

DEPARTMENT OF ROADS
& TRANSPORT

ANNUAL REPORT 2016|2017



Together, Moving Gauteng City Region Forward



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA



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Annual Report 2016/17 Financial Year

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PART A

General Information

1. DEPARTEMENTAL GENERAL INFORMATION

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FACEBOOK:	www.facebook.com/GPDRT

2. LIST OF ABBREVIATIONS/ACRONYMS

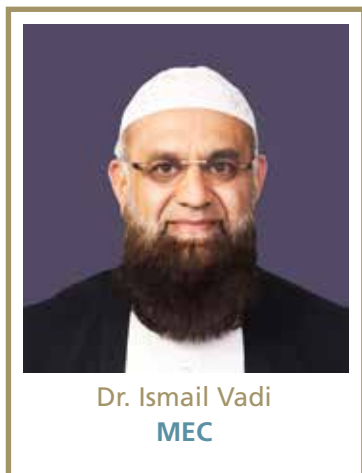
AAPSIA	All-Africa Public Sector Innovation Award
ABET	Adult Basic Education and Training
ABMS	Automated Bus Monitoring System
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APS	Airport Passenger Service
AU	African Union
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BMUB	Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CGICTF	Corporate Governance Information Communication Technology Framework
CLLT	Computerised Learners Licence Testing
CIP	Compulsory Induction Programme
CoJ	City of Johannesburg
CoT	City of Tshwane
CS	Corporate Services
CSIR	Council of Scientific and Industrial Research
CPIX	Consumer Price Inflation Index
DDG	Deputy Director General
DEA	Department of Environmental Affairs
DFDS	Dedicated Feeder and Distribution Services
DID	Department of Infrastructure Development
DLCA	Driving License Card Account
DLTC	Driver Learner Testing Centres
DoH	Department of Health
DoL	Department of Labour
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DWS	Department of Water and Sanitation
EAFC	Ethics, Anti-fraud and Corruption Unit
ECSA	Engineering Council of South Africa
e-DRMS	electronic Document Record Management Solution
EIA	Environmental Impact Assessment
e-NaTIS	electronic National Traffic Information System
e-NSC	e-NaTIS National Steering Committee
EPWP	Expanded Public Works Programme
EXCO	Executive Council
ESS	Employee Self Service

FPP	Fraud Prevention Plan
FIS	Fleet Information System
GARA	Gautrain Management Agency and Global Air Rail Alliance
GCR	Gauteng City-Region
GCRA	Gauteng City-Region Academy
GDARD	Gauteng Department of Agriculture and Rural Development
GDE	Gauteng Department of Education
GDF	Gauteng Department of Finance
GDP	Gross Domestic Product
GDRT	Gauteng Department of Roads and Transport
GEP	Gauteng Enterprise Propeller
GEGDS	Gauteng Employment, Growth and Development Strategy
GEYODI	Gender, Youth and People with Disabilities
GHT2014	Gauteng Household Travel Survey
GIAMA	Government Immovable Asset Management Act
GFIP	Gauteng Freeway Improvement Plan
GMA	Gautrain Management Agency
GNTA	Gauteng National Taxi Alliance
GPG	Gauteng Provincial Government
GPS	General Passenger Service
GPW	Government Printing Works
GSSLA	Gauteng Scrutiny of Subordinate Legislation Act
GTIA	Gauteng Transport Infrastructure Act
GTIP5	5-Year Gauteng Transport Implementation Plan
HAST	HIV, AIDS, STI and Tuberculosis
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individuals
HIV/AIDS	Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome
HoD	Head of Department
HR	Human Resource
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
IEC	Independent Electoral Commission
IFM	Integrated Fare Management
IGR	Intergovernmental Relations
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
ISO	International Standards Organisation
IT	Information Technology
ITMP-25	25 Year Integrated Transport Master Plan
ITP	Integrated Transport Plans
JRA	Johannesburg Roads Agency
LCUs	Live Capturing Units
LTPS	Land Transport Permit System

M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MMC	Member of the Mayoral Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTC	Materials Testers Course
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MVRA	Motor Vehicle Registration Authority
MVR&L	Motor Vehicle Registration and Licensing
NDoT	National Department of Transport
NDP	National Development Plan
NLTA	National Land Transport Act
NLTIS	National Land Transport Information System
NMT	Non-Motorised Transport
NRTA	National Road Traffic Act
NTTT	National Taxi Task Team
NYS	National Youth Services
OHS	Occupational Health and Safety Act
OLAS	Operating License Administration System
ORTIA	OR-Tambo International Airport
PAJA	Promotion of Administrative Justice Act
PCF	Premier's Coordinating Forum
PDI	Previously Disadvantaged Individuals
PDLTCs	Provincial Driver Learner Testing Centres
PERSAL	Personnel Salaries
PFMA	Public Finance Management Act
PLATO	South African Council for Professional and Technical Surveyors
PMDS	Performance Management Development System
PRASA	Passenger Rail Agency of South Africa
PRF	Provincial Revenue Fund
PRE	Provincial Regulatory Entity
PRMG	Provincial Roads Management Grant
PTOG	Public Transport Operations Grant
PPP	Public-Private Partnership
PwDs	People with Disabilities
RACC	Registering Authorities Control Centre
RAMS	Road Asset Management System
RAMP	Roads Asset Management Plan
RIMS	Revenue Information Management Systems
RISFSA	Road Infrastructure Strategic Framework of South Africa
RCC	Roller Compacted Concrete
RMPTs	Road Maintenance Professional Teams
RNMS	Road Network Management System

RTMC	Road Traffic Management Corporation
RTPIS	Real-Time Passenger Information System
SACPLAN	South African Council for Planners
SACPCMP	South African Council for Project and Construction Management Professions
SACQSP	South African Council for Quantity Surveying Profession
SAICB	South African Insurance Crime Bureau
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SANRAL	South African National Roads Agency Limited
SANTACO	South African National taxi Council
SED	Socio-Economic Development
SETA	Sector Education and Training Authority
SCM	Supply Chain Management
SIP	Social Investment Programme
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SMF	Supervisory Monitoring Firms
SMS	Senior Management System
SRN	Strategic Road Network
SPTN	Strategic Public Transport Network
SPV	Special Purpose Vehicle
TDM	Transportation Demand Management
TETA	Transport Education Training Authority
TFE	Transformation, Formalisation and Empowerment
TOLABs	Transport Operating License Administrative Bodies
ToR	Terms of Reference
TMC	Transport Management Centre
TMR	Transformation, Modernisation and Re-industrialisation
TRP	Taxi Recapitalisation Project
TSCs	Transport Service Centres
UATP	African Association of Public Transport
U-AMP	User Asset Management Plan
UCS	Unified Communication System
UITP	International Association of Public Transport
VTC	Vehicle Testing Centre
UTRCP	Ultra-Thin Concrete Pavements

3. FOREWORD BY THE MEC



The Gauteng Department of Roads and Transport continues to lead infrastructure-led economic growth at a time when the global economy, including our own, is experiencing a downturn. It continues to deliver on its mandate based on the triad goals of transformation, modernisation and reindustrialisation of the Gauteng Provincial Government.

Its 25-Year Integrated Transport Master Plan has clearly identified the short, medium and long-term goals based on an integration of land use with transport planning; being smart using scarce resources more effectively and introducing suitable technology; ensuring social inclusion and cohesion, and promoting sustainable development in the Gauteng City Region.

A significant part of our infrastructure spend in the 2016/17 financial year continued to maintain and expand the provincial road network and meet the growing mobility challenges emanating from rapid in-migration and urbanization, population growth, and an increase in the number of vehicles on our roads. Road traffic congestion comes

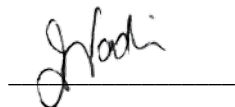
at an economic cost. We therefore must invest in the provincial road network in support of economic growth and ease of mobility. The National Development Plan emphasises the importance of maintaining our infrastructural assets, particularly our road network, in support of economic growth.

The Department is a deliverable hub for frontline services such as drivers' licenses, public transport operating licenses and vehicle testing. Its "deliverology" programmes are aimed at improving efficiencies at public service centres and combatting corruption. Increasingly, these services are now more accessible to citizens as the Department locates centres within historically disadvantaged communities. In this regard, we have commissioned the Council for Scientific and Industrial Research to design a master plan for the future location of Transport Service Centres.

The Department is mindful that the future of the Gauteng City Region depends on the effective management of sound inter-governmental relations. Important policy and legislative proposals are being developed to establish the Gauteng Transport Authority. These will be published for public and stakeholder comment and should be finalised in the current financial year.

In spite of greater commuter choice in recent years with the availability of the Bus Rapid Transit systems in metropolitan municipalities, a rapid rail system like Gautrain and the anticipated modernisation of Metrorail, public transport has not yet not reached the anticipated level of meeting commuter needs. Taxi services also do not meet commuter expectations and violence still plagues the industry. These were concisely highlighted in the taxi enquiry instituted by the Gauteng Provincial Legislature. Technologies linked to the Fourth Industrial Revolution pose huge challenges for administrations, particularly when innovative disruptors in the transport sector threaten traditional business models. Lastly, the subsidised bus contracts need to be reviewed so that contracted bus services are better integrated into the transport plans of municipalities. These aspects need more focussed attention in the coming year. The Department has positioned itself to play a proactive role to ensure that our regulatory thrust meets the changing needs of the digital age in the wider interests of socio-economic development.

The transport family has multiple stakeholders in the private and public sectors that have contributed to the overall success of the Department. I would like to thank the Head of Department, Mr Ronald Swartz; the Acting CEO of gFleet, Ms Noxolo Maninjwa; the CEO of the Gautrain Management Agency, Mr Jack van der Merwe, the senior management and staff of the Department; the Chairperson, Mr J. Khawe and Members of the Portfolio Committee on Roads and Transport in the Gauteng Legislature; the Planning Division in the Office of the Premier; the senior management of PRASA, CSIR, SANRAL, Airports Company of South Africa and Transnet; the Members of the Mayoral Committees for Transport of the respective municipalities as well as the various private sector stakeholders for your valued support to the Department. Our partnerships and collective contributions can only produce an exponential growth of our economy and country.



Dr. I. Vadi

Member of the Executive Council for Roads and Transport

Date: 31 May 2017

4. REPORT OF THE ACCOUNTING OFFICER



Mr. Ronald Swartz
Accounting Officer

Overview of the operations of the Department

The financial year 2016/17 was a year of many successes and challenges for the Gauteng Department of Roads and Transport (GDRT) as it remained steadfast to its service delivery mandate and strategic policy frameworks. One of the major successes for the Department and the province was the successful partnership between the Department and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) on the signing of the Joint Declaration of Intent with the Federal Republic of Germany which will enhance collaboration and partnerships between Gauteng and Germany.

International relations fosters green transport solutions

The Joint Declaration will seek to advance and expand the frontiers of Green Logistics and Mobility, particularly relating to the freight sector in the Gauteng City-Region (GCR). The Federal Ministry chose South Africa, and Gauteng in particular, as the first country and region on the African continent to develop and implement the Greener

Logistic Indicator (GLI-X) Project which stresses the importance of environmentally-friendly solutions and sustainable development, particularly in the field of freight logistics.

The project will endeavour to engage scientific expertise for the joint development of a GLI-X system in our province, exchange experiences and best practices in this field; host seminars and workshops of business, experts, regulators, civil society and other relevant stakeholders; and encourage co-operation among freight companies, the public sector and private organisations.

This project is one of the Department's many efforts to re-orientate transportation towards a green economy. This further aligns the Department's contribution to the National Development Plan (NDP) which calls for mutual benefits between sustainable development and reducing carbon emissions, increasing employment and reducing inequality.

Strategic transport infrastructure supporting sustainable human settlements

Following through with the contributions to the NDP, National Outcome 6: "An efficient, competitive and responsive economic infrastructure network" and Gauteng Vision 2055: "Infrastructure transitions and urban sustainability", the Department made significant upgrades to the provincial road network. The **R82 Phase 1b** road construction project which entailed the upgrading from single to dual carriageway of Road K57 (R82 (P1/1) at Walkerville) was completed. The road provides an alternative link between Johannesburg and Vereeniging, including access to existing and future developments around Walkerville; Eikenhoff and De Deur. The impact of the upgraded road is already evident as it has led to the building of a new mall, the Mall of the South, a high-end residential development and golf estate namely, the New Africa development. Further, a mid-income housing development called Savanah City has also been developed. The K54 was also upgraded with the construction of a single carriageway of the section Road K54 between D2561 and K69.

The multi-year construction projects of **K46 (P79-1)**, which is the upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol Drive from PWV5 to Diepsloot/N14 – Phase two and the **Vaal River city interchange** which involves the upgrading of the Vaal River interchange, Ascot Avenue (future K55) and Barrage Road (K174) are on track for completion in the 2017/18 financial year.

The road rehabilitation programme completed the **P158/2 (N14)** and **P39/1**: Light rehabilitation of Road P158/2 (N14) and P39/1 between P158/2 (20.7km) to Pine Haven interchange (Muldersdrift) to extend the service life of the pavement by a further 15 years. The road provides important access for the Department of Human Settlement's housing developments around the Diepsloot area and the Century City development. The second major rehabilitation completed was the **R500**: rehabilitation and repair of a sinkhole on Road R500 (P61-3) at 12 kilometres (kms) between D762 and D1755.

These upgrades and rehabilitations have led to significant improvements in the mobility of people and goods in the province with the added value of being the impetus for socio-economic development in and around these areas. This objective will continue to be pursued in the next financial year of 2017/18 as we look forward to the completion of **Road D1027 Phase 2: upgrading of D1027 (Cedar Road) from Uranium Road to Valley Road**. This upgrade will improve mobility, decrease travelling time and increase development opportunities in the regions. The construction of **Sebe Road in Evaton**, in the Emfuleni Municipality will also lead to greater economic benefit for this region, creating the mushrooming of new businesses along the road and a decrease in travelling time.

The Department has completed the planning for the upgrading of ten strategic provincial roads and construction will commence in 2017/18. These upgraded roads are envisaged to promote socio-economic growth in the strategic transport corridors and nodes.

Gauteng Minibus Taxi Summit

In aiming to address challenges that currently face the minibus taxi industry the Gauteng Taxi Summit was held from 28 to 29 July 2016 at St. George's Hotel and Conference Centre, Pretoria. The summit aimed at addressing the following: the minibus taxi industry as part of the integrated transport system in Gauteng in the long-term, issues relating to the regulation of public transport in particular the regulation of the minibus taxi industry; the violence, crime and corruption within the taxi industry; and to discuss the formalisation and empowerment of the industry.

Seven commissions were established with specific topics, namely, the regulation of the taxi industry; the formalisation, empowerment and transformation of the taxi industry; industry integration into the public transport system; taxi violence, fraud and corruption as well as road safety. In these commissions, different challenges were raised by the taxi industry and government, as well as possible solutions on how these can be resolved. A Summit Declaration was signed by the taxi industry leadership and the Premier of Gauteng.

The summit was followed with continued Departmental regional outreach programmes during which the Department assisted minibus taxi operators with various concerns relating to the regulation and issuance of operating licenses.

Maximising revenue generation for the province

In times of financial uncertainty, it is imperative that revenue generation mechanisms are effectively implemented to yield the maximum funds to support and implement provincial service delivery programmes. The year under review experienced the Department's highest revenue collected to date at R3.4 billion and has exceeded the targets set by Provincial Treasury.

Departmental revenue is generated through tax receipts which mainly comprise motor vehicle registration and licensing fees. The increases in the past were from R2.7 billion in 2013/14, R2.9 billion in 2014/15 and R3.2 billion in 2015/16 to R3.4 billion in the financial year 2016/17. The Department has increased revenue by a total of R938 million over a period of five years from R2.46 billion in 2012/13 to R3.4 billion in 2016/17.

Consistent 30 day payment of invoices

The Transformation, Modernisation and Re-industrialisation (TMR) strategy of the province has as one of its critical priorities the development and support of the sustainability of Small, Medium and Micro Enterprises (SMMEs). One of the mechanisms of the Department that contributes to this priority is the payment of invoices within 30 days. The Department takes great pride in announcing that it has paid 99.7% of authentic claims within the prescribed 30 days period, of which 83% of these claims were paid within 15 days during the year under review. The Department surpassed its previous year's target of 87% in 2013/14 and 96% in 2015/16 compliance rate with Treasury Regulations. In this difficult economic environment, the Department is committed towards supporting the sustainability of local SMMEs and economic transformation in the province.

A year of awards

The year continued the trend of previous years with the Department winning awards for outstanding work and continued service to the citizens of Gauteng. The Revenue Information Management Systems (RIMS), which won the first prize in 2015 at the GovTech Awards of the State Information Technology Agency (SITA), went on to fly the South African flag proudly by winning the African Union's (AU's) All-Africa Public Sector Innovation Award (AAPSIA): Category C – Innovations in the Systems and Processes of Governance, at a ceremony held in Ethiopia. RIMS simplifies and supports the revenue management processes which allows for more expansion of motor vehicle license renewal service delivery points for easy access by motorists due to an automated and simplified back office. The system further ensures compliance with the Public Finance Management Act (PFMA, Act 1 of 1996), Treasury Regulations and Auditor-General requirements while enhancing record keeping which realises the achievement of one of the key objectives of the Department, namely, clean audits.

We also congratulate the Department's public entity, the Gautrain Management Agency, as proud winner in two categories of the Premier's Service Excellence Awards. The Gautrain Shuttle Feeder and Distribution Service was awarded third place in the Inclusive Economy Section under the Economic Growth Category and third place winner of the Sustainability Performance and Product Excellence Section under the Clean Governance Category. The Department remains confident that this award-winning trend will continue into the future.

Improving service delivery is one of the primary priorities of the Gauteng Provincial Government (GPG). In terms of infrastructure service delivery, the Gauteng Executive Council took a decision that the Gauteng Infrastructure Delivery Management System (IDMS) must be implemented by all Gauteng provincial Departments. The IDMS is a model that provides for best practices in the delivery of infrastructure management within the public sector, and if the IDMS is followed it results in the optimal use of resources to achieve intended outcomes. It also provides for the delivery of infrastructure in a logical, methodical and auditable manner, and is supported by the Treasury Standard for Infrastructure Procurement and Delivery Management (SPIDM), which became effective on 1 July 2016. The Department worked closely with Provincial Treasury to develop a new service delivery model for infrastructure. The draft service delivery model has been completed, and will be finalised and submitted to the Department of Public Service and Administration (DPSA). The service delivery model will be used as the basis for the development of a new organisational structure to improve service delivery. Processes (which include extensive consultation and communication) are being followed for the development, approval and implementation in the 2017/18 financial year.

Infrastructure Delivery Management System (IDMS)

"Improving service delivery is one the primary priorities of the Gauteng Provincial Government. In terms of infrastructure service delivery, the Gauteng Executive Council took a decision that the Gauteng Infrastructure Delivery Management System (IDMS) must be implemented by all Gauteng Provincial Departments. The IDMS is a model that provides for best practices in the delivery of infrastructure management within the public sector, and if the IDMS is followed, it results in the optimal use of resources to achieve intended outcomes. It provides for the delivery of infrastructure in a logical, methodical and auditable manner, and is supported by the Treasury Standard for Infrastructure Procurement and Delivery Management (SPIDM), which became effective on 1 July 2017. The Department worked closely with Provincial Treasury to develop a new service delivery model for infrastructure by our Department. The draft service delivery model has been completed, and will be finalised shortly and submitted to the Department of Public Service and Administration to obtain their concurrence before submitting to the MEC for approval. The service delivery model will be used as the basis for the development of a new organisational structure to improve service delivery, and due processes (which includes extensive consultation and communication) are being followed for the development, approval and implementation thereof in the 2017/18 financial year."

