disputes addressed | Number | % of total |
|------------------------------|-----------|------------|
| Upheld | 7 | 0 |
| Dismissed | 13 | - |
| Total | 20 | 0 |

Table 4.40 - Strike Actions

| Strike Actions | — |
|--|---|
| Total number of person working days lost | (10/08/2010 - 03/09/2010) 19 working days |
| Total cost(R'000) of working days lost | R1 945 093 |
| Amount (R'000) recovered as a result of no work no pay | 0 |

Table 4.41 - Precautionary Suspensions

| Precautionary Suspensions | — |
|--|------|
| Number of people suspended | 9 |
| Number of people whose suspension exceeded 30 days | 6 |
| Average number of days suspended | ±365 |
| Cost (R'000) of suspensions | 0 |

Table 4.42 - Training Needs identified

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|--------|------------|--------------|---|-------------------------|-------|
| Legislators, senior officials and managers | Female | 19 | 0 | 13 | 0 | 13 |
| | Male | 57 | 0 | 26 | 0 | 26 |
| Professionals | Female | 115 | 0 | 24 | 0 | 24 |
| | Male | 195 | 0 | 48 | 0 | 48 |
| Technicians and associate professionals | Female | 254 | 6 | 4 | 0 | 10 |
| | Male | 275 | 6 | 29 | 0 | 35 |
| Clerks | Female | 566 | 14 | 279 | 0 | 293 |
| | Male | 354 | 11 | 278 | 0 | 289 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 5 | 8 | 0 | 0 | 8 |
| | Male | 111 | 42 | 0 | 0 | 42 |
| Plant and machine operators and assemblers | Female | 11 | 0 | 6 | 0 | 6 |
| | Male | 92 | 0 | 86 | 0 | 86 |
| Elementary occupations | Female | 272 | 0 | 103 | 0 | 103 |
| | Male | 1560 | 0 | 375 | 0 | 375 |
| Gender sub totals | Female | 1242 | 28 | 429 | 0 | 457 |
| | Male | 2644 | 59 | 842 | 0 | 901 |
| Total | | 3886 | 87 | 1271 | 0 | 1358 |

Table 4.43 - Training Provided

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|--------|------------|--------------|---|-------------------------|-------|
| Legislators, senior officials and managers | Female | 19 | 0 | 25 | 0 | 25 |
| | Male | 57 | 0 | 34 | 0 | 34 |
| Professionals | Female | 115 | 0 | 106 | 1 | 107 |

| | | | | | | |
|--|--------|------|-----|------|----|------|
| | Male | 195 | 0 | 94 | 0 | 94 |
| Technicians and associate professionals | Female | 254 | 6 | 3 | 5 | 14 |
| | Male | 275 | 6 | 24 | 7 | 37 |
| Clerks | Female | 566 | 57 | 420 | 23 | 500 |
| | Male | 354 | 52 | 355 | 15 | 422 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 5 | 11 | 0 | 0 | 11 |
| | Male | 111 | 19 | 7 | 1 | 27 |
| Plant and machine operators and assemblers | Female | 11 | 0 | 0 | 0 | 0 |
| | Male | 92 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 272 | 0 | 116 | 0 | 116 |
| | Male | 1560 | 0 | 277 | 2 | 279 |
| Gender sub totals | Female | 1242 | 74 | 670 | 29 | 773 |
| | Male | 2644 | 77 | 791 | 25 | 893 |
| Total | | 3886 | 151 | 1461 | 54 | 1666 |

Table 4.44 - Injury on Duty

| Nature of injury on duty | Number | % of total |
|---------------------------------------|---------------|-------------------|
| Required basic medical attention only | 0 | 0 |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 0 | 0 |

Table 4.45 - Report on consultant appointments using appropriated fundsy

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Contract value in Rand |
|--|--|---------------------|------------------------|
| K60 | two (valuers) | 15 Days | R67 340 .25 |
| K60/K27 | two (valuers) | 20 Days | R102 212. 35 |
| K46 | two (valuers) | 202 Days | R511 438. 79 |
| Construction of Beyers Naude (Zandspruit) Intermodal Public Transport Facility | 1 | 220 | 2 111 585.48 |
| Construction of Bophelong Intermodal Public Transport Facility | | 220 | 2 169 868.00 |
| Construction of Kyalami Superstop | | 220 | R 464 312.46 |
| Construction of Vanderbijlpark Intermodal Public Transport Facility | 1 | 53 | R 756 665.03 |
| Green Transport Development: Research and Demonstration Project on alternative fuels | 1 | 220 | R 504 000.00 |
| Route determination | 6 | 248 days | R 2,001,794 |
| Update freight databank | 7 | 124 days | R 1,225,039 |
| Revenue Information Management System | 8 | Annual | R5.4 million |

| Total number of projects | Total individual consultants | Total duration: Work days | Total contract value in Rand |
|--------------------------|------------------------------|---------------------------|------------------------------|
| - | - | - | - |

Table 4.46 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|---|------------------------------------|-------------------------------------|--|
| P1-1 Borrow pit | .C A Nolte 0% | 0% | 0 |
| | F.E.A Belling 0% | 0% | 0 |
| K60/K27 | D. Griffiths 0% | 0% | 0 |
| | C.A Nolte | 0% | 0 |
| K46 | T.I Lehobye | 25% | - |
| | TI Lehobye 51% | 51% | 1 |
| | UKU Bheka 25% | 25% | 1 |
| Construction of Beyers Naude (Zandspruit) Intermodal Public Transport Facility | 100% | 33% | 1 |
| Construction of Bophelong Intermodal Public Transport Facility | | | |
| Construction of Kyalami Superstop | | | |
| Construction of Vanderbijlpark Intermodal Public Transport Facility | | | |
| Construction of Vanderbijlpark Intermodal Public Transport Facility | 100% | 100% | 1 |
| Green Transport Development: Research and Demonstration Project on alternative fuels | | 100% | 1 |
| Route determination | 30% | 30% | 2 |
| Update of the Freight Databank | 65% | 65% | 3 |
| Revenue Information Management System | 100% | 100% | 100% |

Table 4.47 - Report on consultant appointments using Donor funds

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Donor and Contract value in Rand |
|--|--|---------------------|----------------------------------|
| No consultants appointed using Donor funds | 0 | 0 | 0 |

Table 4.48 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|--|------------------------------------|-------------------------------------|--|
| No consultants appointed using Donor funds | 0 | 0 | 0 |