Challenges

While we acknowledge the successes, we do not lose sight of the challenges that impacted on our service delivery. One of the setbacks was not being able to fully operationalise the newly-refurbished Mabopane and Temba Driver, Learner Testing Centres (DLTCs). The new Kagiso DLTC was not operational during the financial year due to non-installation of

the National Traffic Information System (e-NATIS). This is due to the NDoT's legal court case with TASIMA, the service provider who managed the e-NATIS. The resolution of the legal case during the 2016/17 financial year would enable the full operationalization of these centers in the 2017/18 financial. The Kagiso DLTC is set to be launched and will provide the required transport regulatory services to the community.

Community unrest has led to many planned projects of the Department either not meeting the projected delivery milestones or completion dates. To effectively address this issue, a more effective social participation programme was rolled out with communities where projects were being implemented to address Departmental service delivery issues. This has led to continuous engagements with relevant stakeholders.

• Significant events and projects for the year

The significant events the Department engaged in during the financial year under review are outlined below:

Date	Event	Summary
June 2016	Signing of Declaration for a Gauteng Transport Authority.	The Premier and Mayors signed a declaration, paving the way for the establishment of a single transport authority for the GCR. This was signed following the Premier's Coordinating Forum (PCF) – whose objective is to promote and facilitate intergovernmental relations between provincial government and municipalities to ensure integrated, effective and efficient service delivery.
27 July 2016	The non-motorised Shovakalula bicycles project.	The Gauteng Member of the Executive Council (MEC) for Roads and Transport handed over 150 bicycles to Stanley Ramoba Primary School learners in Lawley, south of Johannesburg, as part of the Shovakalula Bicycle Project. The project is a national initiative seeking to provide ease of mobility to learners walking over 3km between home and school.
28 to 29 July 2016	Provincial Minibus Taxi Summit.	The Department convened a two (2) day Taxi Summit with the objectives of ensuring the responsibility of government and the industry in creating a safe, efficient, seamless and affordable public transport system. The Summit culminated in the signing of a declaration by the provincial government, the South African National Taxi Council (SANTACO) and the (Gauteng) National Taxi Alliance (GNTA) to work together in transforming and modernizing the minibus taxi industry.
10 to 14 October 2016	Transport Career Expo.	As part of the October Transport Month, the Department of Roads and Transport hosted a three-day career expo in Vereeniging, Tembisa and in Soweto on 10, 13 and 14 October 2016. The expo was part of an outreach programme to educate, inform and motivate school learners about careers options offered in the Department.
6 October 2016	International Air-Rail Transport Conference.	The 2016 Air Rail Conference, held for the first time in Africa, was hosted by the Department at the Gallagher Convention Centre in Midrand, Gauteng. The two-day event was organised by the Department alongside the Gautrain Management Agency and Global Air Rail Alliance (GARA). The main purpose was to share learnings with delegates from around the world regarding the relationship between air and rail transportation.
21 November 2016	Research partnership to accelerate transport service delivery.	The GDRT and the Council for Scientific and Industrial Research (CSIR) announced several transport-related research projects that will address some of the province's public transport challenges.
1 December 2016	Upgraded N14 freeway officially re-opened.	The R306-million projects that upgraded the N14 freeway from Krugersdorp to Diepsloot were officially opened by the Department, giving the busy freeway a new lease of life. The 18 month project entailed the rehabilitation of 20km of the dual carriageway starting from Hendrik Potgieter Drive and extending up to Diepsloot, near Centurion.

Date	Event	Summary
09 December 2016	RIMS Award	The Department won the AU's AAPSIA: Category C – Innovations in the Systems and Processes of Governance at a ceremony held in Ethiopia. The award was for the RIMS which simplifies and supports the revenue management processes which allow for more expansion of motor vehicle license renewal service delivery points for easy access by motorists due to automated and simplified back office.
28 February 2017	Premier's Service Excellence Award.	Gautrain is the proud winner in two categories of the Premier's Service Excellence Awards. The Gautrain Shuttle Feeder and Distribution Service was awarded third place in the Inclusive Economy Section under the Economic Growth Category. It was also placed third in the Sustainability Performance and Product Excellence Section under the Clean Governance Category.
3 March 2017	Graduation of the Learner Contractor Programme (V'ukhuphile).	The Learner Contractor Programme (V'ukhuphile), the programme for the Road Infrastructure Strategic Framework of South Africa (RISFSA) classes 5 and 6 completed end February 2017. The programme commenced in February 2013 (it was a 36-month programme) and was launched by the MEC. It comprised 29 learner contractors and 24 learner supervisors). The contractors from CIDB exited the programme at level 4 and above, whereas learner supervisors were trained by the Sector Education and Training Authority (SETA) and achieved level accreditation certificates.
16 March 2017	Launch of D1944 construction project.	The launch of the R158-million D1944 road construction project near the Rust de Winter and Mkhombo nature reserves, north-east of Pretoria. The 11.5 km project entails the full construction of the road from gravel to tarred road.

- **Overview of the financial results of the Department:**

Departmental receipts

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R'000					
Tax receipts	3 142 737	3 404 962	-262 225	2 987 393	3 217 032	-229 639
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	3 142 737	3 404 962	-262 225	2 987 393	3 217 032	-229 639
Sale of goods and services other than capital assets	71 597	58 918	12 679	67 993	54 970	13 023
Transfers received	-	-	-	-	-	-
Fines penalties and forfeits	-	-	-	-	-	-
Interest dividends and rent on land	55	15	40	50	61	-11
Sale of capital assets	-	12 705	-12 705	-	4 491	-4 491
Financial transactions in assets and liabilities	1 500	537	963	1 500	1 673	-173
Total	3 215 889	3 477 137	-261 248	3 056 936	3 278 227	-221 291

The Department is the main contributor in generating own revenue in the GPG. This revenue is generated through tax receipts which comprise motor vehicle registration and licensing fees. The revenue collected over the past three financial years grew slightly. The tariffs increased each year which resulted in the Department collecting substantially more revenue. The Department derives its own revenue from tax receipts which comprise motor vehicle licences; sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities and sales of capital assets. Motor vehicle licensing is the major contributor to the sources of revenue for the Department. The Department is the major contributor to the Provincial Revenue Fund (PRF) and, as a result, accounts for over half of the GPG's own revenue. In generating this revenue, the Department is also liable for direct charges, which include amounts that are deducted from revenue collected to reimburse the primary collectors/agents of that revenue on behalf of the Department.

The Department has collected above the budgeted amount for the past two financial years by over R200 million; however the projections are not being increased as a result of Provincial Treasury's instructions. The increases in tariffs for motor vehicle license fees will ensure that the revenue collection by the Department grows steadily and therefore contributes even higher amounts to the provincial reserves.

Own revenue is generated through tax receipts which are mainly made up of motor vehicle registration and licensing fees. The revenue collected over the past three financial years grew slightly.

Revenue in this category is expected to grow over the Medium-Term Expenditure Framework (MTEF) through annual increases in tariffs. The increases in the past were from R2.7 billion in 2013/14, R3 billion in 2014/15 and R3.3 billion in 2015/16 to R3.2 billion in the 2016/17 financial year. No negative real growth is currently expected in the year under review. In concluding the estimates, the following factors were taken into account:

- The Consumer Price Inflation Index (CPIX).
- Vehicle population.
- Direct costs expected to be paid from the revenue account.
- Interest and penalties expected to be received.
- Previous revenues collected.
- Trends in the motor industry in the country.

The tax receipts item, which comprises of motor vehicle licenses and related items such as abnormal loads licenses, permits of authorised officials, permits of operators, duplicate documents licenses, public roads permits, motor vehicle registration personal and special, and fees for requesting information from Electronic National Traffic Information System (e-NaTiS) contributed the highest towards revenue collected to date at R3.4 billion (-8%). Sales of goods and services other than capital assets contributed the second highest with R59 million (82%), and it consists of items such as sales of security maps, tender documents, meals and refreshments, fees for boarding services provided for staff, commission on insurance, domestic service (salaries garnishes, insurances and other debt incurred by staff). Sales of machinery and equipment contributed R13, 000 such as sales of motor vehicles.

Financial transactions in asset and liabilities contributed R535, 000 (36%), with the main contributing item being recoveries from previous year's expenditure followed by Departmental debt and domestic services. Interest, dividends and rent on land collected R13 (24%). Interest is earned on the Departmental Provincial Roads Management Grant (PRMG) account and debt collected from external stakeholder such as service providers.

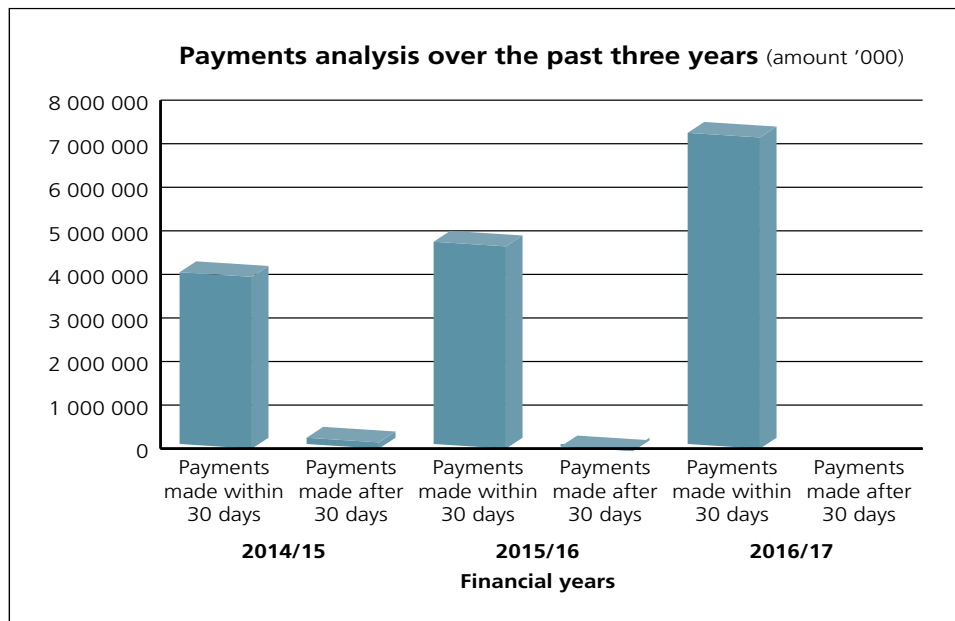
Payment statistics for the past three years

The Department's endeavour to ensure absolute compliance with laws and to build public confidence has ensured a continuous improvement in the payment cycle over the past three financials years. This is critical in ensuring efficiency in the delivery of projects and sustainability of SMMEs in line with the TMR strategy of the province.

In the current financial year, the Department paid 99.7% of authentic claims within the prescribed 30 days period, of which 83% of these claims were paid within 15 days.

Below is a graphical presentation and analysis of payments made within 30 days and payments made outside 30 days:

FINANCIAL YEAR					
2014/15		2015/16		2016/17	
Payments made within 30 days	Payments made after 30 days	Payments made within 30 days	Payments made after 30 days	Payments made within 30 days	Payments made after 30 days
R'000					
4 138 230	184 758	4 129 590	51 479	7 216 079	23 790
96%	4%	99%	1%	99%	1%



As depicted in the above table, payments paid outside 30 days are sharply declining at an average of R80.484 million over the past two years. This is an indication of the Department's commitment to fast-track service delivery to the citizens of Gauteng.

Programme expenditure

Programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
1. Administration	281 643	262 914	18 729	294 305	239 213	55 092
2. Transport Infrastructure	2 026 890	1 961 151	65 739	2 215 605	2 177 112	38 493
3. Transport Operations	2 464 907	2 416 513	48 394	2 141 482	2 019 168	122 314
4. Transport Regulation	323 918	319 322	4 596	268 758	262 357	6 401
5. Gautrain	2 812 089	2 812 089	-	1 561 451	1 561 451	-
Total	7 909 447	7 771 989	137 458	6 481 601	6 259 301	222 300

The Department continuously aims to spend the total allocated budget in order to ensure the delivery of quality service delivery. The table above demonstrates the Departments continued efforts amongst difficult circumstances in reducing the level of under-spending on the overall allocated budget.

Programme 1: Administration: Over the past few financial years, the Department has been extremely effective in managing its administration budget in line with cost containment measures as issued by National Treasury. The implementation of these strict measures has played a pivotal role in arriving at the recorded underspending within this programme.

Programme 2: Transport Infrastructure: The programme of transport infrastructure remains a critical programme for the Department. In the main, the recorded underspending occurred due to:

- Unforeseen delays in the procurement processes relating to key infrastructure projects as a result of the implementation of the new standard for infrastructure procurement which came into effective from 01 July 2016;
- Unforeseen challenges within key projects emanating from community unrests resulting in work stoppages;
- Delays in the filling of vacant engineering position within the Department.

Programme 3: Transport Operations: The underspending/savings within this programme occurred mainly due to the prolonged challenges around bus operators not operating within the required operating time table due to mechanical breakdowns. A bus operator's failure to operate as required results in the Department levying financial penalties against the affected bus operator.

In addition, some of the special infrastructure projects located within this programme experienced poor contractor performance which added to the overall underspending/savings within this programme.

Programme 4: Transport Regulation: This programme experienced contractor delays within its infrastructure projects emanating from on-site challenges relating to soil conditions and community unrests.

Programme 5: Gautrain: The total allocated budget for this programme was increased by approximately R1.2 billion. The increased provincial allocation to this programme was done in order to supplement the payment that had to be effected in relation to a court order instituted against the custodians of the Gautrain Rapid Rail Link project.

Virements/roll-overs

The Department did not roll-over any funding for the 2016/17 financial year.

All year-end shifts and virements were approved by the Gauteng Provincial Treasury. The request for year-end shifts and virements was in the main necessitated by the unforeseen and unprecedented high tariff increase levied by the Government Printing Works for the gazetting of all new applications for public transport operating licences as issued under the functions of Programme 4.

Unauthorised expenditure

The Department has effectively monitored and controlled its spending patterns to ensure the prevention of Unauthorised Expenditure.

- **Related party disclosure**

The Gauteng Department of Infrastructure Development (GDID) paid a sum of R3.831 million on behalf of the Department for office space at 11 Diagonal Street, which accommodates the following Directorates:

- Operating Licensing.
- Public Transport Operations.
- Public Transport Integration and Special Projects.

Furthermore, on 14 March 2017, the GDID entered into a five-year lease agreement on behalf of GDRT. Based on this lease agreement, the head office of the Department will move to 45 Commissioner Street, and the total contract value is estimated at R175.725 million.

- **Future plans of the Department**

The Department is committed towards contributing to the provincial 10 Pillar Programme and achieving the key priorities of its 25 Year Integrated Transport Master Plan (ITMP25). The plans outlined below are some of the key projects which will be implemented to achieve these priorities and its medium term strategic framework objectives.

Green Logistics Indicators (GLI-X)

On 8 February 2017, the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) of the Federal Republic of Germany and the GDRT, representing the GCR, signed a Joint Declaration of Intent to promote, strengthen and further develop co-operation between the two sides in the field of Green Logistic developments through the implementation of joint activities and projects that are identified in this area.

To achieve the objectives of the Joint Declaration of Intent, the two sides declared their willingness to carry out co-operation activities in the development of a GLI-X system as a contribution to the standardisation of activities to the International Standards Organisation (ISO)/Independent Electoral Commission (IEC), and any other related area. The declaration further states that cooperation may take the following forms:

1. Provision of scientific expertise and counselling, in particular from the German side for the joint development of a GLI-X system.
2. Provision of practical fields of urban and regional development in the logistics sector, in particular from the South African side for expert monitoring and empirical research with regard to the joint development of a GLI-X system.
3. Exchange of experiences and best practices.
4. Joint organisation of seminars, workshops and meetings attended by business, scientists, experts, regulators, civil society and others concerned.
5. Exchange of environmental documentation, information and literature related to the areas comprised in Section II of the Joint Declaration of Intent.
6. Co-operation in relevant national and international fora.
7. Encouragement of the cooperation between companies, public and private organisations.
8. Trilateral cooperation.
9. Other forms of cooperation as the two sides jointly intend.

The declaration was signed after role players in the freight industry from Gauteng which included the GDRT, the three metros (the cities of Tshwane, Ekurhuleni and Johannesburg), civic society organisations, private sector organisations and academia in partnership with Nexus, Gesi and BMUB completed the Gauteng GLI-X system, marking a milestone in a new partnership seeking to develop freight in the GCR.

The metropolitan region of Gauteng was selected as the first region to develop and test the GLI-X because of its economic importance in South Africa and the world. Its growing urban population and the rising standards of living require a steady supply of consumer goods. This growth and demand for consumer goods comes with major challenges and dealing with the challenges requires informed, integrated, progressive, measurable and timely interventions in the freight and logistics sector.

The GLI-X which were developed in the first phase of this new partnership will provide a tool for policy-makers and the industry to enable the measurement and quantification of the state of freight logistics in Gauteng in a structured and manageable form, facilitating the monitoring of the success of policies pertaining to freight logistics, without prescribing solutions to ensure openness to innovative approaches.

The next phase of the project requires identification of a metropolitan municipality that will, in partnership with BMUB, Nexus, Gesi and the GDRT, implement identified Freight Pilot Projects within its area of jurisdiction.

The Transport Management Centre (TMC)

The integrated strategic vision for Gauteng province is to provide the entire population with a safe, reliable, affordable, convenient, cost-effective, and environment-friendly transport system in support of strategies for socioeconomic development. International experience has shown that TMCs play a very important role in the management of the total transport eco-system and that the dissemination of information and incidents, with clear key performance targets, greatly improves utilisation and reduces congestion.

As part of the Integrated Fare Management Project (one province, one ticket), the TMC is the focal point for communicating transport-related information to the media and the motoring public; a place where agencies can coordinate their response to transport situations and conditions. The establishment of a TMC will typically take about three to four years and depends on the amount of infrastructure development required.

The critical success factors for a TMC

- Availability of funding (set up, operations and maintenance).
- Policy and procedure development and approvals.
- General traffic flow data.
- System interfaces.

The TMC has capabilities to revolutionise the coordination of traffic, transport and road incidents throughout greater Gauteng province. The project has commenced with the first phase of implementation.

Road Maintenance APP

In pursuance of the Department's objective of preserving the status of the provincial network, the Department is in a process of implementing a new application relating to public participation as part of promotion of the road safety. The application will enable the public to report all concerns relating to roads infrastructure and roads furniture such potholes, roads signs and guardrails. The application implementation is one of the flagship projects of the Premier relating to the Deliverology programme. The application will ensure the Department is able to respond to reported problems in 72 hours and will be launched during October Transport Month 2017.

Gauteng Transport Centre of Excellence Hub

The Department in partnership with the CSIR, the Innovation Hub, the South African National Roads Agency Limited (SANRAL) and universities, will establish a Transport Centre of Excellence. The purpose of the centre is to enhance all the expertise within the Government, research institutions, academia and transport sector institutions. The centre will focus on research on transportation challenges, identify best practice, transport norms and standards, and transport

innovations to address some of the challenges in design, construction and maintenance of transportation infrastructure. In addition, the centre will also prioritise challenges in the public transport environment. The Department has prioritised the development for the establishment of the centre in the 2017/18 financial year.

Online renewal of motor vehicle licenses

The modernisation of the Public Service through the use of information technology is crucial to improve the efficiencies and effectiveness of government programmes. Through information systems, the movement of people around various licensing centres can be minimised as well as costs associated with it and the quality of services be improved through online services to reduce the number of customers visiting the licensing centres. These benefits are derived while the cost of doing business is drastically reduced.

The e-NaTIS National Steering Committee (eNSC) approved the development of certain functionalities on the e-services website to promote the service delivery initiatives of the Department. The services include online renewal of a motor vehicle license, online reservation of a driving license (including learner's license) appointment; online notice of change of title holder, confirmation of vehicle particulars, confirmation of driving license particulars and online checking of personalised and special plates. The Department is engaging the NDoT and the Road Traffic Management Corporation (RTMC) to review and activate functions.

• Public-Private Partnerships (PPPs)

The only PPP agreement registered in the name of the Department is that of the Gautrain Rapid Rail Link Concession Agreement. The PPP concession is with the Bombela Consortium.

In terms of the concession agreement, Bombela Consortium will design, construct, test, commission, operate and maintain the Gautrain under terms and conditions outlined in the concession agreement. The completed Gautrain project was transferred to the Gautrain Management Agency (GMA) in financial year 2012/13. The concession agreement with Bombela Consortium is currently in its sixth year in terms of the operational and maintenance phase.

The Department did not enter into any new PPP agreements for the financial year under review.

• Discontinued activities/activities to be discontinued

None.

• New or proposed activities

None.

Supply chain management

The Department did not undertake in any unsolicited bid proposals for the year under review.

The Department follows the procurement prescripts of National Treasury in its application of supply chain management. In addition, the Department has policies and procedures specifically designed to alleviate the risk of non-delivery on its targets. The procurement system therefore plays a dual role in ensuring that there is compliance to all laws and regulations as well as ensuring that service delivery take place.

Despite these systems, the challenges relating to the utilisation of out-dated bus subsidy and security contracts remain a pitfall in the Department's quest to ensure the non-occurrence of irregular expenditure. In relation to the bus subsidy contracts, the Department, in consultation with both Provincial and National Treasury, are evaluating various options that will enable the Department to effectively dispense with the irregular nature of the services relating to the PTOG. In relation to the security contracts, the Department anticipates that the legal dispute to be settled within the 2017/18 financial year will pave the way for the Department to undertake open tender processes.

On the operation side, the Supply Chain Management Directorate has undertaken a review of its performance management system that gauges the tender administration process. The reviewed system has introduced new efficiencies to ensure tender awards take place much faster, thereby enhancing service delivery. The 2016/17 financial year also saw the implementation of the new Standard for Infrastructure Procurement and Delivery Management (SIPDM) which commenced on 1 July 2016. The uptake although initially slow, has introduced improved planning mechanisms to ensure service delivery takes place at the right time, with appropriate quality.

Gifts and donations received in kind from non-related parties

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash			
None		-	-
Subtotal		-	-
Received in kind			
WSP Group Africa	15x glass & jar at a value of R72.00 each	-	2
Worlds View Academy	Training programme	-	2
Steyn City Properties	Contribution towards construction of Road K46 (William Nicol) Phase 1	-	137 270
Steyn City Properties	Contribution towards rehabilitation of Cedar Road	-	9 023
Directorate: Communications and Media Liaison	Birchwood Hotel (Jazz tickets)	3	-
New Africa Development (NAD)	Contribution towards the construction of Road K54	55 154	-
Subtotal		55 157	146 297
TOTAL		55 157	146 297

- Exemptions and deviations received from the National Treasury**

The Department did not apply for any exemptions or deviations from the National Treasury.

- Events after the reporting date**

As at 31st March 2017 the Department was involved in a court case with two service providers in relation to the lapsed contracts for routine roads maintenance. The judgement on this litigation was granted on the 4th April 2014 in favour of the two services providers (Respondents), of which the Department sought leave to appeal in the High Court of South Africa Gauteng Local Division, Johannesburg. On the 28th June 2017 the full bench dismissed the appeal by the Department and ordered the Department to pay the two service providers. This judgement therefore provides evidence of conditions that existed at the end of the reporting period.

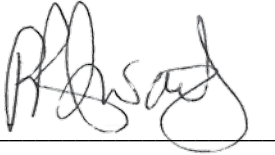
- Other**

None.

- **Acknowledgement/s or appreciation**

The Department conveys its acknowledgement and appreciation to all stakeholders and sector partners for their valuable engagements and support during the financial year, especially in their contribution to the successes and mitigation of challenges experienced during the implementation of the Department's service delivery mandate.

Approval and sign-off



Mr. R. Swartz
Accounting Officer
Department of Roads and Transport
Date: 31 May 2017

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

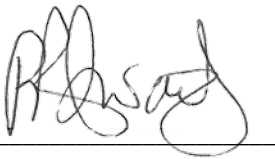
The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year-ended 31 March 2017.

Yours faithfully,



Mr. R. Swartz
Accounting Officer
Department of Roads and Transport
Date: 31 May 2017

6. STRATEGIC OVERVIEW

6.1 VISION

A modern, integrated, efficient and sustainable transport and road infrastructure system in Gauteng.

6.2 MISSION

To facilitate and provide an integrated transport system that:

- Is reliable, accessible, safe and affordable.
- Promotes seamless mobility and social inclusion.
- Is environmentally sustainable.
- Supports industrialisation and radical socio-economic transformation.

6.3 VALUES

The GDRT is guided by the following values:

CORE VALUES/PRINCIPLES	
Innovative	Continuously exploring new and creative methods to improve and fast-track service delivery.
Good governance	Facilitate an inclusive government that ensures integrity, transparency, accountability, and trustworthiness.
Team work	Promote consultation, accessibility and cooperation in our activities.
Professionalism	Ensure high level of competence, efficiency, and good work ethic in executing our duties.
Commitment	To remain dedicated in rendering high quality services to the citizens.
Ethical	We commit to be principled, fair and just in our conduct and in service to the people of Gauteng.
Responsiveness (activist)	Our staff will be proactive, approachable, receptive, and be quick to respond to needs of the citizens.

7. LEGISLATIVE AND OTHER MANDATES

The Constitution of the Republic of South Africa (1996) grants all provinces with concurrent competencies. The Department's mandate is derived by the following list of National and Provincial laws and policies:

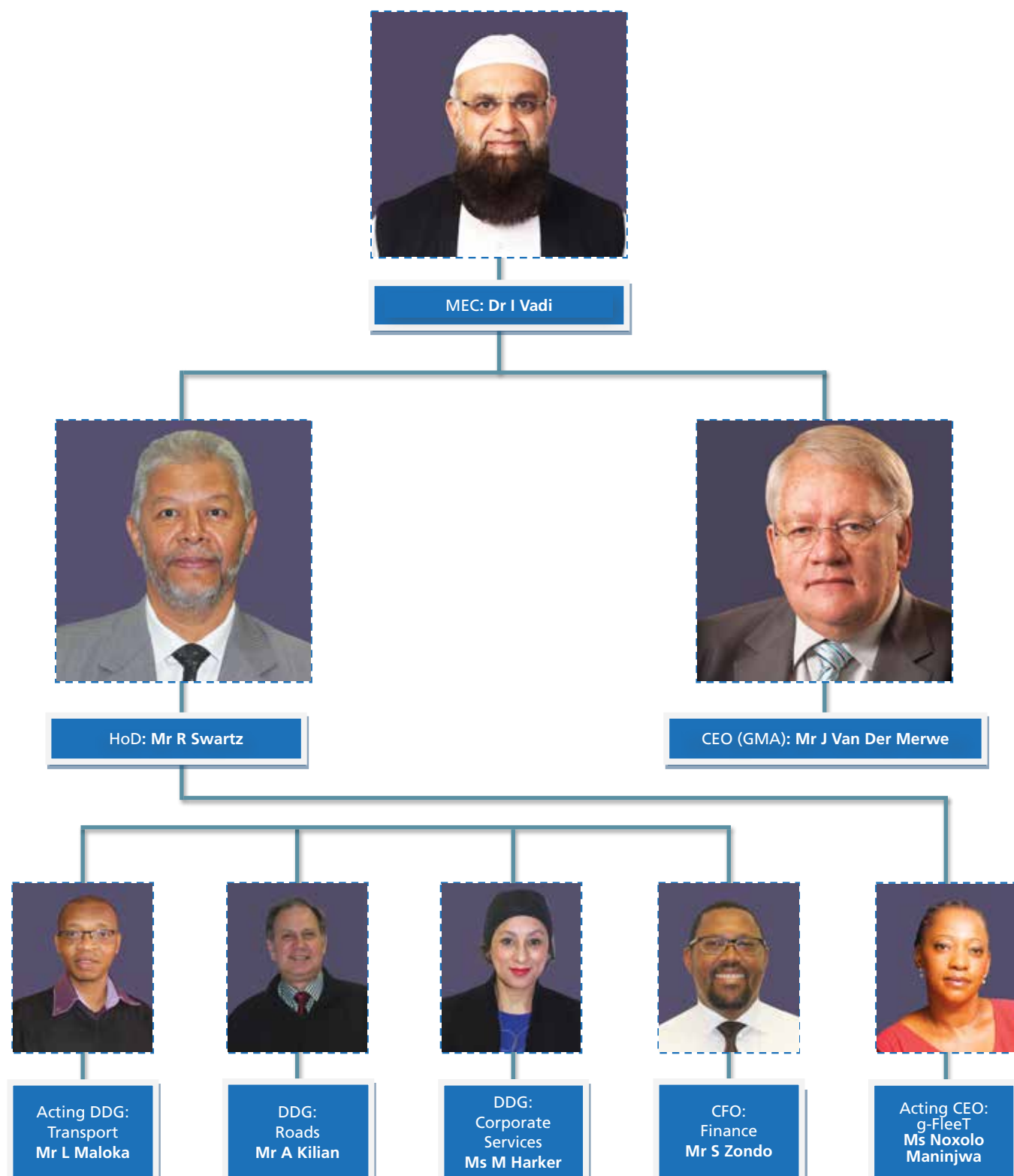
National policy and legislative mandates

Legislation	Act/Policy
Administrative Adjudication of Road Traffic Offences (AARTO) Act	Act 46 of 1998
Advertising on Roads and Ribbon Development Act	Act 21 of 1940
Construction Industry Development Board Act	Act 38 of 2000
Creating an Enabling Environment for Reconstruction and Development in the Construction Industry	White Paper
Cross-Border Road Transport Act	Act 4 of 1998
Deeds Registration Act	Act 47 of 1937
Division of Revenue Act (DORA)	Act 1 of 2010
Environmental Conservation Act	Act 73 of 1989
Government Immoveable Assets Management Act	Act 19 of 2007
Inter-Governmental relations Act	Act 97 of 1997
National Land Transport Act	Act 5 of 2009
National Land Transport Strategic Framework	Act 22 of 2000
National Road Traffic Act	Act 93 of 1996
National Road Traffic Safety Act	Act 12 of 1972
National Transport Policy	White Paper
Public Finance Management Act	Act 1 of 1999
Road Traffic Act	Act 29 of 1989
Road Traffic Management Corporation Act	Act 20 of 1999

Provincial policy and legislative mandates

Legislation	Act/Policy
Gauteng Planning and Development Act	Act 3 of 2003
Gauteng Road Infrastructure Act	Act 8 of 2001
Gauteng Transport Framework Revision Act	Act 8 of 2002
Gauteng Transport Infrastructure Act	Act 8 of 2001
Gauteng White Paper on Transport Policy	White Paper
Gautrain Management Agency Act	Act 5 of 2007
Provincial Road Traffic Act	Act 10 of 1997

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency (GMA)

The GMA is a Schedule 3C public entity that is under the oversight of the MEC for Roads and Transport. The MEC is the Executive Authority of the GMA and the GMA Board is the Accounting Authority as contemplated in the PFMA (1996). The GMA Board is appointed by the MEC.

Name of entity	Legislative mandate	Financial relationship	Nature of operations
GMA	<p>The GMA has been established in terms of the GMA Act (2007) and listed under Schedule 3 (c) of the PFMA (1996) as a provincial public entity.</p> <p>National policy and legislative mandates:</p> <ul style="list-style-type: none"> • PFMA (1999). • Environmental Conservation Act (1989). • National Railway Safety Regulator Act (2002). • National Treasury Regulations. • Division of Revenue Act (2010). • Consumer Protection Act (2008). <p>Provincial policy and legislative mandates:</p> <ul style="list-style-type: none"> • Gauteng White Paper on Transport Policy. • Gauteng Transport Framework Revision Act (2002). • Gauteng Transport Infrastructure Act (2001). • Gauteng legislation on Development Planning. • GMA Amendment Act (2008). • Provincial Growth and Development Strategy (PGDS). • Gauteng Spatial Development Perspective. 	The GMA receives its MTEF funds through the Department's vote.	The main objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project.

The Gautrain Rapid Rail Link is a state-of-the-art rapid rail network for Gauteng with two separate services linking Tshwane (Pretoria) and Johannesburg, and OR Tambo International Airport and Sandton. There are ten stations, linked by 80kms of rail, along the route.

The GMA was established in terms of the GMA Act (2006) to manage the implementation of the project and the relationship with the concessionaire, Bombela Concession Company (Pty) Ltd.

The Gautrain is primarily aimed at providing and optimising an integrated, innovative public transport system that enables and promotes the long-term sustainable socio-economic growth of Gauteng. It is also part of a broader vision to industrialise and modernise the region, including a commitment to creating and sustaining an integrated culture of public transport use.

The GMA strategy promotes alignment to the outcomes-based approach of the Gauteng Medium Term Strategic Framework (MTSF) as well as at national sector level. The GMA strategy is also aligned to relevant points of the Gauteng Premier's initiative to bring about transformation, modernisation and re-industrialisation of Gauteng over the next five to fifteen years. To give effect to these strategic provincial initiatives and to continue in its mandated role related to the current Gautrain concession, the strategy of the GMA is to continue managing, co-ordinating and overseeing the operation and maintenance of the Gautrain Project and to plan and implement the extension of the System to accommodate future demand and new services as identified in the 25-Year Integrated Transport Master Plan (ITMP25) for Gauteng. The GMA Board is committed to ensuring that the Gautrain operates in a sustainable manner with a clear commitment to governance and in support of Provincial Government's economic and social imperatives.

The 2016/17 financial year saw an overall increase of 1% in the number of passenger trips from the previous financial year with the number of trips reaching 15 612 070 for the year.

Contributing to this growth was the General Passenger Service (GPS) at 2.08% annual growth. The Airport Passenger Service (APS) however, had an annual decline of 7.67%. This decline occurred as competition for passengers travelling to and from the airport by way of e-hailing services increased. The GMA and Bombela are actively introducing marketing and value-adds services to address the decline. A zero percent increase in airport service fares for the next year was passed in order to improve price competitiveness on the airport service.

The Dedicated Feeder and Distribution Services (DFDS or bus services) reached a steady state with growth of 3, 45% when compared to the previous financial year. In absolute terms, the Gautrain carried 15,612,070 train passengers and 5,126,673 bus passengers in the year under review. The table below sets out the detail.

Table 1: Passenger trips per financial year

Service type	Rail			DFDS
	Airport	General passenger	Total	Bus total
15/16 financial year	1 798 079	13 667 447	15 465 526	4 955 916
16/17 financial year	1 660 184	13 951 886	15 612 070	5 125 673
% change	-7.67%	2.08%	0.95%	3.45%

The operational efficiency provided by the operator and the concessionaire met and exceeded targets of availability and punctuality at an average availability of 99.5% and an average punctuality of 98.6% for all trips scheduled for the financial year.

Safety and security targets were also met and exceeded, increasing customer confidence in the Gautrain and in public transport in general. The safety of passengers and the system remained at excellent levels.

Fare evasion was well below the required level and did not exceed 0, 02% in any month.

The Gautrain currently has midi-bus operations at Marlboro, Sandton, Centurion and Hatfield stations that are operated by various local taxi associations. These operations transport more than 13,000 commuters on a monthly basis which increases the train ridership. The GMA implemented three new operations during the financial year at Centurion and Hatfield Stations.

The Patronage Guarantee for the financial year was R1 342 163,001 (cash basis). The expansion of the capacity within the current system and the ongoing marketing of the services remain a priority for the GMA.

The adoption of an Enterprise-Wide Risk Management System marked a transition into a more mature system with a clear allocation of responsibilities across the Board and Committees, management and employees. The GMA Board recognises risk management as an integral part of responsible management and the process is fully outlined in the Risk Management Framework, as well as in the policy and procedures.

From a Socio-Economic Development (SED) perspective, all targets were met and most were exceeded. SED directly demonstrates the benefits of the Gautrain in terms of shareholding by black persons and black women, procurement, sub-contracting and employment equity elements.

The GMA committed significant resources to planning and implementing extensions and expansions to the current Gautrain network. In terms of implemented expansions to the current Gautrain system, infrastructure assets to a value of R104 million were added in this financial year, with R163 million of work in progress. These consist primarily of additional parking areas at stations and addition to the ticketing system that will allow access to any passenger with an EMV-compliant debit or credit card. The acquisition of train, depot and signalling assets worth R4,0 billion is already in the procurement process and will add to the sustainability and operational efficiency of the Gautrain.

The feasibility study for the extension of the Gauteng Rapid Rail Network was completed in November 2016 in accordance with Treasury Regulation 16. The GMA, on behalf of the GDRT, presented the feasibility study with the preferred network scenarios to stakeholders and submitted the report to Provincial Treasury which in turn submitted it to National Treasury for Treasury Approval 1. It is clear from the feasibility study report that the project is feasible, that certain legislative changes are required to the GMA Act (2007) and alternative forms of funding be investigated to address the Gauteng public transport needs as well as the transport congestion challenges.

In terms of human capital, the GMA holds 80 filled positions over 90 available.

All Information Communication Technology (ICT) strategic initiatives planned for the 2016/17 financial year were completed. The ICT Unit, who ensured a 99.79% uptime rate for critical business systems, embarked on projects that allowed the Agency to function in a seamless, secure and reliable manner while allowing for organisational knowledge to be preserved and shared.

The GMA Knowledge Management Unit, responsible for Document Control, Records Management, GMA Central Registry and Knowledge Management, developed a Document Retention Plan and formulated case studies, knowledge videos and podcasts. These ensure that learnings are captured and shared across the Agency and with other stakeholders in the public transport sector.

Numerous communication and marketing initiatives targeted at potential and current users of the Gautrain were undertaken and resulted in an overall perception score of 89%. Respondents positively associate the Gautrain with convenience, reliability, professionalism and safety.

From a corporate social responsibility perspective, the GMA continued with a range of Social Investment Programme (SIP) initiatives including awarding funds to 33 beneficiaries. Monitoring and evaluation processes are in place. A second round of SIP funding applications were received at the end of March 2017 from higher educational institutions and are currently being evaluated.