Gauteng - GG Transport

Table 4.1 - Main Service for Service Delivery Improvement and Standards

| Main Services | Actual Customers | Potential Customers | Standard of Service | Actual Achievement against Standards |
|-----------------------------|------------------|---------------------|---------------------|--------------------------------------|
| VIP & Pool Services | 54 clients | - | n/a | n/a |
| Permanent Fleet Allocations | 54 clients | - | n/a | n/a |
| Fleet Maintenance | 54 clients | - | n/a | n/a |
| Transport Support Services | 54 clients | - | n/a | n/a |

Table 4.2 - Consultation Arrangements for Customers

| Type of Arrangement | Baseline | Actual Customer | Potential Customer | Actual Achievements |
|--|--------------------|-----------------|--------------------|---------------------|
| Weekly/Monthly/Quarterly Site Visits | 405 sites | 54 clients | - | - |
| Transport Forums | 5 Regional centres | 54 clients | - | 5 Forums conducted |
| Special Workshops/Forums | - | 54 clients | - | - |
| Executive Management Engagement Meetings | - | 54 clients | - | - |

Table 4.3 - Service Delivery Access Strategy

| Access Strategy | Actual Achievements |
|--|---------------------|
| g-FleeT/After-hours Client Call Centre | 90% functional |
| g-Fleet website | 100% functional |
| g-FleeT On-line Fleet Information System | 100% functional |

Table 4.4 - Service Information Tool

| Type of Information Tool | Actual Achievements |
|---|---------------------|
| g-FleeT/After-hours Client Call Centre | 90% functional |
| g-Fleet website | 100% functional |
| g-FleeT On-line Fleet Information System | 100% functional |
| g-FleeT Quarterly Reports to Stakeholders | - |

Table 4.5 - Complaint Mechanism

| Complaint Mechanism | Actual Achievements |
|--|---------------------|
| g-FleeT/After-hours Client Call Centre | 90% functional |
| Provincial and National Hotlines | 100% functional |

Table 4.6 - Personnel costs by Programme/Business Units

| Programme | Total Budgeted Expenditure (R'000) | Compensation of Employees Expenditure (R'000) | Training Expenditure (R'000) | Professional and Special Services (R'000) | Compensation of Employees as percent of Total Expenditure | Average Compensation of Employees Cost per Employee (R'000) | Employment |
|--------------------|---------------------------------------|--|---------------------------------|--|---|--|------------|
| Office of the CEO | 3,536 | 1,573,339 | 12,390 | 0 | 2.92% | 0 | 0 |
| Office of the COO | 16,519 | -765,313 | | 0 | -1.42% | 0 | 0 |
| Operations | 682,499 | 17,787,127 | 49,658 | 0 | 33.01% | 0 | 0 |
| Office of the CFO | 5,540 | 4,776,072 | 12,390 | 0 | 8.86% | 0 | 0 |
| Corporate Services | 160,983 | 28,724,775 | 111,510 | 0 | 56.63% | 0 | 0 |
| Total | 869,077 | 52,096,000 | 185,948 | 0 | 100.00% | 0 | 0 |

Table 4.7 - Personnel costs by Salary band

| Salary Bands | Compensation of Employees Cost (R'000) | Percentage of Total Personnel Cost for Department | Average Compensation Cost per Employee (R) | Total Personnel Cost for Department including Goods and Transfers (R'000) | Number of Employees |
|---|---|---|--|---|---------------------|
| Lower skilled (Levels 1-2) | 1,417 | 2.6 | 1,417,000 | 54,135 | 1 |
| Skilled (Levels 3-5) | 7,886 | 14.6 | 95,012 | 54,135 | 83 |
| Highly skilled production (Levels 6-8) | 8,757 | 16.2 | 194,600 | 54,135 | 45 |
| Highly skilled supervision (Levels 9-12) | 5,879 | 10.9 | 391,933 | 54,135 | 15 |
| Senior management (Levels 13-16) | 4,563 | 8.4 | 651,857 | 54,135 | 7 |

| | | | | | |
|-------------------------|---------------|------------|----------------|---------------|------------|
| Contract (Levels 3-5) | 2,646 | 4.9 | 54,000 | 54,135 | 49 |
| Contract (Levels 6-8) | 238 | 0.4 | 238,000 | 54,135 | 1 |
| Contract (Levels 13-16) | 1,361 | 2.5 | 680,500 | 54,135 | 2 |
| Periodical Remuneration | 18,812 | 38.1 | 133,987 | 54,135 | 154 |
| Abnormal Appointment | 537 | 1 | 134,250 | 54,135 | 4 |
| Total | 52,096 | 100 | 144,340 | 54,135 | 361 |

Table 4.8 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

| Programme | Salaries (R'000) | Salaries as % of Personnel Cost | Overtime (R'000) | Overtime as % of Personnel Cost | HOA (R'000) | HOA as % of Personnel Cost | Medical Ass. (R'000) | Medical Ass. as % of Personnel Cost | Total Personnel Cost per Programme (R'000) |
|-----------------------------------|------------------|---------------------------------|------------------|---------------------------------|--------------|----------------------------|----------------------|-------------------------------------|--|
| Admin support personnel | 4,130 | 57.2 | 0 | 0% | 0 | 0 | 22 | 0.3 | 7224 |
| Central reservation | - | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 5455 |
| Contracts vendor mngm cur00039081 | 512 | 84.2 | 0 | 0% | 0 | 0 | 20 | 3.3 | 608 |
| Expenditure control | 131 | 78 | 0 | 0% | 9 | 5.4 | 0 | 0 | 168 |
| Finance mngm cur | 571 | 16.4 | 0 | 0% | 36 | 1 | 13 | 0.4 | 3480 |
| Fleet administration cur | 316 | 67.2 | 0 | 0% | 19 | 4 | 13 | 2.8 | 470 |
| Fleet mngm cur | 5,126 | 33.8 | 4 | 0% | 192 | 1.3 | 243 | 1.6 | 15181 |
| Gg transport | - | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 452 |
| Income control | 1,759 | 72.8 | 10 | 40% | 44 | 1.8 | 98 | 4.1 | 2417 |
| Losses accident & frauds cur | 3,232 | 68.3 | 0 | 0% | 257 | 5.4 | 348 | 7.4 | 4732 |
| Maintenance cur | 4,577 | 73.1 | 8 | 10% | 239 | 3.8 | 311 | 5 | 6264 |
| Permanetn car hire cur | 482 | 73 | 0 | 0% | 80 | 12.1 | 14 | 2.1 | 660 |
| Pool hire & vip cur | 3,809 | 63.2 | 14 | 20% | 256 | 4.2 | 209 | 3.5 | 6031 |
| Procurement cur | 796 | 80.2 | 0 | 0% | 17 | 1.7 | 47 | 4.7 | 993 |
| Total | 25,441 | 47 | 36 | 10% | 1,149 | 2.1 | 1338 | 2.5 | 54135 |