The complete report for the Gautrain project is contained in the Integrated Annual Report of the GMA.

g-FleeT Management

g-FleeT Management is a trading entity of the GDRT and is under the oversight of the Head of Department (HoD). The entity is managed by the Chief Executive Officer (CEO).

Name of entity	Legislative mandate	Financial relationship	Nature of operations
g-FleeT Management	<ul style="list-style-type: none"> • PFMA (1996). • Treasury Regulations. • Treasury practice notes. • Public Service Act (Act 103 of 1994). • Public Service Regulations. • Cabinet Memorandum of 1988. • Transport Circular 4 of 2000. • National Road Traffic Act (NRTA, 1996). 	g-FleeT Management is a trading entity of the Department and was formally known as the Government Motor-Vehicle Unit.	The entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilisation of government-owned transport and related transport.

The complete annual report for the g-FleeT Management is included at the end of this annual report.



PART B

Performance Information

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 153 to 157 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The Department experienced some challenges in respect of service delivery. These are outlined below:

(PRASA) and AECOM contractual dispute resulted in delays in the Vereeniging Intermodal Facility project completion. The Department is liaising with AECOM to supervise the contractor directly to facilitate the completion of the project.

The Department experienced challenges in completion of projects as a result of community unrests. Continuous engagements with ward councillors and stakeholders are being undertaken to address issues impacting on project delivery.

Road infrastructure projects were delayed due to non-cooperation from Rand Water, Eskom and Telkom in relocating services within provincial road reserves. The Department will apply for removal of services during the preliminary design phase.

The Government Printing Unit increased the price of printing face-value documents and gazetting, which impacted negatively on the issuance of operating licenses. The Department is liaising with Government Printers on the new pricing system.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN (SDIP)

The Department has completed a SDIP. The tables below highlight the SDIP and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Testing and issuance of driver and learner licenses.	Aspirant drivers.	Testing and issuance of learner licenses completed within 2 hours.	Testing and issuance of learner completed within 90 minutes.	Testing and issuance of learner licenses completed within 2 hours.
		Testing and issuance of a driving license (temporary) completed within 1 and half hours.	Testing and issuance of a driving license (temporary) completed within 1 hour and 20 minutes.	In the majority of cases licenses are issued within the standard. However, there were also instances where driving licenses were issued a day or more after the test.
		The driving license card to be ready for collection within 4 weeks.	The driving license card to be ready for collection within 3 weeks.	Issued within standard, but between April and July, there were delays in terms of card collection due to the change from one service provider to another.
Testing of vehicles and issuance of road worthy certificates.	Vehicle owners and road users.	Testing of motor vehicles and issuance of road worthy certificates completed within 1 hour.	Currently, in the process to develop service standards together with NDoT. Testing of a vehicle for roadworthy varies in terms of the size of the vehicle.	Testing of motor vehicles and issuance of road worthy certificates varies, but at maximum it takes 1 hour.
Abnormal and heavy vehicle travel demand service.	Road freight industry, engineers, law enforcement agencies, infrastructure planners and general public.	1 work day per permit.	Two work days per permit.	1 work day per permit.
Road traffic travel demand information service.	Property development industry, infrastructure development industry and public.	Survey provincial annual road traffic.	Management of annual provincial road traffic data.	Management of annual provincial road traffic data.

Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Forums	Establishment of committees.	Held consultations through the Gauteng Freight Forum, Gauteng Rail Committee and the Integrated Transport Plan Committee to address transport needs in Gauteng.
Social facilitation	Stakeholder consultation.	Informed customers, community members and other staff members.
Media networking sessions	Informed public.	Improved image and informed public.
Publications, including newsletters	Informed public.	Informed internal and external stakeholders.
Infrastructure planning	Informed infrastructure planners.	Providing updated and accurate provincial traffic data.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Monthly, quarterly and Annual Report	Intranet, website and database.	Informed internal and external stakeholders.
Brochures, posters, newsletters and leaflets	Intranet, website and database.	Informed internal and external stakeholders.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Telephone	All complaints received to be handled.	All complaints received were handled.
E-mail	All complaints received to be handled.	All complaints received were handled.
Letters	All complaints received to be handled.	All complaints received were handled.
Walk-in	All complaints received to be handled.	All complaints received were handled.
Meetings	100% satisfied clients.	100% satisfied clients.
Social media	All complaints received to be handled.	All complaints received were handled.

2.3 ORGANISATIONAL ENVIRONMENT

2.3.1 Department of Roads and Transport programme structure

The Department's programme structure is defined by National Treasury. The programme structure encompasses 4 programmes together with respective sub-programmes. The table below provides the description of the programme structure:

Programme	Sub-programme
Administration	Office of the MEC
	Management of the Department
	Corporate Support
	Departmental Strategy
Transport Infrastructure	Infrastructure Planning
	Infrastructure Design
	Construction
	Maintenance
	Programme Support Infrastructure
Transport Operations	Public Transport Services
	Programme Support Operations
Transport Regulation	Transport Administration and Licensing
	Operator License and Permits

The significant developments that impacted on the Department are as outlined below:

The Operating Licenses Administration System (OLAS), which is utilised for the issuance of public transport operating licenses, experiences consistent slowness and downtime, resulting in delays in the issuing of public transport operating licenses. This has resulted in the Department commencing with the process of procuring a Provincial Registration and Operating Licensing System that will address the challenges currently encountered.

The challenges experienced by Departmental officials relating to labour and organisational health and safety issues culminated in strike action. The impact of the action resulted in service delivery disruptions during the strike. The Department put in place mitigation plans to address the service delivery disruptions and reduce the impact to the public.

Functionality of the Live Capturing Units (LCUs) – are slow and some are broken as these were to have been replaced by 2015 by the national DoT through the Driving License Card Account (DLCA) trading entity. The DLCA is mandated to provide and maintain the LCU infrastructure. The following transactions require the use of LCU:

- Taking a learner's test.
- Duplicate learner's license.
- Taking a driver's test.
- Renewal of driver's license.
- Application for conversion of license.
- Application for PrDP.

The Department is engaging with the NDoT on the problems experienced with the e-NATIS and the disruptions experienced in service delivery.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Legal framework for Gauteng Transport Authority

The Department has submitted amendments to the National Land Transport Act (NLTA, 2009) to Parliament. The submission was completed for the inclusion of amendments for enabling the establishment of transport authorities in provinces. However, the amendment Bill was approved and these were not included. The PCF has signed a declaration of intent to establish a Gauteng Transport Authority (GTA). The declaration was signed by mayors and the Premier. The CSIR has been assigned the process of finalising a business case which will be utilised to draft a provincial policy.

Proposed draft amendments to the NLTA regarding the establishment of the Gauteng Transport Authority

Proposed amendments to the NLTA were collective inputs agreed upon with legal representation and attending Mayoral Committees. These were submitted to Parliament for consideration along with the existing NLTA amendments. The Department presented amendments relating to the powers and functions of provinces and local authorities in sections 11 and 12 of the Act, as well as section 15 at the Transport Portfolio Committee. However, the Amendment Bill has not reached finality in the financial year under review.

Amendment of the GMA Act (2006)

The purpose of the amendment is to broaden the statutory mandate of the GMA.

The following has been achieved under the amended Bill:

- Certification by the State Law Advisor.
- Publication of the certified amended Bill in the Government Gazette for public comments.
- Placement of notices in three newspapers (Beeld, Sowetan and The Star) using four different languages (Sepedi, English, Afrikaans and IsiZulu) calling for public comments.
- Translation of the amended Bill into three languages (Sepedi, Afrikaans and IsiZulu).
- Introduction of the amended Bill at the Gauteng Provincial Legislature.

The Department envisages the adoption of the Bill by the Provincial Legislature in the 2017/18 financial year.

Motor vehicle licence fees

Tariff review legislative context

The National Road Traffic Act (NRTA, 1996) stipulates that the fees payable in respect of any application or request made, or document issued in terms of this Act, or any other matter referred to in the Act, shall be determined by the MEC of each province. In addition, Treasury Regulation section 7.1.3 requires the Accounting Officer of an institution to review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. To comply with this legislation, the MEC promulgated the Motor Vehicle Licence Fees Regulations, 2016.

• The tariff review process

A draft notice detailing the new fees and implementation dates thereof was submitted to the State Law Advisor for certification. The notice was published in the Provincial Gazette giving the general public 30 days to comment. The notice was tabled before the legislature as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, (GSSLA, Act 5 of 2008). Thereafter, recommendation was received from Provincial Treasury and approved by the legislature for publication and implementation.

3. STRATEGIC OUTCOME-ORIENTED GOALS

The Department has developed the following outcome-oriented goals to drive its strategic vision.

Strategic outcome-oriented goal 1	A modern integrated public transport system that provides customer-centric transport services.
Goal statement	To provide a public transport system that meet commuter expectation of accessibility, reliability, safety, affordability and sustainability
Justification	To enhance the competitiveness of the GCR
Links	NDP, PGDS, Gauteng Vision 2055
Sub-outcome	Integrated and regulated public transport and freight service
Key priorities	Establishing the Gauteng Transport Authority
	<ul style="list-style-type: none"> Province-wide integrated ticketing Integrated passenger information and communication Integration with the commuter rail corridor modernisation project of PRASA Restructuring of subsidised road-based public transport Corporatisation of the taxi industry Access to major freight nodes Regulation and enforcement of public transport and freight

Strategic outcome-oriented goal 2	Strategic economic transport infrastructure that stimulates socio-economic growth.
Goal statement	A sustainable, well maintained, balanced road infrastructure that contributes to increased socio-economic growth and accessibility for communities
Justification	To promote economic growth, development and land use
Links	Spatial Development Plan, Provincial Infrastructure Master Plan, Municipal Infrastructure Development Plans (IDPs)
Sub-outcomes	Optimum utilisation of existing and new transport infrastructure
Key priorities	<ul style="list-style-type: none"> Travel demand management, less congestion and shorter travel time Non-motorised transport providing pedestrian paths and cycle ways Continued provincial-wide mobility Effective management of existing transport infrastructure Intelligent transport system – use of technology to enhance travel management

Strategic outcome-oriented goal 3	A modern, accountable and development-oriented Department.
Goal statement	A customer centric organisation that is service-oriented, accountable to stakeholders, compliant with regulatory frameworks and resourced with competent socially conscious human capital
Justification	An effective governance and management environment that ensures accountability to stakeholders
Links	PFMA, PSA, BCA, SDA, LRA, PAJA, PAIA, Chapter 9 Institutions
Sub-outcome	An organisation complying with all its financial, administrative and regulatory responsibilities
Key priorities	<ul style="list-style-type: none"> Institutionalise good governance systems Enhance the performance managements systems to deliver effective services Automation of business process towards efficiencies Establishment of a Departmental training and developmental centre (Zwartkop) Develop a knowledge portal that ensures sustainability of institutional memory Establish a comprehensive human resource management system Enhance the contract management system Creating an external and internal regulatory environment

4. PERFORMANCE INFORMATION BY PROGRAMME

This section outlines the progress by the Department in the achievement of the strategic objectives as outlined in the Annual Performance Plan 2016/17.

4.1 PROGRAMME 1: ADMINISTRATION

Purpose

The purpose of the programme is to conduct the overall management and administrative support function to the Office of the MEC and the Department.

Objectives of the programme

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 development. It comprises of the following sub-programmes:

List of sub-programmes:

- Office of the MEC.
- Management of the Department.
- Corporate Support.
- Departmental Strategy.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective 1: To achieve good governance and accountability in the management of state resources.

In an effort to obtain a clean audit, the Department continued with the following:

- **Open tender procurement**

The tender process dominates the procurement methods utilised by the Department in the procurement of its goods and services. In excess of 80%, the Departments' procurement occurs via the tender process. In addition to the generic approach to the tender process, the Department has been engaged in the provincial "open tender" process which serves to improve on the transparency and fairness at which tenders are awarded. The process requires all tenders in excess of a R50 million threshold to be subjected to a detailed probity audit and public adjudication. The Department has utilised the "open tender" process in tenders amounting to R2.6 billion during the financial year 2016/17.

- **Supply Chain Management (SCM) tenders**

The Department has been actively driving the procurement processes to ensure the successful implementation of all projects. Capacity challenges, together with avoidable inefficiencies within the procurement processes, remain a risk to the timeous awarding of tenders. This will be addressed through the adoption of the Infrastructure Delivery Management System (IDMS). The IDMS system will allow the Department to identify which infrastructure delivery processes will require increased procurement capacity. The Department has also undertaken a review of the tender performance management system to manage the tender administration process more efficiently.

Strategic objectives

Programme: Administration					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Finance					
Provincial indicators					
Clean audit report.	0	1 clean audit report 2015/16.	0	1	The Department received an unqualified audit opinion with two emphases of matter due to material findings on the audit of predetermined objectives.
Material under-spending of the budget.	Tolerable under-expenditure of 3% of the allocated budget.	Tolerable under-expenditure of 3% (R218, 991, 000) of the allocated budget.	Tolerable under expenditure of 1% (R111, 350, 000.00) of the allocated budget.	2	The Department continuously aims to improve this target by spending more of the allocated budget to ensure that there is increased service delivery. There was high performance of projects within the maintenance programme that resulted in more payments being made, and was reduced.

Performance indicators

Programme: Administration					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Finance					
Provincial indicators					
Percentage of tenders awarded within 90 days.	50%	100%	51.75%	48.25%	Tender applications received were substantially more than expected, resulting in a protracted evaluation process. Also, multiple bills of quantities were packaged into tenders.

Programme: Administration					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Finance					
Provincial indicators					
Percentage of B-BBEE expenditure awarded to historically disadvantaged individuals (HDIs).	104.31%	80%	102.25%	+22.25%	Successful implementation of learner programmes in the development of contractors in the construction industry.
Percentage of B-BBEE expenditure awarded to women.	14.75%	30%	20.38%	9.62%	Limited participation of women in the road construction and maintenance industry.
Percentage of B-BBEE expenditure awarded to youth.	11.59%	10%	12.26%	+2.26%	Successful implementation of learner programmes in the development of youth contractors in the construction industry.
Percentage of B-BBEE expenditure awarded to People with Disabilities (PwDs).	4.82%	5%	0.75%	4.25%	Limited participation of PwDs in the road construction and maintenance industry.

Strategic objective 2: To capacitate the organisation with the required competencies.

Human capital development

In an effort to capacitate the Department, 26 critical and technical posts were advertised. There were 17 new appointments, 11 promotions, 2 transfers and 2 translations during the year under review. The Department acquired technical capacity of one (1) Chief Engineer and one (1) Chief Professional Surveyor. Two (2) additional Chief Engineer positions were advertised during the 2016/17 financial year.

- Employee health and wellness**

In compliance with the Occupational Health Safety Act (OHSA, Act 85 of 1993) which stipulates the working environment should be free of hazards that will be detrimental to employees, the Department conducted training for 104 employees in firefighting, first aid, health and safety.

To promote health and wellness, the Department commemorated health calendar days including the hosting of a Candlelight Memorial, Cancer Awareness, World AIDS Day and commemorated the 16 Days of Activism on No Violence against Women and Children. A total of 318 employees participated in these events. A total of 250 Independent Electoral Commission (IEC) materials were distributed and electronic messages on various health related topics in accordance with the national health calendar were distributed to employees. 30 Departmental peer educators participated in the National World AIDS Day commemoration. In addition the Department has also conducted 20 health screening sessions and 880 employees attended. A 24-hour counselling service was made available to all employees.

- **Skills development**

The Department trained 307 employees in the following programmes:

- Compulsory Induction Programme (CIP).
- Basic Project Management.
- Advance Project Management.
- Financial Management.
- Promotion of Administrative Justice Act (PAJA).
- Materials Testers Course (MTC) Aggregates.
- Excellent Customer Service.
- International Association of Public Transport (UITP).
- Coaching and mentoring training.

Career development

The Department afforded 20 former Adult Basic Education and Training (ABET) learners an opportunity to acquire a qualification through a pilot project for a learnership programme. The Certificate in Business Practices NQF level 1 replaced the ABET programme in the financial year 2014/15. Upon completion, learners progressed and registered for a National Certificate in Public Administration NQF Level 3 and were found competent in the financial year 2015/16. A total number of 15 learners were competent and able to advance to NQF level 4 FETC - Public Administration.

The Breaking Barriers training was embarked on as a pilot project for interns to familiarise new entrants in the Public Service domain. A total of 66 interns were trained.

Zwartkop Training Centre

The Zwartkop Training Centre aims to meet the requirement of the Department to facilitate skills development interventions for Departmental employees, unemployed youth, small businesses, women and Persons with Disabilities (PwDs) through construction unit standard based training programmes. The centre and training programmes need to be accredited with the relevant CETA. Therefore, the Department received its accreditation from the Construction Education Training Authority (CETA) on the 9 January 2017.

Facilities Management

- **Head Office**

The Sage Life Building (Head Office) is experiencing Occupational Health and Safety (OHS) issues which include water challenges. The water challenges were resolved during the year under review. Due to the other identified OHS issues which could not be resolved at the current building, the Department has identified 45 Commissioner Street as a new building for head office. The relocation to the new building will be undertaken during the financial year 2017/18.

Records management

The Department is continuing with renovations of the Records Management centre at Polly Street. Temporarily, the records are stored at Koedoespoort until renovations are completed. Records of historical or enduring value (A20 and A30) will be moved to the Provincial Archives Repository for permanent preservation and storage.

New regional office established for the Roads Branch

The Department is continuously focused on improving its service delivery to communities. Therefore, it commenced with the investigations for establishing a new regional office to service the Johannesburg Metropolitan area. The Krugersdorp region is currently servicing five municipal areas, including the Johannesburg Metropolitan with more than 1000kms of roads to be maintained. To improve the efficiency and effective of service delivery to these areas, the establishment of the new regional office is under consideration. This investigation will be concluded in the financial year 2017/18.

Strategic objectives

Programme: Administration					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Corporate Services					
Provincial indicators					
Approved Departmental Human Resource Development (HRD) Implementation Plan submitted to DPSA annually.	Departmental HRD Plan approved and submitted.	Approved Departmental HRD Implementation Plan submitted to DPSA annually.	Approved Departmental HRD Implementation Plan submitted to DPSA.	-	-
Job Access Strategic Framework Implementation Plan submitted to DPSA annually	Job Access Strategic Framework Implementation Plan submitted to DPSA.	Job Access Strategic Framework Implementation Plan submitted to DPSA annually	Job Access Strategic Framework Implementation Plan submitted to DPSA.	-	-
Gender, Youth and People with Disabilities (GEYODI) Equality Strategic Framework Implementation Plan submitted to DPSA annually.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA annually.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA.	-	-
Approved Annual Human Resource Planning Implementation Report submitted to DPSA annually.	Approved annual HRP Implementation Report completed.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA annually.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA.	-	-
*New indicator					

Performance indicators

Programme: Administration					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2016	Comment on deviations
Corporate Support					
Provincial indicators					
Number of employees in designated categories that have undergone compulsory training programme.	1, 269	750	804	+54	Addressing Departmental backlog on the Compulsory Induction Programme (CIP).
Number of interns and learners.	68	70	92	+22	Departmental external bursary holders who completed the qualifications were placed as interns for workplace exposure as per the service obligation contract. Learners from the ABET programme progressed to the NQF level 4 Public Administration Learnership Programme.

Strategic objective 3: To achieve an 80% customer satisfaction level by 2019.

Communications and Media Liaison

In order to promote the Department's mandate of providing transport and road infrastructure service that is reliable, accessible and safe, the following projects were launched through the integrated events management programme:

- **P39/1 Diepsloot to Laudium**

The objective of the event was to launch P39/1 (R511) and celebrate the service delivery achievement. The rehabilitation of P39/1 benefited the local community where training for construction management processes was provided and certificates awarded.

- **Official opening of Germiston TOLAB**

The Department is mandated to establish TOLABs in regions which are "one-stop service centres" aimed at bringing government services closer to communities. This is aimed at promoting government initiatives to ensure efficient licensing services. The Department officially opened the Germiston TOLAB on 20 April 2016.

- **Official opening of R82 (Old Vereeniging Road)**

The objective of the event was to launch R82 and celebrate the service delivery achievement. The upgrading of R82 benefited the local community members where training for construction management processes was provided and certificates were awarded.

- **Official launch of P4/1 (R103)**

The objective of the event was to launch P4/1 and celebrate the service delivery achievement. The upgrading of P4/1 benefited the local community members where training for construction management processes was provided and certificates were awarded.

- **R42 sod-turning (P41/1)**

The road maintenance projects include repairing and surfacing of R42 between Heidelberg and Springs. The project was well-executed and supported by key stakeholders. It is envisaged that through the project, local labour will be sourced from affected communities.

- **D1944 sod-turning (Rust Der Winter)**

The event was well attended by the MEC, officials; local councilors and community members. It is envisaged that through the project, local labour will be sourced from affected communities.

- **Cedar Road, phase two sod-turning (D1027)**

The event was well profiled in the media and attended by MEC; Community members; local Councilors. Community members are to benefit from training and local labour opportunities.

- **Shovakalula project**

The Department donated 100 bicycles to deserving learners who travel long distances to schools. The project was well received by the schools; Lethabo Siyanqoba and Bertha Gxowa primary schools (Rotanda).

- **Departmental Transport Events**

In addition to the above, the following events were held:

- Uber official registration as a public transport entity – regulation of Uber partner-driver as public transport entity.
- Gauteng Career Opportunities Exhibition in partnership with GCR academy.
- Budget vote presentation at the Gauteng Legislature.
- Internal Youth Month celebration – Spin Jozi promoted Youth Month through an initiative of learning and visiting various historic and public transport sites within the City of Johannesburg.
- The Youth Summit in partnership with National Department of Transport and Gauteng Department of Community Safety was intended for the youth to organise and serve in the Road Safety programmes.
- A Minibus/Taxi Outreach Programme aimed at addressing issues relating to fast tracking outstanding licensing applications that meet compliance requirements were held in Westrand, Sedibeng, Ekurhuleni, Tshwane and Johannesburg municipalities.
- A Minibus Taxi Ntirhisano event (summit) was held to foster partnerships between the mini-bus industry and government to work towards a safe, accessible, reliable, affordable provision of public transport services in the province.

- Women in the Minibus Taxi Industry Networking Session addressed issues such as current and future business opportunities in the transport Industry, as well as challenges and possible solutions faced by women in the industry.
- Departmental Womens Month Colour Fun Run is a team building exercise aimed at celebrating milestones that women have overcome in relation to struggles they still face today.
- Back to Basics Roadshows' main objective was to promote the notion of an activist government as part of building a capable and developmental State.

The dimensions of the approach included the following:

- ✓ Putting people first (Batho Pele principles).
- ✓ Delivering on basic services.
- ✓ Good governance.
- ✓ Sound financial management.
- ✓ Building capacity.
- An Anti-Corruption media briefing aimed at creating awareness on investigations that the Department will undertake for the DLTCs and Registering Authorities (RAs).
- The RAs' information sharing campaign in partnership with the RTMC held at the following DLTCs: Kempton Park RA; 6 Westlake Avenue; Florida; Roodepoort, Bronkhorstspuit; Vereeniging RA; Xavier DLTC and Benoni.
- The UATP "Go Green, Go Smart" Conference aimed at promoting integrated transport operations and safety, mitigating congestion and encouraging modal shifts.
- Signing of the declaration of intent with Germany - The joint declaration seeks to advance and expand frontiers of green logistics and mobility, particularly relating to freight sector in the GCR.

October Transport Month Campaign, 2016

This aimed at promoting public transport utilisation in Gauteng. The Department executed the following activities and launches:

- **The national launch:** entailed a community event and official handover of the rehabilitated P54/1 between Matooster and Ruighoek and was hosted in collaboration with the North-West Department of Public Works, Roads and Transport entities.
- **The provincial launch:** involved the demonstration of the effectiveness of public transport in Gauteng through the live traffic reporting commencing from Johannesburg station to Bosman Street. The activities also included the showcase of the electric vehicles charging buses/cars and official opening of the Centurion Electric Car Power Station in City of Tshwane.
- **Traffic Free Fridays:** an initiative which encouraged the use of public transport, lift -clubs and cycling among participants and Departmental employees.
- **Gauteng Cycling Indaba:** an open forum which included Departmental cycling stakeholders and the Netherlands Embassy dedicated to knowledge exchange and co-creating solutions to optimise cycling in the province.
- **Koma Road Safety Workshop:** the initiative was aimed at outlining an integrated stakeholder base in addressing road safety issues along Koma Road in Soweto.
- **Sod-turning project:** Promoting a project for light rehabilitation of road D904 between Road R82 and Evaton. The project was profiled in the media and received well by community members.
- **Fair Pay Ticketing Launch:** The launch of an electronic payment solution is an initiative by Taxi Choice, the empowerment arm of SANTCO which aims to transform the industry from a cash base fare collection to the card.
- **Media Networking Session** – A live networking session with the media, entitled "Talk to the MEC" was held. The event was hosted by Power FM and attracted both print and electronic journalists. The platform also afforded the MEC an opportunity to engage with Power FM listeners on a number of transport issues.

- **Activations at provincial DLTCs (Mabopane; Langlaagte; Maponya; Xavier) in partnership with Road Traffic Management Corporation (RTMC):** The initiative afforded a two-way interactive communication process with public and stakeholders where information on services was offered (TOLABs/ Fraud and Corruption/ Operating License/ Motor Vehicle Registration and Licensing)
- **Transport career expo for high school learners in three regions around Gauteng (Sedibeng; Tembisa and Soweto):** Public transport was promoted as a career choice in partnership with University of Johannesburg; Wits Business School; Prasa and Gautrain.
- **Leaders in Urban Transport Training Programme:** - Skills training opportunities were created for Departmental senior and middle managers in the Transport Branch. The workshop was well attended by senior managers and officials in the Transport Branch.
- **Gautrain Management Agency in partnership with the Mail & Guardian** hosted a Critical Thinkers Panel Discussion. The event was attended by key stakeholders/ interests groups. It provided a platform for discussing public transport issues ranging from planning; accessibility; affordability and innovation.
- The **GMA** hosted an **Annual Amazing Race Competition/** public race at various transport locations between Johannesburg and Pretoria.
- **Transport Week Programme (Sci-Bono Learner Transport Expo):** -The annual Transport Month exhibition targeted at learners around Gauteng. The attendance was estimated at over 5000 learners. The Department promoted transport Month objectives and distributed promotional items to learners.
- **2016 Transport Month campaign closing event:** The National DoT hosted the closing ceremony in collaboration with Eastern Cape Provincial Department through a law enforcement operation; Annual Transport Awards and concluded with the Libode Interchange bridge launch.

Information Technology (IT)

One of the priorities of the Department is to modernise the services delivered, both internally and to the public at large through the efficiencies brought about by IT systems. A number of initiatives which were developed are outlined below:

• ICT Disaster Recovery Site

The Department developed an ICT Disaster Recovery Plan and identified the GMA as a recovery site centre. Subsequently, the Gauteng Department of Finance (GDF) signed a master agreement with Telkom in terms of which GPG Departments to maintain their data centre to the Telkom (Cloud solution) as a disaster recovery site. The project has therefore been revised and will be implemented during financial year 2017/18.

• Unified Communication System

The Department is working towards a unified IT communication system that included voice; data and video communications integrated onto one platform. The system will support more effective and efficient service delivery that allows for real time video communications with regional offices; entities and external stakeholders that are supported by the same platform. The components of the systems include landline telephone; video conferencing and data connectivity. The project plan for unified IT communication system was developed. The Department of e-Government informed all the Gauteng provincial Departments that they will provide the centralised PBX. The Department shall procure IP handsets and deploy compliant cabling.

Electronic Document Records Management Solution (e-DRMS)

The Department has mapped, designed and developed the e-DRMS process for three business units, namely Supply Chain Management, Human Resource Management and Roads Design. This solution will be finalised and deployed in the financial year 2017/18 to improve the effectiveness of service delivery within the Department.

Automations of processes

In an effort to promote a paperless environment, three processes have been automated namely; Document Tracking for HR, Short Messaging Message and the Queue Management System. The Department has also conducted user acceptance testing for these systems. The Wayleave tender is underway, Case Management user requirement specifications were signed and CRM for facilities was withdrawn from the project list due to the analysis conducted which identified a client relation system as a suitable automation process. The client relation system requires enhancement and the decision to withdraw CRM facilities was taken.

Customer Satisfaction Survey

A Customer Satisfaction Survey is a project to determine the level of satisfaction of services provided by the Department to its customers. The survey will generate feedback on the level of satisfaction of customers on DRT operations and services. It will also serve as a diagnostic tool for facilitating effective assessment and solutions to service delivery challenges. Both the best practices and areas of improvement have been identified and documented. The survey is complete.

Stakeholder relations

- **Social facilitation**

Social facilitation is the process of consulting or communicating with all the affected stakeholders when the Department implements any infrastructure projects. The process ensures that proper consultation is conducted with affected stakeholders and facilitates the recruitment process of community beneficiaries by ensuring equal access to skills development, job and economic opportunities. This ensures the delivery of infrastructure projects with minimum disruptions and strengthens democratic and good governance in all our infrastructural delivery processes.

Social facilitations were conducted on the projects: P46/1, R82 (Phase2), P186/1 (Bridge), Cedar Road Phase 1, P39/1, N14 (Phase2), K46, Sebokeng DLTC, R28 (P88/1), N12, Sebenzile road, D670, P41/1, D904, D9044, R511 (P249), Taxido (Vereeniging taxi rank upgrade) and RISFSA Class 1 & 2 (for all regions) during the year under review.

Strategic objectives

Programme: Administration					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Corporate Services					
Provincial indicators					
Fully automated identified business processes and records management by 2019.	Mapping and System Design, Systems Development completed (13.33%). (Stock Management and EPM).	Mapping and System Design, Systems Development completed (30%) 6 processes viz. Wayleave, CRM for Facilities, Queue Management System, Document tracking for HR, Short Messaging System.	Mapping and System Design, Systems Development completed (15%) 3 processes viz. Queue Management System, Document tracking for HR and Short Messaging System.	3	<p>The process was initiated internally; due engagements that took place between GPDRT and Department of e-Government, it was recommended that the project be done by them since they have skills and resources to execute the project.</p> <p>Process was initiated but due to poor performance by the service provider, the Department will appoint a new service provider to automate case management process.</p> <p>Based on the analysis that was conducted on internal systems, it was identified a client relation system (stakeholder management) that only needs enhancement instead of development; hence the decision to withdraw CRM facilities.</p>
Department's Service Standards and Charter developed by 2017.	Charter and Service Standards developed.	-	-	-	-
% of customer satisfaction level by 2019.	0	65%	52%	13%	The Department received a lower than expected public satisfaction response rating than anticipated.

Performance indicators

Programme: Administration					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Corporate Services					
Provincial indicators					
Stakeholder Perception Survey conducted.	0	1	0	1	The project was deferred to the financial year, 2017/18.
A Departmental call centre established by March 2016.	Departmental call centre established.	-	-	-	-

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Clean audit report.	The Department has established task teams to address the recurring audit findings and refine the monitoring, reporting and internal control mechanisms.
Percentage of B-BBEE expenditure awarded to women.	The Department is pursuing its GEYODI processes to improve the achievements of set targets.
Percentage of B-BBEE expenditure awarded to PwDs.	
Fully automated identified business processes and records management by 2019.	The Department will complete the Mapping, System Design and Systems Development of the two (10%) identified business automation processes in the financial year 2017/18.
% of customer satisfaction level by 2019.	The Department will focus on implementing the recommendations from the survey to improve customer satisfaction levels.
Stakeholder perception survey conducted.	The Stakeholder Perception Survey will be conducted in the financial year 2017/18.

Changes to planned targets

None.

Linking performance with budgets

Programme expenditure

Administration	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
Office of the MEC	7 778	7 778	-	8 900	6 626	2 274
Management of the Department	26 708	15 708	11 630	18 450	15 918	2 532
Corporate Support	241 828	238 041	3 787	266 208	216 150	50 058
Departmental Strategy	3 552	2 017	1 535	747	519	228
Totals	279 866	262 914	16 952	294 305	239 213	55 092

This programme has all the administrative functions of the Department and there is a concerted effort to contain the spending in a bid to ensure that the budget is used effectively. The budget increased by 18% from the 2015/16 to 2016/17, and the underspending within the programme was reduced from 19% to 6% for the same period. The Department ensured that the savings within this programme were shifted to programme 4 in order to reduce the over-spending within that programme.

4.2 PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Purpose

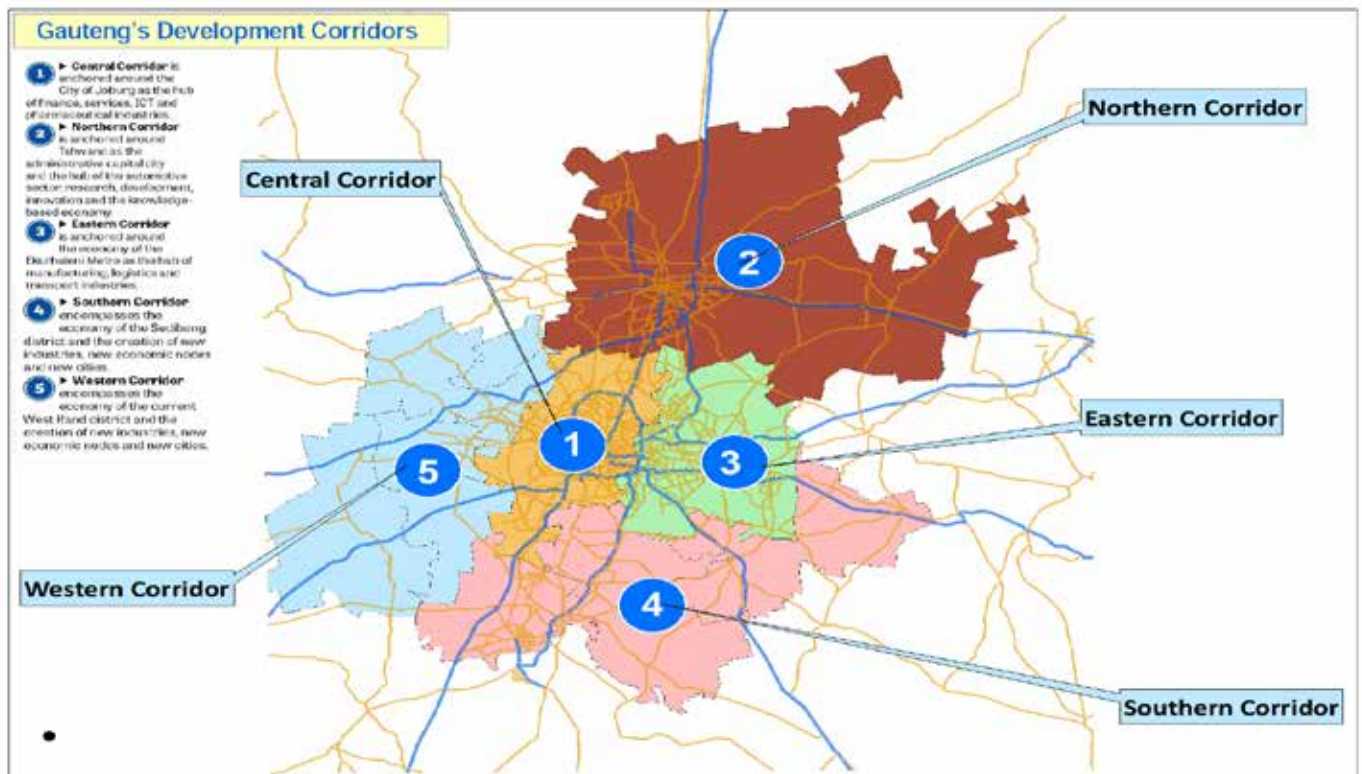
The purpose of the programme is to provide a balanced equitable road network in the province by promoting accessibility that is sustainable, integrated and environmentally sensitive, which support economic growth and social empowerment.

The programme is aimed at determining the needs for the planning, design and development of infrastructure, implementing maintenance and construction programmes and providing access to communities thus unlocking economic development potential, as well as promoting community development and social-cohesion. The programme consists of four programmes namely:

List of sub-programmes:

- Infrastructure Planning.
- Infrastructure Design.
- Construction.
- Maintenance.

Transport Infrastructure Corridors Implementation Programme



The Department has aligned its infrastructure implementation programme to the Gauteng Provincial Government's Transformation, Modernisation and Reindustrialisation Programme. All infrastructure projects are clearly identified within the identified corridors which are in line with the Municipal boundary demarcation.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective 1: To integrate province wide transport sector planning and multi-modalism that supports decisive spatial transformation.

SUB-PROGRAMME: INFRASTRUCTURE PLANNING

ONGOING PROJECTS

Route determinations

The project focuses on refining and amending future strategic transportation routes for Gauteng to ensure that they support development and remain aligned to the Gauteng Spatial Development Framework. The Department is in the process of finalising the re-alignment of 5 (Class 1) PWV Routes and 24 (Class 2) K Routes through route determinations and environmental scans.

Transport Modelling Centre

The Department is in the process of establishing a Transport Modelling Centre that will have the capacity to model Gauteng's future transport systems. The Department in collaboration with the CSIR is developing transport models and modeling capabilities that will form the core of the modeling centre. Transport models are used to develop information to assist in future transportation systems development decision making. The models being developed are internationally recognised transportation modeling tools that meet a growing set of sophisticated (functional and system) requirements needed for real world transportation systems decision making. Transport modelling is conducted to predict future transport development scenarios and their implications, based on available data and specific assumptions, including land use. The modeling results provide information critical in policy making and provide future decision-making to support the planned new freeways and land use development. A progress report was submitted in March 2017 which includes modeling results on PWV13, PWV14 and PWV15.

Research based studies

The Department and the CSIR signed a Memorandum of Agreement (MoA) on public research and development and identified areas and programmes where the CSIR can strategically provide support to the Department. The research based studies include:

- Mapping of taxi routes in the Gauteng province.
- The design of a Master Plan for transport services centres (DLTCs, VTS and TOLABS).
- The design of a Transport Integration Monitoring and Evaluation Programme.