Table 4.9 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

| Salary bands | Salaries (R'000) | Salaries as % of Personnel Cost | Over-time (R'000) | Overtime as % of Personnel Cost | HOA (R'000) | HOA as % of Personnel Cost | Medical Ass. (R'000) | Medical Ass. as % of Personnel Cost | Total Personnel Cost per Salary Band (R'000) |
|--|-------------------------|--|--------------------------|--|--------------------|-----------------------------------|-----------------------------|--|---|
| Lower skilled (Levels 1-2) | 1050 | 72.7 | 0 | 0 | 66 | 4.6 | 71 | 4.9 | 1445 |
| Skilled (Levels 3-5) | 5540 | 69.5 | 23 | 0.3 | 422 | 5.3 | 477 | 6 | 7966 |
| Highly skilled production (Levels 6-8) | 6328 | 71.4 | 12 | 0.1 | 282 | 3.2 | 562 | 6.3 | 8860 |
| Highly skilled supervision (Levels 9-12) | 4701 | 79.9 | 0 | 0 | 137 | 2.3 | 167 | 2.8 | 5881 |
| Senior management (Levels 13-16) | 3701 | 81.1 | 0 | 0 | 170 | 3.7 | 61 | 1.3 | 4563 |
| Contract (Levels 3-5) | 2645 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 2646 |
| Contract (Levels 6-8) | 238 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 238 |
| Contract (Levels 13-16) | 1138 | 83.6 | 0 | 0 | 71 | 5.2 | 0 | 0 | 1361 |
| Periodical Remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20639 |
| Abnormal Appointment | 100 | 18.6 | 0 | 0 | 0 | 0 | 0 | 0 | 537 |
| Total | 25,441 | 47 | 35 | 0.1 | 1,148 | 2.1 | 1338 | 2.5 | 54136 |

Table 4.10 - Employment and Vacancies by Programme at end of period

| Programme | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|--|-----------------|------------------------|--------------|--|
| Admin support personnel cur, Permanent | 53 | 52 | 1.9 | 49 |
| Contracts vendor mngm cur00039081, Permanent | 7 | 3 | 57.1 | 0 |
| Expenditure control, Permanent | 8 | 1 | 87.5 | 0 |
| Finance mngm cur, Permanent | 2 | 1 | 50 | 0 |
| Fleet administration cur, Permanent | 2 | 1 | 50 | 0 |
| Fleet mngm cur, Permanent | 90 | 27 | 70 | 0 |
| Income control, Permanent | 18 | 8 | 55.6 | 0 |
| Losses accident & frauds cur, Permanent | 57 | 27 | 52.6 | 0 |
| Maintenance cur, Permanent | 70 | 35 | 50 | 0 |
| Permanetn car hire cur, Permanent | 2 | 1 | 50 | 0 |
| Pool hire & vip cur, Permanent | 110 | 41 | 62.7 | 0 |
| Procurement cur, Permanent | 16 | 6 | 62.5 | 0 |
| Total | 435 | 203 | 53.3 | 49 |

Table 4.11 - Employment and Vacancies by Salary Band at end of period

| Salary Band | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|-----------------|------------------------|--------------|--|
| Lower skilled (Levels 1-2), Permanent | 28 | 1 | 96.4 | 0 |
| Skilled (Levels 3-5), Permanent | 157 | 83 | 47.1 | 0 |
| Highly skilled production (Levels 6-8), Permanent | 140 | 45 | 67.9 | 0 |
| Highly skilled supervision (Levels 9-12), Permanent | 51 | 15 | 70.6 | 0 |
| Senior management (Levels 13-16), Permanent | 7 | 7 | 0 | 0 |
| Contract (Levels 3-5), Permanent | 49 | 49 | 0 | 49 |
| Contract (Levels 6-8), Permanent | 1 | 1 | 0 | 0 |
| Contract (Levels 13-16), Permanent | 2 | 2 | 0 | 0 |
| Total | 435 | 203 | 53.3 | 49 |

Table 4.12 - Employment and Vacancies by Critical Occupation at end of period

| Critical Occupations | Number of Posts | Number of Posts Filled | Vacancy Rate | Number of Posts Filled Additional to the Establishment |
|---|------------------------|-------------------------------|---------------------|---|
| Administrative related, Permanent | 23 | 7 | 69.6 | 0 |
| All artisans in the building metal machinery etc., Permanent | 11 | 10 | 9.1 | 0 |
| Artisan project and related superintendents, Permanent | 7 | 1 | 85.7 | 0 |
| Auxiliary and related workers, Permanent | 13 | 8 | 38.5 | 0 |
| Bus and heavy vehicle drivers, Permanent | 53 | 50 | 5.7 | 49 |
| Cleaners in offices workshops hospitals etc., Permanent | 18 | 9 | 50 | 0 |
| Communication and information related, Permanent | 5 | 1 | 80 | 0 |
| Computer programmers., Permanent | 3 | 1 | 66.7 | 0 |
| Finance and economics related, Permanent | 5 | 1 | 80 | 0 |
| Financial and related professionals, Permanent | 2 | 2 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 9 | 3 | 66.7 | 0 |
| General legal administration & rel. professionals, Permanent | 8 | 0 | 100 | 0 |
| Head of department/chief executive officer, Permanent | 2 | 2 | 0 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 7 | 1 | 85.7 | 0 |
| Human resources clerks, Permanent | 5 | 2 | 60 | 0 |
| Human resources related, Permanent | 5 | 3 | 40 | 0 |
| Inspectors of apprentices works and vehicles, Permanent | 10 | 5 | 50 | 0 |
| Language practitioners interpreters & other commun, Permanent | 16 | 0 | 100 | 0 |
| Library mail and related clerks, Permanent | 11 | 1 | 90.9 | 0 |
| Light vehicle drivers, Permanent | 1 | 1 | 0 | 0 |
| Messengers porters and deliverers, Permanent | 37 | 20 | 45.9 | 0 |
| Other administrat & related clerks and organisers, Permanent | 107 | 51 | 52.3 | 0 |
| Other administrative policy and related officers, Permanent | 49 | 12 | 75.5 | 0 |
| Other information technology personnel., Permanent | 1 | 0 | 100 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 10 | 2 | 80 | 0 |
| Senior managers, Permanent | 7 | 7 | 0 | 0 |
| Trade labourers, Permanent | 3 | 2 | 33.3 | 0 |
| Trade related, Permanent | 7 | 1 | 85.7 | 0 |
| Total | 435 | 203 | 53.3 | 49 |

Table 4.13 - Job Evaluation

| Salary Band | Number of Posts | Number of Jobs Evaluated | % of Posts Evaluated | Number of Posts Upgraded | % of Upgraded Posts Evaluated | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|--|-----------------|--------------------------|----------------------|--------------------------|-------------------------------|----------------------------|---------------------------------|
| Lower skilled (Levels 1-2) | 28 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 3-5) | 49 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Band C) | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Band D) | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 157 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 140 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 51 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 435 | 0 | 0 | 0 | 0 | 0 | 0 |



Table 4.14 - Profile of employees whose positions were upgraded due to their posts being upgraded

| Beneficiaries | African | Asian | Coloured | White | Total | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|-----------------------------|---------|-------|----------|-------|-------|----------------------------|---------------------------------|
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with a Disability | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.15 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

| Occupation | Number of Employees | Job Evaluation Level | Remuneration Level | Reason for Deviation | No of Employees in Dept | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|--------------------------------|---------------------|----------------------|--------------------|----------------------|-------------------------|----------------------------|---------------------------------|
| - | 0 | - | - | - | 0 | 0 | 0 |
| - | 0 | - | - | - | 0 | 0 | 0 |
| Total | 0 | - | - | - | 0 | 0 | 0 |
| Percentage of Total Employment | 0 | - | - | - | 0 | 0 | 0 |

Table 4.16 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

| Beneficiaries | African | Asian | Coloured | White | Total | Number of Posts Downgraded | % of Downgraded Posts Evaluated |
|-----------------------------|---------|-------|----------|-------|-------|----------------------------|---------------------------------|
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with a Disability | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.17 - Annual Turnover Rates by Salary Band

| Salary Band | Employment at Beginning of Period (April 2010) | Appointments | Terminations | Turnover Rate |
|---|---|---------------------|---------------------|----------------------|
| Lower skilled (Levels 1-2), Permanent | 1 | 0 | 2 | 200 |
| Skilled (Levels 3-5), Permanent | 83 | 0 | 5 | 6 |
| Highly skilled production (Levels 6-8), Permanent | 42 | 0 | 2 | 4.8 |
| Highly skilled supervision (Levels 9-12), Permanent | 13 | 0 | 0 | 0 |
| Senior Management Service Band A, Permanent | 7 | 0 | 1 | 14.3 |
| Contract (Levels 3-5), Permanent | 0 | 49 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 1 | 0 | 0 | 0 |
| Contract (Band C), Permanent | 0 | 1 | 0 | 0 |
| Total | 147 | 50 | 10 | 6.8 |

Table 4.18 - Annual Turnover Rates by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2010) | Appointments | Terminations | Turnover Rate |
|--|---|---------------------|---------------------|----------------------|
| Administrative related, Permanent | 5 | 0 | 0 | 0 |
| All artisans in the building metal machinery etc., Permanent | 15 | 0 | 2 | 13.3 |
| Building and other property caretakers, Permanent | 9 | 0 | 0 | 0 |
| Bus and heavy vehicle drivers, Permanent | 1 | 49 | 0 | 0 |
| Cleaners in offices workshops hospitals etc., Permanent | 9 | 0 | 2 | 22.2 |
| Financial and related professionals, Permanent | 2 | 0 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 2 | 0 | 0 | 0 |
| General legal administration & rel. professionals, Permanent | 1 | 0 | 0 | 0 |

| | | | | |
|---|------------|-----------|-----------|------------|
| Head of department/chief executive officer, Permanent | 0 | 1 | 0 | 0 |
| Human resources & organisat developm & relate prof, Permanent | 1 | 0 | 0 | 0 |
| Human resources clerks, Permanent | 1 | 0 | 0 | 0 |
| Human resources related, Permanent | 1 | 0 | 0 | 0 |
| Information technology related, Permanent | 1 | 0 | 0 | 0 |
| Library mail and related clerks, Permanent | 6 | 0 | 0 | 0 |
| Light vehicle drivers, Permanent | 6 | 0 | 1 | 16.7 |
| Material-recording and transport clerks, Permanent | 7 | 0 | 1 | 14.3 |
| Messengers porters and deliverers, Permanent | 1 | 0 | 0 | 0 |
| Other administrat & related clerks and organisers, Permanent | 32 | 0 | 1 | 3.1 |
| Other administrative policy and related officers, Permanent | 10 | 0 | 0 | 0 |
| Other occupations, Permanent | 1 | 0 | 0 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 3 | 0 | 0 | 0 |
| Senior managers, Permanent | 6 | 0 | 1 | 16.7 |
| Trade labourers, Permanent | 27 | 0 | 2 | 7.4 |
| Total | 147 | 50 | 10 | 6.8 |

Table 4.19 - Reasons why staff are leaving the department

| Termination Type | Number | Percentage of Total Resignations | Percentage of Total Employment | Total | Total Employment |
|-------------------------|---------------|---|---------------------------------------|--------------|-------------------------|
| Death, Permanent | 1 | 10 | 0.7 | 10 | 147 |
| Resignation, Permanent | 1 | 10 | 0.7 | 10 | 147 |
| Retirement, Permanent | 8 | 80 | 5.4 | 10 | 147 |
| Total | 10 | 100 | 6.8 | 10 | 147 |

Resignations as % of Employment

6.8

Table 4.20 - Granting of Employee Initiated Severance Packages

| Category | No of applications received | No of applications referred to the MPSA | No of applications supported by MPSA | No of Packages approved by department |
|---|-----------------------------|---|--------------------------------------|---------------------------------------|
| Lower Skilled (Salary Level 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Salary Level 3-5) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 6-8) | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Salary Level 9-12) | 0 | 0 | 0 | 0 |
| Senior Management (Salary Level 13 and higher) | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