The ITMP25 and GTIP5 identified interventions in the public transport space which require robust and timely interventions by the DRT and its partners. Furthermore, the 2014 Gauteng Household Travel (GHT2014) Survey identified a myriad of challenges in the public transport domain which need immediate intervention and featuring prominently in the interventions is an integrated public transport system which includes the minibus taxi industry.

The GDRT has also experienced a multitude of problems in the planning, construction and management of transport services (DLTCs, TOLABS, and VTSs) in general which is reflected in the annual Monitoring and Evaluation reports. One of the main weaknesses identified in transport services is the lack of planning of the onset of projects which has a ripple effect throughout the value chain and reflects in the level of service delivered at the customer interface. As such the GDRT and CSIR have developed the following proposals to address some of the glaring inadequacies in public transport, transport planning and management. These three programmes will assist in implementing some of the existing plans which include GTIP5 and ITMP25 and to design problem solving interventions where plans do not exist:

1. Mapping of minibus taxi routes in the Gauteng province

The Department, in collaboration with the CSIR, is in the process of collecting geo-referenced data pertaining to minibus taxi routes in the province which will be consolidated into a geo-database linked map for the routes. The resulting consolidated map will enhance the integrated planning process as well as the provincial regulatory function within the province. The mapping will assist in obtaining accurate data and reliable records of minibus taxi routes in the province.

The Department signed a project specific agreement with the CSIR to assist the Department in executing the mapping of minibus taxi routes in the Gauteng province. The project is expected to be complete in the 2017/18 financial year.

2. Master Plan for Transport Service Centres (TSCs) in the Gauteng province

TSCs are the largest revenue generators for the province. The 2015 Annual Report of the Department acknowledges the need to ensure the best experience for customers using these facilities. The Department has also experienced a multitude of problems in the planning, construction and management of transport services (DLTCs, TOLABs, and VTSS) in general which is reflected in the annual Monitoring and Evaluation reports.

One of the main weaknesses identified in transport service provision is the lack of project planning at the onset which has a ripple effect throughout the value chain and reflects in the level of service delivered at the customer interface. As such, the Department and CSIR are in the process of developing the TSC Master Plan which will guide the development of TSCs in the province using more comprehensive methods that include: generalised costs, demand forecasts, typologies of transactions, state of the art technology and facility types.

A project-specific agreement has been signed with the CSIR which will assist in the development of the proposed TSC master plan.

3. Transport Integration Monitoring and Evaluation Programme

The Department has initiated a programme to develop a Monitoring and Evaluation Framework for integrated transport in the province that will continuously assess the implementation and delivery progress of local government transport plans, and the ITMP25. The programme intends to strengthen the role of the province from a monitoring and evaluation perspective and for facilitating improved integrated transport service delivery in the province. The programme will also allow for improved communication of progress made on the implementation of the ITMP25.

Transport service delivery takes place in an ever changing environment. As society, economy, and technology evolve, the approaches for planning also need to be functionally responsive to the changing environment. In the light of this requirement, the Department is in the process of producing the Integrated Public Transport Network (IPTN) for the province and the integrated public transport norms and standards as guideline documents.

The development of the IPTN will entail first defining a transport network in terms of functions, and further identifying a public transport sub-network which will be inclusive of all modes (actual and planned). This task will therefore entail sourcing all the networks from individual municipalities (actual and planned) and consolidating them into a province-wide network.

Development of public transport norms and standards will essentially be the revision of standards produced previously and will interrogate the public transport network coverage, accessibility, operating licenses, vehicle specifications, public transport facilities norms and standards, among other issues.

A project-specific agreement has been signed with the CSIR which will assist in the development of a Transport Integration Monitoring and Evaluation Programme.

Gauteng Priorities freight hubs

The Gauteng province recognised the need to incorporate freight transportation planning into the province's transportation planning process. Freight transport is crucial for the economy of Gauteng and the country, and influences economic growth and development directly in that efficiency of the freight transport system impacts on the efficiency of supply

chains and in turn the cost of doing business. The role of the Department is to coordinate the development of Freight infrastructure in the province which involves representing the Gauteng province's interest in the Strategic Infrastructure Project (SIP2) on the KwaZulu-Natal, Free State and Gauteng Development Corridor as identified in the NDP. Currently, the Gauteng province is developing the Tambo Springs and City Deep Freight and Logistics Hubs to increase the short to medium term capacity requirements.

Tambo Springs

The Tambo Springs Freight Hub development is a planned Greenfields inland port located at the southern boundary of Ekurhuleni urban edge which aims to provide capacity and alleviate the increasing container traffic volumes from Durban Port. The hub is one of three such developments envisaged in the Gauteng province as inland intermodal terminals to complement existing terminals such as City Deep and Kazerne.

The Department is in the process of developing the transport network to support the Hub which includes the design and construction of the K148/N3 interchange and the K148 route. The route and interchange will serve as key mobility access to Tambo Springs by heavy goods vehicles from the N3 highway. The K148/N3 Interchange detail design is nearing completion.

The realignment of PWV13 to support the development was completed and the new route was accepted and gazetted.

• City Deep

The project entails upgrades and construction of various roads forming a network in the vicinity of City Deep to enable efficient accessibility and mobility of road freight heavy goods vehicles in and around City Deep. The following are projects that were executed during the year under review:

- **Project B** (Widening of Rosherville Road to three lanes and an additional upgrade is the truck stop and holding area): construction is complete.
- **Project C** (Existing rail-road bridge in the vicinity of Vickers Road needs to be widened to accommodate the proposed widening of Rosherville Road): construction of Rosherville Rail Bridge is complete.
- **Project D** (Extension of Bonsmara Road to Heidelberg Road): construction is complete.
- **Project E** (Construction of Cleveland Road Bridge): the detail design is complete.
- **Project F** (Extension of Houer Road over undeveloped land south of the Fresh Produce Market up to Vickers Road): the draft feasibility report is complete.
- **Project G** (Construction of westerly ramps on N17 interchanges at Heidelberg Road and Vickers Road): the draft feasibility study report is complete.

Gauteng Freight Databank

In response to the requirements of the NLTA (2009), the Department has developed a Gauteng Freight Databank that will provide the necessary information to enable the province to plan for future optimisation of freight and passenger transport, as integrated land transport systems. The databank is intended to provide a basis for factual information collection, collation, storage and retrieval by the authorities and other interested parties. It will be updated with information on a continuous basis.

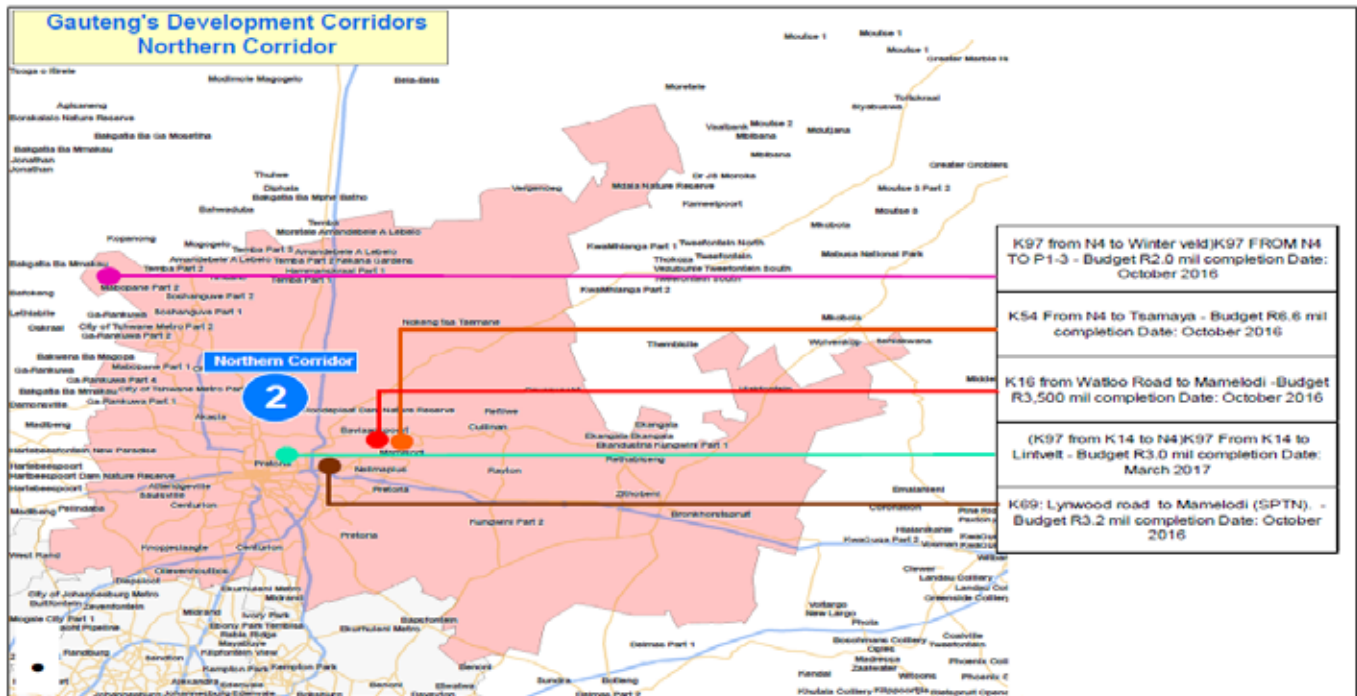
The databank will provide a clear understanding on the current and future movement of freight flows into and around Gauteng. Its output will be used as an input to the National Freight Databank. The project involves an extensive freight data collection and analysis exercise within the Gauteng transport corridors and is therefore updated every two years and maintained for that period. The Department will continuously update freight data and information to share it with all stakeholders through the established platform entitled "Gauteng Freight Databank". The Gauteng Freight Databank has gone live in the financial year 2016/17.

Gauteng Transport Commission

The Transport Commission prioritised the functionality of an integrated public transport system. To implement this, workstreams were established as well as the appointment of a panel of experts to advise the workstreams and the governing body. The five workstreams varied in functionality and were headed by MMCs. The International Transport Authority Conference held in 2016 culminated with a transport authority report which was widely-distributed to all stakeholders.

The CSIR was appointed to include as part of the broader ITMP25 Implementation Plan, a business case for a Gauteng Transport Authority. Proposed amendments were drafted for inclusion into the NLTA Amendment Bill.

SUB-PROGRAMME: INFRASTRUCTURE DESIGN



COMPLETED DESIGNS

Northern Corridor

- **Bridge Management System (BMS) Phase 1 (8 bridges) – Designs for repairs and maintenance of bridges**

The purpose of the BMS is to ensure that bridge and major culvert structures are kept in a functional and in a safe condition, is essential to minimise overall transport costs to provincial roads and is in line with the Governmental Immovable Asset Management Act, 2007 (GIAMA, Act 19 of 2007). Structures have been identified per regional district which are in critical condition and require urgent attention for repair and rehabilitation. The detail design and draft tender document for the following bridges in the Tshwane district have been completed in March 2017.

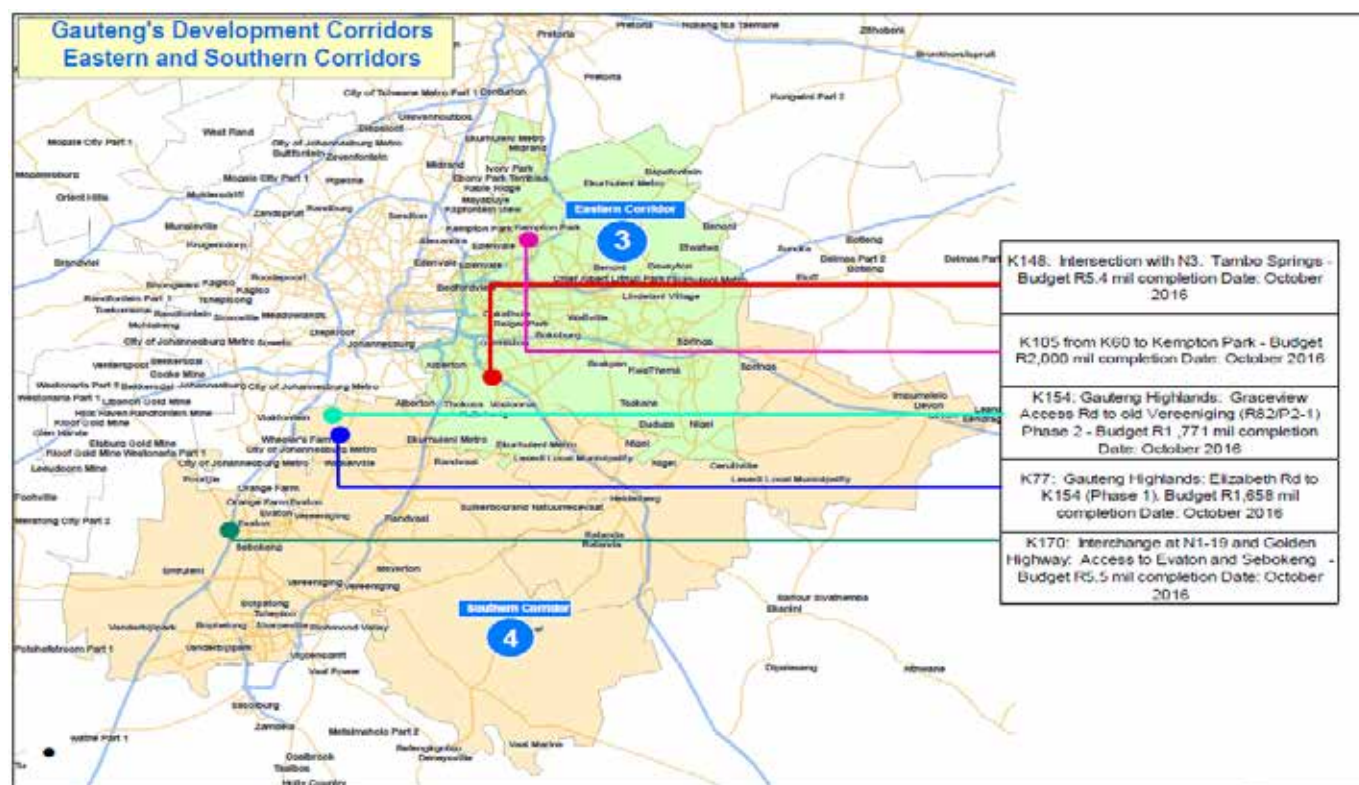
- P1_02NB1015.
- P1_02NB59.
- D755_01NB2114.
- P249_01NB649.
- P249_01NB760.
- P249_01NB637.
- D755_01N_IDC1822.

●

K97 (P1-3) (R101) is an existing North-South carriageway from Pretoria (N4) to the Limpopo border and is also known as the Old Warmbath Road. The road is an alternative to the N1 tolled highway. K97 is planned as a 62 metre (m) road reserve upgrade as per the K route standards. The road will improve accessibility and economic development in the areas of Hammanskraal to the North and also forms part of the Pyramid Freight Hub. The section between the N4 until where it links up to the P1-3 was designed. The detail design and draft tender documents are completed.

K101 from N1 to D795 (Olifantsfontein Road)

The K101 is a North-South corridor linking Johannesburg and Pretoria. The section of the K101 between Rooihuiskraal (Brakfontein Road) and D795 (Olifantsfontein Road) (approximately 5,4km) is parallel to the N1 between Johannesburg and Pretoria. K101 falls within both the jurisdictions of Johannesburg and Tshwane Metropolitan Municipalities. The road is planned as a dual carriageway with a road reserve of 62 meters in width. The design includes non-motorised transport and public transport facilities (bus stops and shelters). The road upgrade will significantly increase the capacity of the road, reduce congestion and stimulate economic activity in Midrand. The detail design and draft tender documents are completed.



Southern Corridor

- **K154: Gauteng Highlands: Graceview Access Road to Old Vereeniging (R82/P2-1) Phase 2**

K154 is located in the East-South West corridor linking the areas of Walkerville, Klipriver, Palm Ridge and Zonkizizwe. The Department is awaiting the approval of Water Use License from the national Department of Water and Sanitation (DWS). The Environmental Impact Assessment (EIA), detail design and draft tender documents are completed.

ONGOING PROJECTS

Northern Corridor

- **K109 between K27 (R562) and Dale Road**

The K109 is planned as a North-South corridor linking Randjesfontein, Olifantsfontein and Ebony Park in the Midrand area. The construction of the K109 [from Dale to Olifantsfontein Roads (4,8km)] will contribute to the modernisation of public transport infrastructure, economy and accelerated social transformation in Midrand. The draft detail design has been completed. The EIA and Water Use License is in process and will be finalised during the next financial year 2017/18.

- **K69 Phase 2: doubling and upgrading of sections of K69 from N4 to N1 (Waterkloof school) Wapadrand**

K69 between the R21 and N4 to Mamelodi in the North of Tshwane is one of the major routes supporting public transport and non-motorised transport. The section between the N4 to Mamelodi and K14 (Cullinun Road) is a single carriageway and will be upgraded to a dual carriageway. The road will provide a safe and reliable road network and forms part of the strategic road network. The design will incorporate bus/taxi stops and grade separation at K34 (Lynnwood Ave and Solomon Mahlangu Road). K69 scope of work will be amended and re-advertised in the 2018/19 financial year.

Eastern Corridor

- **K148: Intersection with N3**

The interchange N3/ K148 forms part of the Gauteng Freight Hubs and freight ring roads around Gauteng as identified in the ITMP25. The K148 forms part of the road network supporting the Tambo Springs Freight Hub and is known as the Heidelberg Road. The upgrade of the interchange is supported by SANRAL and encourages economic development on various nodes along the corridor. Negotiations with SANRAL are ongoing and the detail design is continuing. Delays in the completion of the design were due to a wetland, the EIA and objections by land owners. The detail design will be completed in the 2017/18 financial year.

Northern Corridor

- **Bridge P31_01NB4618**

The design for Bridge P31_01NB4618 were not done after initial assessments indicated that the bridge does not need rehabilitation design because the rail is no longer functional and that eliminates the safety risk.

Strategic objectives

Programme: Transport Infrastructure					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Provincial indicator					
SUB-PROGRAMME: INFRASTRUCTURE PLANNING					
1 Gauteng Household Travel Survey completed by 2019.	1 Gauteng Household Travel Survey completed.	-	-	-	-
SUB PROGRAMME: DESIGN					
Number of designs completed.	10 designs completed.	14 designs completed.	10 designs completed.	4	<ul style="list-style-type: none"> • Extensions of time were due to delays in water license issuance by DWS for (K148) and approval of EIA for (K109). • Extensions of scope which includes an incorporation of bus/ taxi stops and grade separation at K34 (Lynnwood Ave and Solomon Mahlangu Road). • An assessment indicated that bridge P31_01NB4618 does not require rehabilitation as it is no longer a safety risk.

Performance indicators

Programme: Transport Infrastructure					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: DESIGN					
Provincial indicator					
Number of new construction designs.	0	2	0	2	<ul style="list-style-type: none"> Extensions of time were due to delays in water license issuance by DWS for (K148) and approval of the EIA for (K109). Extensions of scope which includes an incorporation of bus/ taxi stops and grade separation at K34 (Lynnwood Ave and Solomon Mahlangu Road).
Number of upgrade designs.	0	4	3	1	
Number of rehabilitation designs.	10	8	7	1	An assessment indicated that bridge P31_01NB4618 does not require rehabilitation as it is no longer a safety risk.

Strategic objective 2: To provide modernised road infrastructure that promotes socio-economic development.

SUB-PROGRAMME: CONSTRUCTION

Nano “new” technology

The Department is at the forefront in rolling out nano technology to reduce the cost of road construction. The new alternative designs incorporate newly-developed nano-technologies that have been tested at reputable international research institutes. The pavement structure for the construction of K46 was investigated and re-designed using tested and available technologies. The technologies have been implemented in practice on a provincial road in Thohoyandou (Limpopo), and also on a trial section for the rehabilitation of the N14 by the Department. The utilisation of these technologies will establish a benchmark for the implementation of more cost-effective designs on the provincial road-network. The simplification of construction procedures will lead to the ability to fast-track road construction projects. Nano technologies will also reduce environmental wastage of existing natural materials.

SURFACED ROADS UPGRADED COMPLETED

- **R82 Phase 2 (K57): Upgrading from single to dual carriageway of Road K57 (Old Vereeniging Road) (R82 (P1/1)) at Walkerville**

R82 forms part of the Maize Belt. The road will provide an alternative link between Johannesburg and Vereeniging including access to existing and future developments around Walkerville; Eikenhoff and De Deur. The road entailed the construction of dual carriageway of R82/ K57 (P1/1) from D77 Eikenhof to D1073 in Walkerville. R82 is complete and 176 065.00m² has been surfaced.



Before



After

- **K54: Construction of single carriageway of the section Road K54 between D2561 and K69**

K54 is between D2561 and K69 (Solomon Mahlangu) in Mamelodi, Tshwane Metropolitan Municipality. The road project comprised the construction of single carriageway and implemented in a partnership with the developer (New Africa Development). K54 is practically complete and 16 000.00m² has been surfaced.



ONGOING PROJECTS

- **K46 (P79-1) K46 (P79-1): Upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 – Phase 2**

K46 provides a link between Diepsloot and Johannesburg in the Central Corridor. The road also provides access to existing and future developments. The road entails the dualisation of an existing 7.2km single carriageway between PWV5 and Diepsloot. K46 is 41.08% complete and will be completed in the 2017/18 financial year.

- **K69: Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54**

K69 forms part of the Northern Corridor. The road comprises the dualisation of 5km of an existing single carriageway with the aim of increasing capacity, safety and accessibility for existing and future developments along the route. The tender for K69 was advertised. However, due to challenges experienced within the tender process, it was cancelled. The re-advertisement process for the project will commence in the 2017/18 financial year.

- **K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road**

The road involves the construction of a single carriageway for K54 (from K22 to K69). K54 is located in Mamelodi, Tshwane Metropolitan Municipality. The road is situated in the Northern Corridor, between the R21 and West Rand. The tender process for construction of road K54 has commenced.

- **Vaal River city Interchange**

The interchange is located in the Southern Corridor and will serve as a more direct route southwards to the Free State province (interprovincial connection) and northwards to Sebokeng. The interchange involves the upgrading of the Vaal River Interchange, Ascot Avenue (future K55) and Barrage Road (K174). The tender process for the project has been cancelled and the designs are being reviewed. The Vaal River City Interchange will be completed in the 2017/18 financial year.

- **R82 Phase 3: K57 between road D1073 (Walkerville) and K164 De Deur)**

R82 is geographically located in the Southern Corridor and forms part of the Maize Belt. The road entails the construction of R82 Phase 3 between road D1073 (Walkerville) and K164 (De Deur). It will also provide an alternative link between Johannesburg and Vereeniging. R82 will provide access to existing and future developments around Walkerville, Eikenhoff and De Deur. The total scope includes the dualising of 11.3km of an existing single carriageway. The design is being reviewed and the tender process for construction will commence in the 2017/18 financial year.

GRAVEL ROADS UPGRADED TO SURFACED ROADS

- **Upgrade of gravel road D1944 (Rust de Winter) from 9.58km to 22.83km (11.35km)**

D1944 is located in the north-eastern side of Gauteng between D2759 and the Mpumalanga border near Cullinan in the Northern Corridor. The road will provide better economic linkages and mobility between Gauteng and Limpopo Provinces. The construction of D1944 will reduce travel time; allow for improved transportation of people, goods and services across the two provinces; and enhance road safety. The road involves the surfacing of road D1944 (11.35km) from gravel to tar road. Site establishment for D1944 has commenced and will be completed in the 2018/19 financial year.

Strategic objectives

Programme: Transport Infrastructure					
Strategic objective indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: CONSTRUCTION					
Surfaced roads upgraded					
National indicators					
Number of m ² of surfaced roads upgraded.	121, 360.00m ² roads upgraded.	187, 165.00m ²	192, 065.00m ²	+4, 900	The Department has completed additional works that were necessary for the completion of K54.
Gravel roads upgraded to surfaced roads					
Number of kilometres of gravel roads upgraded to surfaced roads.	-	-	-	-	-
Non-motorised infrastructure					
Number of m ² NMT infrastructure completed.	0	-	-	-	-

Performance indicators

Programme: Transport Infrastructure					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: CONSTRUCTION					
Job creation					
National indicator					
Number of construction jobs created through the implementation of Expanded Public Works Programme (EPWP) principles.	100	250	191	59	Fewer jobs were created due to the cancellation of K69 project.

Strategic objective 3: To preserve the status of the existing road to its original state.

SUB-PROGRAMME: MAINTENANCE

Routine maintenance of provincial road network

The Department patched 169 157.67.00m² of potholes, bladed 2 117.30km gravel roads, resealed 384 249.14m² surfaced road and re-gravelled 117.24km. The routine maintenance also included repairing drainage structures, cleaning of culverts, replacement of guard rails and roads signs.

Periodic assessment of provincial roads

The Department submitted the Roads Asset Management Plan (RAMP) to the national DoT and Provincial Treasury as a pre-requisite for funding.

Routine maintenance approach

The provincial roads network consists of 5 638km of roads; 4 248km surfaced road and 1 389km gravel roads. The Department continued with its implementation of the maintenance programme where 2 938km of paved roads was maintained by outsourcing and 2 700km is maintained by Departmental in-house personnel.

Periodic road maintenance

The programme is supported by term contracts which execute the following maintenance activities; guard rails, fencing, manholes, road signs and crack sealing. The outsourced roads maintenance programme extended to roads marking, reseal, re-graveled and herbicides control.

ROAD REHABILITATION COMPLETED

- **P158/2 (N14) and P39/1: Light rehabilitation of road P158/2 (N14) and P39/1 between P158/2 (20.7km) to Pine Haven Interchange (Muldersdrift)**

The road forms part of the Central Corridor. To extend the service life of the pavement by a further 15 years, P158/2 (N14) and P39/1 from Brakfontein to Hendrik Potgieter was rehabilitated and resurfaced. The project was executed in phases which involved phase 1 between 20.7km (Diepsloot) and 41.49km (Hendrik Potgieter). P158/2 is practically complete and 465 000m² has been surfaced.



- **R500: Rehabilitation and repair of sinkhole on Road R500 (P61-3)**

R500 forms part of Western Corridor and is located near Carletonville. The rehabilitation and repairing of the sinkhole on P61-3 (R500) at 12km between D762 and D1755 is complete and 500m² has been surfaced.

ONGOING PROJECTS

- **P186/1 (N12): Damaged bridge repairs**

P186/1 is located on the overpass of the N12 in Nancefield, Soweto and forms part of the Central Corridor. The road entailed the repairing of the damaged bridge 1728. The project involved the replacement of damaged beams and the casting of the diaphragm beams for the bridge. The casting of the barrier kerbs for the bridge on the eastern side of the bridge has commenced. The project was delayed due to community unrest and subsequent stoppages on the project, causing delays to completion. P186/1 will be completed in the financial year 2017/18.

- **P46/1: Rehabilitation of Road P46/1 from Vereeniging to Alberton and D1073**

P46/1 forms part of the Western Corridor. P88/1 entail the rehabilitation by recycling the existing base and subbase through stabilising cement, constructing a new base and asphalt surfacing. P46/1 was handed over to contractor on the 17 January 2017 and site establishment has commenced. The road will be completed in the 2017/18 financial year.

- **P241/1: Rehabilitation of Road P241/1 (R554) from 17.7km to 19.75km and Road D405 from 0.00km to 8.75km (R82)**

P241/1 forms part of the Central Corridor. The road serves as one of two main links roads between Johannesburg and Lenasia. The section of road commences at P1/1 (R82) intersection to the municipal boundary, M10 in Lenasia. P241/1 will be rehabilitated from 15.7km to 19.75km and D405 from 0.00km to 8.75 km. The total length of the road identified for rehabilitation is approximately 12.4km (91 760.00m²) of single carriageway. The tender advertisement for P241/1 has been cancelled due to inconsistencies in the tender advert. The tender for P241/1 will be re-advertised in the 2017/18 financial year.

- **D904: Light rehabilitation of Road D904 between Road R82 in Evaton and Road**

D904 is located in Sedibeng Municipality in the Southern Corridor. The roads comprises of two lane single carriageway with gravel shoulders on both sides. D904 rehabilitation commences at R82 in Evaton and proceeds to South-West ending at the road rail bridge. The road is 25% complete and the contractor has patched potholes and surfaced portions of the road. Temporary road markings have been completed. The road will be completed in the financial year 2017/18.

- **P249/1 Phase 2: Rehabilitation of road P249/1 (R511) in Pretoria Region from 10.00km to 18.69km Gauteng/ North West Border**

P249/1 is located within residential, light industrial and agricultural area of Pretoria and form part of the Northern Corridor. P249/1 will be rehabilitated from 10.0km to 18.69km. P241/1 has been handed over to contractor and site establishment has commenced. The road will be completed in the financial year 2017/18.

- **P41/1: Rehabilitation (repair and resurfacing of Road P41/1 from 0.84km to 5.61km West Nigel**

P41/1 is located west of Nigel, North of the N3 and forms part of the eastern corridor. P41/1 will be repaired and resurfaced from 0.84km to 5.61km to protect the pavement structure asset and extend its serviceable life (structural objective). The road has been handed over to contractor on the 13 February 2017 and site establishment has commenced. P41/1 will be completed in the 2017/18 financial year.

P88/1 between Roads P73/1 and P3/6

P88/1 forms part of the Western Corridor. The rehabilitation of road P88/1 entailed recycling the existing base and subbase through stabilising cement, constructing a new base and asphalt surfacing. P88/1 has been handed over to contractor in January 2017 and site establishment has commenced. The project will be completed in the 2018/19 financial year.

- **D670: Light rehabilitation of Road D670 from Bronkhorstspuit to Ekangala**

D670 is located north of Bronkhorstspuit to R513 intersection and forms part of the Northern Corridor. D670 rehabilitation commences in Bronkhorstspuit to Ekangala. Site establishment has commenced and the road will be completed in the 2018/19 financial year due to delays resulting from the community unrest.

- **D1027 Phase 2: Rehabilitation of D1027 (Cedar Road)**

D1027 forms part of the Central Corridor. The road will be upgraded, rehabilitated from 0.96km Campbell Road to 2.95km Valley Road including the construction of storm water drainage. D1027 has been handed over to contractor on the 18 January 2017 and site establishment has commenced. The project was stopped due to community unrest and will be completed in the 2018/19 financial year.

The Provincial Roads Maintenance Grant (PRMG)

The PRMG is a fund allocated to the Department by the NDoT for the maintenance of roads infrastructure within the Gauteng province. Roads maintenance functions and activities performed include routine road maintenance, resealing, blading of gravel roads and pothole patching. The Department was allocated R501 591 million for the PRMG during the 2016/17 financial year and the expenditure is R501.196 million which is 99.92%.

Vuk'uphile Programme

The programme aims to develop learner contractors through the upgrading of skills for small, emerging contractors and create job opportunities. The development programme commenced in February 2014 with 30 learner contractors supervised by five engineers. The learner contractors were appointed as level 1 Construction Industry Development Board (CIDB). 24 contractors, who had no experience and training of infrastructure sector, on exit, were at CIDB level 4 and 7 were accredited with the CETA with NQF level 4 certificates. The development programme for the 24 contractors ended in February 2017.

GAUTENG FREEWAY IMPROVEMENT PLAN (GFIP) – ALTERNATIVE ROADS TO E-TOLL

The Department continuously maintains alternative roads to e-toll as part of its GFIP strategy which are the following among others:

- **William Nicol - (K46) P79/1 – The upgrading of William Nicol (approximately 7.2km)**

K46 is a link between the North-West and Gauteng provinces. The road is utilised by heavy vehicles travelling between the two provinces and serves as a major collector/distributor for urban areas along the route south west of Johannesburg. It is an alternative route to the tolled N1. Upgrading of the road has commenced.

- **Elardus Road - M57 (P122/1) - Design stage for rehabilitation of P122/1 (Approximately 8.8 km)**

P122/1 is a link between Pretoria and Kempton Park. The road serves as a major collector/distributor for the OR Tambo Airport and Pretoria. It is an alternative route to the tolled R21. The tender process for phase two has commenced.

- **Old Pretoria/Warmbaths Road - R101 (P1/3) Design stage for rehabilitation of P1/3 (Approximately 4.5 km)**

P1/3 is a link between the Limpopo and Gauteng provinces. The road serves as a major collector/distributor for the urban areas along the route N4 from north-west of Pretoria. It is an alternative route to the N1. Designs have been finalised.

- **P158/2 (N14) Phase 1, from Pinehaven Interchange to Diepsloot rehabilitation of P158/2 (Approximately 20.79 km)**

P158/2 a link between the Krugersdorp and Pretoria. The road is an alternative route to the N1. The road has been completed (Phase 1).

- **Old Pretoria/Johannesburg Road - R101 (P1/2) Design stage for rehabilitation of P1/2 (approximately 6.0 km)**

P1/2 is a link between the Pretoria and Johannesburg. It is an alternative route to the N1. Designs have been finalised.

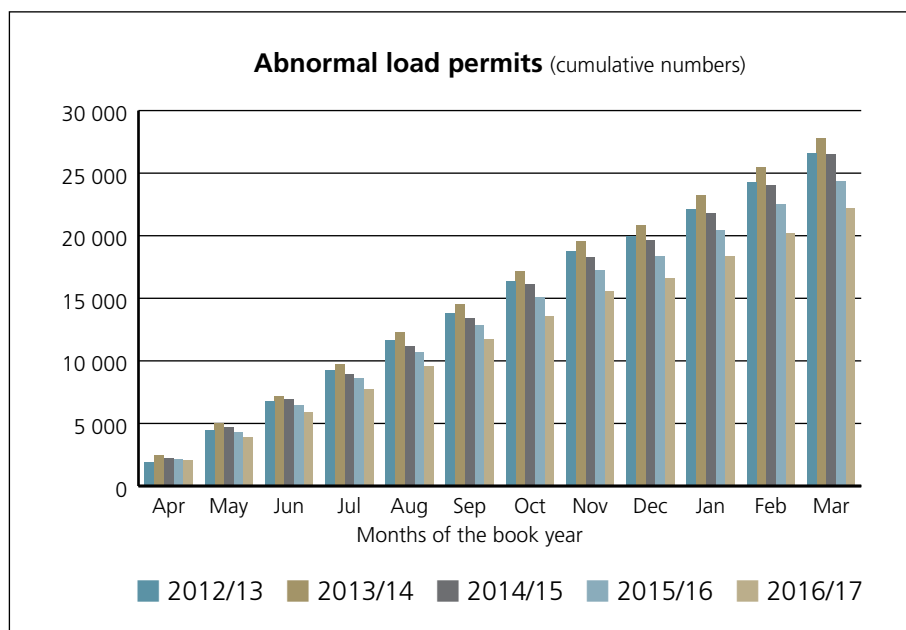
TRAFFIC ENGINEERING

In the past three to five years, the Freight industry has seen major advances in technological innovation of heavy vehicles. These have become larger, faster and more articulated than traditional models of heavy vehicle. This innovation meets the demand for faster movement of, and increased quantity of payload, thus, increasing efficiency by way of fewer trips and decrease in number of abnormal vehicles on our roads – a most welcome move towards improvement of road safety.

This advancement has, however, presented regulating entities with a challenge of adapting legislation, to the new type of abnormal vehicle. The Department and other provincial departments have concluded a pilot project, the purpose of which was to study the new abnormal vehicle, and assess need to adapt our monitoring systems to the new abnormal vehicle.

The Gauteng Department of Roads and Transport is also investigating the use of ICT, to reduce turnaround times on issuance of abnormal permits. The Smart Truck pilot is presently under National review, whilst the Gauteng provincial department targets to test ICT based permit management system at the beginning of the 2018/19 financial year.

Below are the statistics for the issuance of abnormal load permits over the past 5 book years.



Strategic objectives

Programme: Transport Infrastructure					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: MAINTENANCE					
Surfaced roads rehabilitated					
National indicator					
Number of m ² of surfaced roads rehabilitated.	1 666 755 m ² roads rehabilitated.	343 894m ²	465 400m ²	+121 506	The Department surfaced more m ² due to on and off ramps in N14, Malibongwe Drive, Beyers Naude and Muldersdrift. Under reporting Quarter 3: 100m ² .
ITS Project Implementation Plan approved by 2016.	ITS Project Implementation Plan completed.	-	-	-	-

Performance indicators

Programme: Transport Infrastructure					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: MAINTENANCE					
Surfaced roads resealed					
National indicators					
Number of m ² of surfaced roads resealed.	350 000m ²	380 000m ²	384 249.14m ²	+4 249.14m ²	The road rapidly deteriorated which resulted in additional m ² being resealed as part of preventative maintenance.
Re-gravel roads					
Number of kilometres of gravel roads re-gravelled.	102.32km	110.77km	117.24km	+6.47km	Poor condition of the road resulted in additional km being re-gravelled as part of roads safety.
Blacktop patching					
National indicators					
Number of m ² of blacktop patching.	136 357.47m ²	134 000m ²	169 157.67m ²	+35 157.67m ²	Roads deterioration resulted in more m ² patched.
Roads bladed					
Number of kilometres of gravel roads bladed.	1 655.8km	1 388km	2 117.3km	+729.3km	Gravel roads deterioration caused by heavy vehicles resulting in more km being bladed.

Job creation					
Number of Maintenance jobs created through the implementation of the EPWP.	3 611	5 200 + Rehab (300) = 5 500	5 752 + Rehab (141) = 5 893	+393	More job opportunities were created due to roads safety maintenance.
Traffic engineering					
National indicator					
Number of weighbridges calibrated to the standards of the South African Bureau of Standards (SABS).	4	4	4	-	-
Provincial indicator					
Number of abnormal load permits issued.	24 324	20 000	22 169	+2 169	The increase in abnormal loads issuance was due to the increase of the demand to move heavy equipment.

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Number of designs completed.	The Department is reviewing the designs as per the requirements of Water Use License Application (WULA).
Number of new construction designs.	
Number of upgrades designs.	
Number of construction jobs created through the implementation of EPWP principles.	The project will be re-advertised in 2017/18 financial year.

Changes to planned targets

None.