Table 4.21 - Promotions by Critical Occupation

| Occupation | Employment at Beginning of Period (April 2010) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|---|--|------------------------------------|--|---|---|
| Administrative related | 5 | 0 | 0 | 1 | 20 |
| All artisans in the building metal machinery etc. | 15 | 0 | 0 | 0 | 0 |
| Building and other property caretakers | 9 | 0 | 0 | 4 | 44.4 |
| Bus and heavy vehicle drivers | 1 | 0 | 0 | 0 | 0 |
| Cleaners in offices workshops hospitals etc. | 9 | 0 | 0 | 2 | 22.2 |
| Financial and related professionals | 2 | 0 | 0 | 0 | 0 |
| Financial clerks and credit controllers | 2 | 0 | 0 | 0 | 0 |
| General legal administration & rel. professionals | 1 | 0 | 0 | 0 | 0 |

| | | | | | |
|--|------------|----------|----------|-----------|-------------|
| Human resources & organisat developm & relate prof | 1 | 0 | 0 | 0 | 0 |
| Human resources clerks | 1 | 0 | 0 | 0 | 0 |
| Human resources related | 1 | 0 | 0 | 0 | 0 |
| Information technology related | 1 | 0 | 0 | 0 | 0 |
| Library mail and related clerks | 6 | 0 | 0 | 1 | 16.7 |
| Light vehicle drivers | 6 | 0 | 0 | 1 | 16.7 |
| Material-recording and transport clerks | 7 | 0 | 0 | 0 | 0 |
| Messengers porters and deliverers | 1 | 0 | 0 | 0 | 0 |
| Other administrat & related clerks and organisers | 32 | 0 | 0 | 11 | 34.4 |
| Other administrative policy and related officers | 10 | 0 | 0 | 4 | 40 |
| Other occupations | 1 | 0 | 0 | 0 | 0 |
| Secretaries & other keyboard operating clerks | 3 | 0 | 0 | 0 | 0 |
| Senior managers | 6 | 0 | 0 | 0 | 0 |
| Trade labourers | 27 | 0 | 0 | 11 | 40.7 |
| Total | 147 | 0 | 0 | 35 | 23.8 |

Table 4.22 - Promotions by Salary Band

| Salary Band | Employment at Beginning of Period (April 2010) | Promotions to another Salary Level | Salary Level Promotions as a % of Employment | Progressions to another Notch within Salary Level | Notch progressions as a % of Employment |
|---|--|------------------------------------|--|---|---|
| Lower skilled (Levels 1-2), Permanent | 1 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5), Permanent | 83 | 0 | 0 | 28 | 33.7 |
| Highly skilled production (Levels 6-8), Permanent | 42 | 0 | 0 | 7 | 16.7 |
| Highly skilled supervision (Levels 9-12), Permanent | 13 | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16), Permanent | 7 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 1 | 0 | 0 | 0 | 0 |
| Total | 147 | 0 | 0 | 35 | 23.8 |



Table 4.23 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

| Occupational Categories | Male, African | Male, Co-loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Co-loured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---|----------------------|------------------------|---------------------|---------------------------|--------------------|------------------------|--------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Legislators, senior officials and managers, Permanent | 2 | 0 | 0 | 2 | 0 | 4 | 2 | 0 | 6 | 0 | 8 |
| Professionals, Permanent | 4 | 0 | 0 | 4 | 0 | 1 | 1 | 0 | 2 | 1 | 7 |
| Technicians and associate professionals, Permanent | 6 | 0 | 0 | 6 | 2 | 6 | 0 | 0 | 6 | 3 | 17 |
| Clerks, Permanent | 17 | 1 | 1 | 19 | 9 | 9 | 1 | 0 | 10 | 14 | 52 |
| Craft and related trades workers, Permanent | 8 | 0 | 0 | 8 | 8 | 1 | 0 | 0 | 1 | 0 | 17 |
| Plant and machine operators and assemblers, Permanent | 42 | 1 | 0 | 43 | 0 | 14 | 0 | 0 | 14 | 0 | 57 |
| Elementary occupations, Permanent | 38 | 0 | 0 | 38 | 2 | 4 | 0 | 0 | 4 | 1 | 45 |
| Total | 117 | 2 | 1 | 120 | 21 | 39 | 4 | 0 | 43 | 19 | 203 |

| | Male, African | Male, Co-loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Co-loured | Female, Indian | Female, Total Blacks | Female, White | Total |
|-----------------------------|----------------------|------------------------|---------------------|---------------------------|--------------------|------------------------|--------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Employees with disabilities | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 1 | 4 |

Table 4.24 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

| Occupational Bands | Male, African | Male, Co- loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|---------------|---------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|------------|
| Senior Management, Permanent | 2 | 0 | 0 | 2 | 0 | 3 | 2 | 0 | 5 | 0 | 7 |
| Professionally qualified and experienced specialists and mid-management, Permanent | 7 | 0 | 0 | 7 | 2 | 4 | 1 | 0 | 5 | 1 | 15 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 10 | 0 | 0 | 10 | 12 | 7 | 1 | 0 | 8 | 15 | 45 |
| Semi-skilled and discretionary decision making, Permanent | 61 | 1 | 1 | 63 | 7 | 10 | 0 | 0 | 10 | 3 | 83 |
| Unskilled and defined decision making, Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Top Management), Permanent | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 2 |
| Contract (Skilled technical), Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Semi-skilled), Permanent | 34 | 1 | 0 | 35 | 0 | 14 | 0 | 0 | 14 | 0 | 49 |
| Total | 117 | 2 | 1 | 120 | 21 | 39 | 4 | 0 | 43 | 19 | 203 |

Table 4.25 - Recruitment

| Occupational Bands | Male, African | Male, Co- loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--------------------------------------|---------------|---------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-----------|
| Contract (Top Management), Permanent | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Contract (Semi-skilled), Permanent | 34 | 1 | 0 | 35 | 0 | 14 | 0 | 0 | 14 | 0 | 49 |
| Total | 34 | 1 | 0 | 35 | 0 | 15 | 0 | 0 | 15 | 0 | 50 |

| | Male, African | Male, Co- loured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---------|---------------|---------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| No data | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |



Table 4.26 - Promotions

| Occupational Bands | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|---------------|-------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-----------|
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 4 | 0 | 0 | 4 | 1 | 3 | 0 | 0 | 3 | 1 | 9 |
| Semi-skilled and discretionary decision making, Permanent | 18 | 1 | 1 | 20 | 4 | 5 | 0 | 0 | 5 | 1 | 30 |
| Total | 22 | 1 | 1 | 24 | 5 | 8 | 0 | 0 | 8 | 2 | 39 |

| | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|-----------------------------|---------------|-------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| Employees with disabilities | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

Table 4.27 - Terminations

| Occupational Bands | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|---------------|-------------------|--------------|--------------------|-------------|-----------------|------------------|----------------|----------------------|---------------|-------|
| Senior Management, Permanent | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Semi-skilled and discretionary decision making, Permanent | 4 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 1 | 5 |

| | | | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Unskilled and defined decision making, Permanent | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 8 | 0 | 0 | 8 | 1 | 0 | 0 | 0 | 0 | 1 | 10 |

| | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|---------|----------------------|--------------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| No data | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.28 - Disciplinary Action

| Disciplinary action | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|----------------------------|----------------------|--------------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.29 - Skills Development

| Occupational Categories | Male, African | Male, Co-coloured | Male, Indian | Male, Total Blacks | Male, White | Female, African | Female, Coloured | Female, Indian | Female, Total Blacks | Female, White | Total |
|--|----------------------|--------------------------|---------------------|---------------------------|--------------------|------------------------|-------------------------|-----------------------|-----------------------------|----------------------|--------------|
| Legislators, Senior Officials and Managers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and Associate Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service and Sales Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Agriculture and Fishery Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related Trades Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and Machine Operators and Assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|-----------------------------|---|---|---|---|---|---|---|---|---|---|---|
| Elementary Occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.30 - Performance Rewards by Race, Gender and Disability

| Demographics | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|-----------------------------|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| African, Female | 14 | 39 | 35.9 | 52 | 3,744 |
| African, Male | 68 | 117 | 58.1 | 210 | 3,095 |
| Asian, Male | 1 | 1 | 100 | 3 | 3,387 |
| Coloured, Female | 1 | 4 | 25 | 5 | 4,720 |
| Coloured, Male | 1 | 2 | 50 | 3 | 3,387 |
| Total Blacks, Female | 15 | 43 | 34.9 | 57 | 3,809 |
| Total Blacks, Male | 70 | 120 | 58.3 | 217 | 3,103 |
| White, Female | 15 | 18 | 83.3 | 69 | 4,623 |
| White, Male | 17 | 18 | 94.4 | 84 | 4,953 |
| Employees with a disability | 4 | 4 | 100 | 15 | 3,730 |
| Total | 121 | 203 | 59.6 | 443 | 3,660 |

Table 4.31 - Performance Rewards by Salary Band for Personnel below Senior Management Service

| Salary Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|--|-------------------------|------------------|--------------------------------|--------------|----------------------------------|
| Lower skilled (Levels 1-2) | 3 | 1 | 300 | 7 | 2,333 |
| Skilled (Levels 3-5) | 75 | 83 | 90.4 | 219 | 2,920 |
| Highly skilled production (Levels 6-8) | 39 | 45 | 86.7 | 191 | 4,897 |

| | | | | | |
|--|------------|------------|-------------|------------|-------------|
| Highly skilled supervision (Levels 9-12) | 4 | 15 | 26.7 | 26 | 6,500 |
| Contract (Levels 3-5) | 0 | 49 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 0 | 1 | 0 | 0 | 0 |
| Periodical Remuneration | 0 | 154 | 0 | 0 | 0 |
| Abnormal Appointment | 0 | 4 | 0 | 0 | 0 |
| Total | 121 | 352 | 34.4 | 443 | 3661 |

Table 4.32 - Performance Rewards by Critical Occupation

| Critical Occupations | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) |
|--|--------------------------------|-------------------------|---------------------------------------|---------------------|---|
| Administrative related | 4 | 7 | 57.1 | 26 | 6,500 |
| All artisans in the building metal machinery etc. | 17 | 16 | 106.3 | 74 | 4,353 |
| Artisan project and related superintendents | 2 | 1 | 200 | 12 | 6,000 |
| Building and other property caretakers | 6 | 8 | 75 | 15 | 2,500 |
| Bus and heavy vehicle drivers | 1 | 50 | 2 | 3 | 3,000 |
| Cleaners in offices workshops hospitals etc. | 9 | 10 | 90 | 25 | 2,778 |
| Financial and related professionals | 0 | 2 | 0 | 0 | 0 |
| Financial clerks and credit controllers | 3 | 3 | 100 | 14 | 4,667 |
| General legal administration & rel. professionals | 0 | 1 | 0 | 0 | 0 |
| Head of department/chief executive officer | 0 | 2 | 0 | 0 | 0 |
| Human resources & organisat developm & relate prof | 1 | 2 | 50 | 5 | 5,000 |
| Human resources clerks | 0 | 1 | 0 | 0 | 0 |

| | | | | | |
|---|------------|------------|-------------|------------|-------------|
| Human resources related | 0 | 1 | 0 | 0 | 0 |
| Information technology related | 0 | 1 | 0 | 0 | 0 |
| Library mail and related clerks | 4 | 6 | 66.7 | 12 | 3,000 |
| Light vehicle drivers | 7 | 6 | 116.7 | 20 | 2,857 |
| Material-recording and transport clerks | 5 | 6 | 83.3 | 18 | 3,600 |
| Messengers porters and deliverers | 1 | 1 | 100 | 2 | 2,000 |
| Motor vehicle drivers | 1 | 1 | 100 | 3 | 3,000 |
| Other administrat & related clerks and organisers | 28 | 33 | 84.8 | 114 | 4,071 |
| Other administrative policy and related officers | 6 | 10 | 60 | 29 | 4,833 |
| Other occupations | 0 | 1 | 0 | 0 | 0 |
| Secretaries & other keyboard operating clerks | 1 | 3 | 33.3 | 5 | 5,000 |
| Senior managers | 0 | 6 | 0 | 0 | 0 |
| Trade labourers | 25 | 25 | 100 | 66 | 2,640 |
| Total | 121 | 203 | 59.6 | 443 | 3661 |

Table 4.33 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

| SMS Band | Number of Beneficiaries | Total Employment | Percentage of Total Employment | Cost (R'000) | Average Cost per Beneficiary (R) | % of SMS Wage Bill | Personnel Cost SMS (R'000) |
|-----------------|--------------------------------|-------------------------|---------------------------------------|---------------------|---|---------------------------|-----------------------------------|
| Band A | 0 | 7 | 0 | 0 | 0 | 0 | 0 |
| Band C | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Band D | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 9 | 0 | 0 | 0 | 0 | 0 |

Table 4.34 - Foreign Workers by Salary Band

| Salary Band | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at Endw of Period |
|--------------------|---------------------------------------|----------------------------|------------------------------------|----------------------------|-----------------------------|----------------------------|--|---|
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.35 - Foreign Workers by Major Occupation

| Major Occupation | Employment at Beginning Period | Percentage of Total | Employment at End of Period | Percentage of Total | Change in Employment | Percentage of Total | Total Employment at Beginning of Period | Total Employment at End of Period | Total Change in Employment |
|------------------|--------------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|---|-----------------------------------|----------------------------|
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.36 - Sick Leave for Jan 2010 to Dec 2010

| 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) | Total number of Employees using Sick Leave | Total number of days with medical certification |
|--|------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|--|---|
| Lower skilled (Levels 1-2) | 13 | 100 | 2 | 2.8 | 7 | 3 | 71 | 13 |
| Skilled (Levels 3-5) | 206 | 70.4 | 31 | 43.7 | 7 | 61 | 71 | 145 |
| Highly skilled production (Levels 6-8) | 215 | 67.4 | 30 | 42.3 | 7 | 111 | 71 | 145 |
| Highly skilled supervision (Levels 9-12) | 35 | 85.7 | 6 | 8.5 | 6 | 51 | 71 | 30 |
| Senior management (Levels 13-16) | 16 | 81.3 | 2 | 2.8 | 8 | 40 | 71 | 13 |
| Total | 485 | 71.3 | 71 | 100 | 7 | 266 | 71 | 346 |

Table 4.37 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

| 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) | Total number of days with medical certification | Total number of Employees using Disability Leave |
|-------------|------------|-----------------------------------|--|---|---------------------------|------------------------|---|--|
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.38 - Annual Leave for Jan 2010 to Dec 2010

| Salary Band | Total Days Taken | Average days per Employee | Number of Employees who took leave |
|--|------------------|---------------------------|------------------------------------|
| Lower skilled (Levels 1-2) | 77 | 26 | 3 |
| Skilled (Levels 3-5) | 1607 | 20 | 82 |
| Highly skilled production (Levels 6-8) | 956 | 21 | 45 |
| Highly skilled supervision (Levels 9-12) | 193 | 16 | 12 |
| Senior management (Levels 13-16) | 68 | 11 | 6 |
| Contract (Levels 13-16) | 4 | 4 | 1 |
| Total | 2,905 | 19 | 149 |

Table 4.39 - Capped Leave for Jan 2010 to Dec 2010

| | Total days of capped leave taken | Average number of days taken per employee | Average capped leave per employee as at 31 December 2010 | Number of employees who took capped leave | Total number of capped leave available at 31 December 2010 | Number of employees as at 31 December 2010 |
|--|----------------------------------|---|--|---|--|--|
| Skilled (Levels 3-5) | 7 | 2 | 57 | 3 | 4330 | 76 |
| Highly skilled production (Levels 6-8) | 29 | 6 | 63 | 5 | 2523 | 40 |
| Total | 36 | 5 | 59 | 8 | 6,853 | 116 |

Table 4.40 - Leave Payouts

| Reason | Total Amount (R'000) | Number of Employees | Average Payment per Employee (R) |
|--|----------------------|---------------------|----------------------------------|
| Capped leave payouts on termination of service for 2010/11 | 46 | 7 | 6,571.00 |
| Current leave payout on termination of service for 2010/11 | 32 | 1 | 32,000.00 |
| Total | 78 | 8 | 9,750.00 |

Table 4.41 - 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 |
|--|------------------------------------|
| - | - |
| - | - |

Table 4.42 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

| Question | Yes | No | Details, if yes |
|--|-----|----|-----------------|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | | × | |
| 2. Does the department have a dedicated unit or have you designated specific staff members to promote 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. | × | | |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme. | × | | |
| 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. | × | | |
| 5. Has the department reviewed the employment policies and practices of your department 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. | × | | |
| 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. | × | | |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | × | | |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators. | × | × | |

Table 4.43 - Collective Agreements

| Subject Matter | Date |
|----------------|------|
| - | - |
| - | - |

Table 4.44 - Misconduct and Discipline Hearings Finalised

| Outcomes of disciplinary hearings | Number | Percentage of Total | Total |
|-----------------------------------|--------|---------------------|-------|
| In Progress | 1 | 25 | 1 |
| In Progress | 1 | 25 | 1 |
| In Progress | 1 | 25 | 1 |
| Concluded | 1 | 25 | |
| Total | 4 | 100 | 3 |

Table 4.45 - Types of Misconduct Addressed and Disciplinary Hearings

| Type of misconduct | Number | Percentage of Total | Total |
|---|--------|---------------------|-------|
| Unauthorized use of a gFleeT Vehicle | 1 | 25 | 1 |
| Being in possession of a gFleeT Vehicle without permission | 1 | 25 | 1 |
| Insubordination, unlawfully changed the terms and conditions of service of employees. | 1 | 25 | 1 |
| Abscondment | 1 | 25 | 1 |
| Total | 4 | 100 | 4 |

Table 4.46 - Grievances Lodged

| Number of grievances addressed | Number | Percentage of Total | Total |
|---|--------|---------------------|-------|
| Salary downgrade or unilateral change of terms and condition of service | 1 | 50 | 1 |
| Salary discrepancy | 1 | 50 | 1 |
| Total | 2 | 100 | 2 |

Table 4.47 - Disputes Lodged

| Number of disputes addressed | Number | % of total |
|------------------------------|----------|------------|
| Upheld | 6 | 100 |
| Dismissed | 3 | 50 |
| Total | 3 | 50 |

Table 4.48 - Strike Actions

| Strike Actions | – | % of total |
|--|---|------------|
| Total number of person working days lost | 0 | 0 |
| Total cost(R'000) of working days lost | 0 | 0 |
| Amount (R'000) recovered as a result of no work no pay | 0 | 0 |

Table 4.49 - Precautionary Suspensions

| Precautionary Suspensions | – | % of total |
|--|---|------------|
| Number of people suspended | 0 | 0 |
| Number of people whose suspension exceeded 30 days | 0 | 0 |
| Average number of days suspended | 0 | 0 |
| Cost (R'000) of suspensions | 0 | 0 |

Table 4.50 - Training Needs identified

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|--------|------------|--------------|---|-------------------------|-------|
| Legislators, senior officials and managers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--|--------|----------|----------|----------|----------|----------|
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Gender sub totals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 |

Table 4.51 - Training Provided

| Occupational Categories | Gender | Employment | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
|--|---------------|-------------------|---------------------|--|--------------------------------|--------------|
| Legislators, senior officials and managers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|--|--------|----------|----------|----------|----------|----------|
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Gender sub totals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 |

Table 4.52 - Injury on Duty

| Nature of injury on duty | Number | % of total |
|---------------------------------------|---------------|-------------------|
| Required basic medical attention only | 0 | 0 |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 0 | 0 |

Table 4.53 - Report on consultant appointments using appropriated funds

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Contract value in Rand |
|---|--|---------------------|------------------------|
| Batch run execution, validations, batch backups, exception transactions identified and corrections, batch file interface including the hand-over to g-Fleet | 5 people | 9 (nine) months | 1,964,955.67 |
| Support on ledger and Age recon.Support on FNB file layout design, import and finalise EFT setup on live environment, hand-over of FIS intergration and documentation | 2 people | 4 (four) days | 54,081.60 |
| Facilitation of g-Fleet turnaround strategic planning | 2 people | 3 (three) | 223,440.00 |
| Learner Driver Support | 6 people | 8 (eight) months | 492,000.00 |
| Assets management training | 2 people | 5 (five) days | 47,495.00 |
| Asset management review | 2 people | 10 (ten) days | 89,049.85 |

Table 4.54 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|--|
| 5 (five) | 5 (five) | 9 (nine) months | 906,066.45 |

Table 4.55 - Report on consultant appointments using Donor funds

| Project Title | Total number of consultants that worked on the project | Duration: Work days | Donor and Contract value in Rand |
|--------------------------|--|---------------------------|----------------------------------|
| - | - | - | - |
| Total number of projects | Total individual consultants | Total duration: Work days | Total contract value in Rand |
| - | - | - | - |

Table 4.56 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

| Project Title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of Consultants from HDI groups that work on the project |
|--------------------------|------------------------------------|-------------------------------------|--|
| - | - | - | - |
| Total number of projects | Total individual consultants | Total duration: Work days | Total contract value in Rand |
| - | - | - | - |

5. Outlook for the coming financial year (2011/12)

The Department has allocated the budget for 2011/12 financial year in line with the provincial outcomes it is contributing towards; projects are thus aligned with the outcomes.

Outcome 4: Creating decent employment through inclusive economic growth

The work of the Department is linked to this outcome and it will strive to provide affordable new transport infrastructure and upgraded current infrastructure and systems. There will also be a focus on promoting accessibility to economic hubs and creating jobs for the citizens in the province. The Department will contribute to this outcome through the construction and maintenance of the provincial road network.

Construction

Roads to which there are commitments from the previous financial year form part of the Department's deliverables for the 2011/12 financial year. These include the Cayman road, R55 (K71) Phase 1, Bolani road, 4 20PTP roads and the drainage works in relation to the Malibongwe (K29) Phase 3; this may not be finalized by the end of the financial year and may therefore roll over to the 2011/12 financial year. The roads may not be completed in this year and will thus also continue into future financial years, as the construction work is extensive. The 20PTP roads, mainly within the Sedibeng municipality, will be implemented in this financial year, with the completion of the designs and construction of the roads.

Maintenance

The goal of the province is to direct adequate funding towards the maintenance of its road network. This has not been the case over the last few years, resulting in a deterioration of the provincial road network. The provincial Roads maintenance Grant that has been allocated to the Department for the first time this year will be utilized for the attainment of this Departmental goal.

The preventative maintenance programme is being revived in this financial year, with a substantial budget allocated for the purpose. This programme will involve single and double reseal, light and heavy rehabilitation and the re-gravelling of some gravel roads. Preventative maintenance is expected to reduce the amount of routine maintenance that the Department undertakes, as the approach will no longer be reactive. Maintenance of traffic lights also forms part of the provincial priorities, and funds have been made available to ensure that the Department delivers on this.

The second phase of the Gautrain project, due for completion by 27 March 2011, is expected to run into delays resulting in its being completed in the 2011/12 financial year. Services on the fully completed system will commence in June 2011 and will provide the citizens of the province with a quality transport service.

In order to allow the Department to plan, regulate and facilitate the provision of transport services, the Provincial Regulatory Entity (PRE) will be implemented during the year as per the National Land Transport Act (NLTA). It will be established after the dissolution of the Gauteng Operating License Board (GOLB) and the Gauteng Public Passenger Road Transport Act (GPPRTA). The Department will provide an Integrated Public Transport (IPTN) design for upgrading and developing infrastructure related to public transport, such as taxi ranks, bus terminals and inter-modal transfer facilities. The designs will take account of environmental impact.

Continuing with activities that commenced in the previous financial year, the Departmental will be constructing two inter-modal facilities in Bophelong and Zandspruit. In order to prepare for construction of other facilities in future periods, there is also an undertaking from the Department to undertake planning for two more facilities to be constructed in the following financial year.

Bus subsidization is set to continue during the current financial year, with the budget growing marginally to allow for these payments. The services will continue within the same municipalities. To enforce the regulatory framework that ensure the safety of public and private transport on the road, the Department will continue to facilitate the issuing of operating licenses or permits to public transport operators, and drivers' licenses; and to regulate the driving school industry.

The Department's aim is to provide accessible, affordable, reliable, safe, and environmentally sustainable transport systems through an increased focus on the green transport agenda. This will be achieved by establishing the Green Transport Policy Framework during the year, which will be utilized as the basis for all green transport initiatives. The Integrated Public Transport Master Plan (IPTMP) will enable the Department to establish long-term plans to ensure that projects to be implemented will be forward-looking and not simply reactive. Other policies, such as the Approved Rail Management Agenda and the Gauteng Household survey, will also be developed during the financial year.

Outcome 5: Vibrant, equitable, sustainable rural communities contributing towards food security for all

The Department aims to contribute to the development of rural communities' road infrastructure through the construction of rural roads to ensure accessibility by farm communities to mainstream economic hubs. The Maize Triangle roads will be in the detailed design phase in this financial year, and the land proclamations for these roads will also be in process to ensure that they are ready for construction in the following financial year.

As a Corporate Social Responsibility programme of the Department, the Shovakalula programme, through which 3 000 bicycles will be distributed mainly to schools throughout the province, will be implemented in this financial year. This will be further supported by the Non-Motorised Transport (NMT) programme of constructing walkways along roads with high pedestrian volumes, thus assisting with pedestrian safety along these routes. The first phase of the NMT will be in the West Rand and Metsweding municipalities.

Outcome 6: Sustainable human settlements and improved quality of life

In order to contribute to inner city urban renewal through the construction of road linkages, the Department will complete the last phase of the construction of roads within the 20 prioritized townships, mainly focusing on the prioritized townships within the three metros as well as the Sedibeng and Metsweding municipalities. This projection is in line with Outcome 8: "An efficient, effective and development-oriented public service and empowered, fair and inclusive citizenship. In order to build the capacity of the Department for good governance and effective service deliver, the Department will offer 43 bursaries to external candidates in a range of disciplines including transport engineering and economics, as well as allocating funds for training and development of employees. The personnel structure will be finalized, with the phasing in of posts depending on the availability of funding.

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