Linking performance with budgets

Programme expenditure

Transport Infrastructure	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
Infrastructure Planning	45 000	42,404	2 996	42 911	38 079	4 832
Infrastructure Design	202,536	153 122	49 414	143 655	142 111	1 544
Construction	649 639	637 333	12 306	1 042 568	1 042 527	41
Maintenance	1 084 087	1 088 130	(4 043)	925 140	912 344	12 796
Programme Support Infrastructure	45 228	40 162	5 066	61 331	42 051	19 280
Total	2 026 890	1 961 151	65 739	2 215 605	2 177 112	38 493

The major allocations for this programme are the PRMG and provincial earmarked infrastructure allocations. These form the core of this programme and enable the Department to plan, design, construct and maintain the provincial road network and to continuously invest in road infrastructure.

Infrastructure Planning

The unit is responsible for infrastructure planning by completing route determinations, as well as investing in infrastructure that will ensure that the province has systems in place to improve the planning on a technical level through the completion of the Modelling Centre and the Freight Databank. The unit was allocated additional responsibility of providing ITP support to some municipalities within the province, and finalising both the master plan for transport services and mapping minibus taxi routes within Gauteng. All the new projects are underway and spending will continue to be realised in the 2017/18 financial year.

Infrastructure Design

The Unit is responsible for design of road infrastructure projects as well as securing the land required for those projects. There are issues within this unit that negatively affected the expenditure for the 2016/17 financial year. The Unit has been mandated to regroup and ensure that the issues are addressed in 2017/18 to confirm the infrastructure budget.

Construction

The Unit is responsible for the upgrading and rehabilitation of roads within the province. There are a number of projects that the unit implemented during the period under review, such as:

- P158/2 (N14): Light rehabilitation of road (Phase 1).
- P88/1: Rehabilitation of Road P88/1 between Road P73/1 and Road P3/6.
- D904: Light rehabilitation of Road D904 between Road R82 in Evaton.
- D1027 Phase 2: Rehabilitation of D1027 (Cedar Road).

During the last quarter of the 2016/17, the N14 (phase 2) project was appointed to a contractor and the site was handed over. The construction will commence in the 2017/18 financial year.

Maintenance

The Unit is responsible for the maintenance of roads within the province and implements this within the PRMG as well as additional resources from the equitable share allocations. The contracts within this unit for major outsourced maintenance programme expired during the financial year 2016/17 and the appointments of new contractors for a three-year period were finalised during the last quarter of the year. The expenditure increased from R912 in 2015/16 to R1 088 billion in 2016/17 and will continue as such into future financial years.

4.3 PROGRAMME 3: TRANSPORT OPERATIONS

Purpose

The objective of the programme is to provide integrated, subsidised, province-wide public transport services, facilitate the provision of public transport services and infrastructure in partnership with national and local government as well as private sector formations. The programme further provides policy development and planning to manage, integrate and coordinate the transport system and infrastructure in the province. The objective of this programme is to develop the policy framework to support a modern, integrated and intelligent transport system and public transport infrastructure. The programme consists of the following-sub-programmes:

List of sub-programmes:

- Public Transport Services.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective 1: To provide a subsidised transport services that supports the movement of people through an efficient transport network that is safe, reliable and accessible.

SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES

Public Transport Operations Grant (PTOG)

The PTOG provides supplementary funding towards public transport service provided by provincial Departments of transport for the provision of affordable subsidised transport service that is contracted to public transport operators. The Department is managing a total of 34 buses subsidy contracts of which 32 contracts are funded by the PTOG and 2 ceded contracts from the North West province. These contracts are operated in the three metros, namely: City of Johannesburg, City of Tshwane and Ekurhuleni as well as Sedibeng District Council. To fund these contracts, the Department received an allocation of R2, 063, 333, 000.00 and spent R2, 035, 389, 000 .00. The under spending of the grant was attributed to the penalties levied by the Department against bus operators for the “did not operate” buses.

• Bus subsidy monitoring

The monitoring of subsidised public transport services is prescribed by legislation. The PFMA (1996) requires an Accounting Officer to maintain appropriate measures to ensure that funds transferred to provinces are applied for their intended purposes. In addition to that, the DoRA (2010) stipulates that all subsidised bus contracts must be monitored.

The purpose of bus subsidy monitoring is to monitor the performance of subsidised public transport operators and ensure that Public Transport complies with applicable legislation, the terms and conditions of the contract, and mainly to support the movement of people through an efficient transport network that is safe, reliable and accessible. The aim is to ensure that commuters get value for money from utilising public transport. All 34 bus subsidy contracts are monitored by six external service providers referred to as Supervisory Monitoring Firms (SMFs) as required by the DoRA (2010) to ensure contract compliance by operators.

SMFs are appointed to perform on-board, multipoint route and terminus monitoring on a daily basis. They also conduct technical inspection i.e. depot and facility inspection. External SMFs are also monitored by Departmental internal monitors to provide oversight to ensure that SMFs provides monitoring as prescribed by the contract. To ensure compliance monitoring reports are submitted to the Department on a monthly basis and monthly project meetings are held.

- **Continuous Improvement in subsidised bus monitoring**

In the quest to improve efficiencies in subsidised bus monitoring the Department is introducing Automated Bus Monitoring System (ABMS) and Real-Time Passenger Information System (RTPIS) as a strategic move to support the modernisation of public transport. This project will improve administration of bus operators and minimisation of human-related errors and improving correctness of subsidies payable to bus operators. Furthermore, the introduction of the ABMS will enhance the Department's ability to improve service delivery by building a state of the art, web-enabled and mobile enabled interaction capability between the commuters, the bus operators and the Department.

Further improvements on issues of contracted subsidised bus monitoring – the Department convenes monthly forum meetings with bus operators to enforce compliance with terms and conditions of the contract. This has resulted in improved relations with not only bus operators but also commuters at large.

- **Bus subsidies contracting**

Bus subsidies are aimed at relieving commuters of high transport costs. Subsidies are in place to achieve the Department's objective of providing accessible, affordable, reliable and safe public transport to commuters. The Department is finalising the study on optimisation of the current subsidised public transport network. Current developments includes among others; development of the Bus Contracting Plan, appointment of the steering, bid, evaluation and intergovernmental committees focusing on the process of bus contracting.

The surveys on eight contracts were finalised and outstanding contracts will be finalised in the 2017/18 financial year.

SUB-PROGRAMME: PROGRAMME SUPPORT OPERATIONS

Public transport transformation

The public transport transformation is a process of formalising the taxi industry into business entities to ensure that they are ready to compete equally with main stream bus companies for contracts. This will be beneficial to commuters as they will be provided with accessible, affordable and reliable public transport.

Transformation of the taxi industry is derived from the National Taxi Task Team (NTTT) recommendations adopted in 1996 namely:

- Formalising the taxi industry.
- Regulating and controlling the minibus taxi industry.
- Training and capacity building.
- Creating conditions for economic survival, sustainability and empowerment.

These initiatives are aimed at moving the taxi industry from unregulated, violence prone public transport mode to a professional and business orientated one, and to ensure that provincial, regional and primary taxi structures have formal and legal structures to sustain and participate competitively without relying on government.

- **Continuous improvement in public transport transformation (empowerment)**

The Department has facilitated a number of business opportunities for taxi associations owned cooperatives such as providing feeder services to the Gautrain in Centurion and ownership of petroleum station in Soshanguve. The Vaal interprovincial and Vanderbijlpark transport cooperatives have an MOU with Tshovita Transport cooperative based in Bulawayo, Zimbabwe to do cross-border public passenger and freight transport.

The Department is currently liaising with the taxi industry as per the Taxi Summit Resolutions in the quest to pursue the transformation agenda. A Special Purpose Vehicle (SPV) will be established for Transformation, Formalisation and Empowerment (TFE) of the public transport industry. The purpose of the SPV will be to develop the strategy for the TFE, facilitate the Implementation of the strategy and act as transactional facilitators for the public transport industry.

- **Monitor and evaluate progress of the TFE strategy**

The Department has also made considerable progress in the formalisation of the Small Bus Operators (SBO) and to date, the council for small bus operators has been established.

Provincial Regulatory Entity (PRE)

The legal mandate of the PRE is provided for in Section 24 of the National Land Transport Act (2009) which states that the PRE must:

- (a) Monitor and oversee public transport in the province.
- (b) Receive and decide on applications relating to operating licences for intra-provincial transport.

Effective monitoring systems are critical to address operational conflicts in the public transport industry. One of the systems utilised by the PRE to manage conflicts is the implementation of Section 24 read with Section 25 of the NLTA (2009). The Act stipulates that the PRE must address route conflicts through Section 25 enquiries. In the main, the resolutions emanating from Section 25 enquiries have an impact of minimising conflicts relating to routes encroachments.

Based on Section 25 recommendations, the PRE can institute Section 79 enquiries against public transport operators/associations who contribute to conflicts by utilising fraudulently obtained operating licenses. Section 79 empowers the PRE to amend, withdraw or suspend an operating license that has been erroneously issued on the basis of fraudulent information supplied by the operator. The PRE instituted 54 Section 79 hearings with various associations and operators during the financial year under review. Through these hearings operational conflicts were minimised, fraudulent activities were deterred significantly and fraudulent operating licenses were withdrawn.

One of the major interventions in the minimisation of public transport conflict was the implementation of Section 79 hearings against one of the associations that operated illegally around the Waterfall City, including the Mall of Africa utilising illegally obtained operating licenses. It follows therefore that the PRE was successful in implementing measures meant to curb public transport conflicts in the province.

- **The PRE's role in influencing legislative development**

The NLTA (2009) provided a deadline of December 2016 for conversion of permits to operating licenses. PRE made an assessment on conversion process and concluded that the process will not be finalised by December 2016. The Department took the initiative to approach the national DOT on the matter with a view to negotiate an extension of time for conclusion of conversion process. The national DOT agreed to the plight of PRE and embarked on a legislative process of approaching the High Court for an Order to declaring the continuation of the conversion process. The Order was obtained and issued in December 2016 with the effect that operators who faced the risk of losing their permits due to a deadline would be assisted. Conversion of permit will continue until a pronouncement is made at the conclusion of the amendments process. With the promulgation of the National Land Transport Amendment Bill into legislation, a new deadline will be introduced.

- **Conversion of Permits to Operating Licenses**

Provincial Regulatory Entity has succeeded in negotiating an extension period for finalisation of Conversion of permits to operating license and the period is currently on extension till the promulgation of the National Land Transport Amendment Bill into legislation.

PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS

Intermodal Facilities

- **Vereeniging**

The intermodal facility construction continued during the 2016/17 financial year and progress is at 80% which entails building works and steel structures erection which is at 40% complete. The project experienced delays due to local labour strikes and consultant's contractual issues. The intermodal facility will be completed in the financial year 2017/18.

Shovakalula

Shovakalula programme is aimed at alleviating public transport costs, enhancing mobility and improving access to schools for learners residing in the informal settlements. The Department of Roads and Transport in conjunction with municipalities provides bicycles to assist scholars who travel more than 5km to school. The focus of the programme tends to lean more towards no fee paying schools in the semi – rural and rural parts of Gauteng.

The Department in partnership with municipalities and the Department of Education held a ceremonial handover of the bicycles in the Lesedi Local, West Rand District Ekurhuleni and City of Johannesburg Metropolitan Municipalities.

Taxi Strategy

The Department has drafted a Taxi Industry Empowerment Strategy in consultation with Department of Economic Development (DED) in the quest to inform all Public Transport (PT) stakeholders and operators regarding business ventures, training and funding. Bilaterals have been held with various sectors of the Taxi Industry, deliberating on areas of interests and aspirations for the industry as well as alternative avenues that can be explored. Co-operative banking, recycling initiatives, spares distribution and eco wash are key for the programme on taxi rank refurbishments.

The Department has assisted the Refilwe Cullinan Taxi Association to acquire a three-year transport contract at the Petra Mines. The association refurbished 3 classrooms at Chokwe Primary school, provided an old age home with groceries on quarterly basis and supported an orphanage.

Integrated Fare Management Systems

Transport Management Centre architecture includes IFM back-office architecture and reflects on the integration of all transport elements including emergency and disaster management instruments based on the Intelligent Management Systems. At the centre of this system is the interoperability component. Consultations at the joint project office and engagement with the municipalities are ongoing.

Strategic objectives

Programme: Transport Operations					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB PROGRAMME: PUBLIC TRANSPORT SERVICES					
Provincial indicators					
Number of business and operational plans developed by 2018.	0	Approved public transport network to support all operational plans.	0	Approved public transport network to support all operational plans.	A network based on existing information was created. Furthermore, a network based on desirable features of a sustainable public transport service was modelled and created. What is still needed is completion of verification of the existing network. The verification of the existing bus network is on-going. The verification surveys have been completed for 8 contracts which were deemed urgent. Further verification surveys for the other 26 contracts are scheduled for completion by the end of the second quarter 2017/18. It is then that the network can be approved in its entirety to support all operational plans.
West Rand bus subsidisation project implemented by 2018	Viability study finalised.	-	-	-	-

Programme: Transport Operations					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Public Transport Intergration & Special Projects					
Provincial indicators					
Number of intermodal facilities completed.	0	1 Vereeniging	0	1	Delays were experienced on site due to local labour unrest. Contractual dispute between PRASA and AECOM (Consulting firm –project supervisor) resulted in the project supervisor abandoning the site.
Impact evaluation of infrastructure projects.	*	-	-	-	-
Integrated Fare Management System operationalised by 2019.	IFM "As is" system assessment report completed.	The back office architecture completed.	Back office architecture completed.	-	-
*New indicator					

Performance indicators

Programme: Transport Operations					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES					
National indicators					
Number of routes subsidised.	3 047	3 047 (Non-cumulative)	3 476	+429	The re-verification of IC 51 contract resulted in the number of routes being amended.
Number of kilometres subsidised.	97 208 974.3	101 296 704	95 134 951	6 161 753	This is as a result of the kilometres which were not operated (DNO – Did Not Operate).
Number of trips subsidised.	1 860 311	1 934 128	1 792 002	142 126	This is as a result of the trips which were not operated (DNO).
Number of provincial regulating entity hearings conducted in terms of Sections 59 & 79 of the NLTA (2009).	46	24	54	+30	The Department embarked on operating licensing outreach programme which resulted in operators lodging more complaints. The process culminated into increased number of Section 79 hearings.

Programme: Transport Operations					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
PUBLIC TRANSPORT INTERGRATION & SPECIAL PROJECTS					
Provincial indicator					
Number of bicycles distributed through Shovakalula Project.	0	3 000	3 000	-	-
*New indicator					

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Number of business and operational plans developed by 2018.	The Department will expedite the completion of the outstanding contracts in the financial year 2017/18.
Number of intermodal facilities completed.	The Department is negotiating with PRASA to cede and complete the project in the financial year 2017/18.
Number of kilometres subsidised.	There are a number of variables at play in subsidised bus operations. As a result, bus operators cannot always provide a fixed schedule of kilometres and trips to enable planning of targets in advance. Unpredictable factors are therefore referred to as DNO trips. Additional interventions will be implemented to ensure that penalties are imposed for trips not operated.
Number of trips subsidised.	

Changes to planned targets

None.

Linking performance with budgets

Programme expenditure

Transport Operation	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
Public Transport Services	2 458 461	2 410 921	47 540	2 129 026	2 012 968	116 058
Programme Support Operations	6 446	5 592	854	12 456	6 200	6 256
Total	2 464 907	2 416 513	48 394	2 141 482	2 019 168	122 314

The PTOG, North West Star, IPTN and NMT infrastructure projects form the major allocations within this programme. The grant is fully spent because the savings that are realised from the penalties that are levied against the public transport services were reallocated to the operators as a temporary relief for the services rendered. The Department will be surrendering R27.546 million and R27.944 million for the North West Star and PTOG respectively for the 2016/17 financial year.

4.4 PROGRAMME 4: TRANSPORT REGULATION

Purpose

The purpose of the programme is to regulate private and public transport by facilitating the provision of learner and driver licenses, motor vehicle fitness and motor vehicle registration and licensing, registration of taxi associations and public transport operators, the establishment of TOLABS, the PRE, public and freight transport services and infrastructure in partnership with national and local government as well as private sector formations. The two sub-programmes are Transport Administration and Licensing, and Operator License and Permits.

List of sub-programmes:

- Transport Administration and Licensing.
- Operator License and Permits.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective 1: To modernise the regulatory services that is accessible, reliable and customer-centred.

SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING

ESTABLISHMENT OF NEW REGISTERING AUTHORITIES/DLTCs

Sebokeng DLTC

Sebokeng DLTC is being constructed in the Southern Corridor. The centre will improve accessibility to license services for the community. Excavations for the building foundations and installation of steel re-inforcement have been completed. Concrete pouring, storm water pipes and brick work are continuing.

Delays in the completion of the DLTC are due to additional excavations and funding required for filling material due to unfavourable soil conditions found on site. The DLTC project is 71% complete and will be completed in the 2017/18 financial year.

Action taken against corrupt officials at motor vehicle registering authorities and testing centres

The Department has advocated zero-tolerance towards fraud and corruption. It has intensified its fight against fraud and corruption within its areas of operation against syndicate involving business, provincial and municipal members. The syndicate has been successfully investigated and handed over to the South African Police Services (SAPS) for further investigation and prosecution.

The crimes relating to license fees amounting to R41 031 835.57. Nineteen Provincial staff members from three motor vehicle registering authorities have been suspended and charged with fraud amounting to R6 212 987.91.

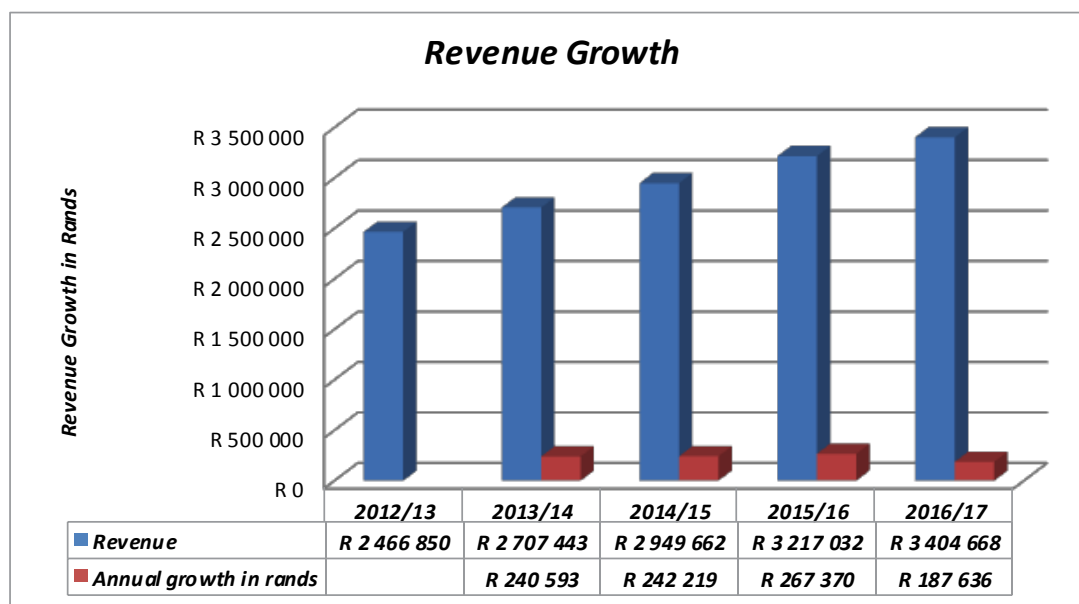
The Department has also strengthened its controls on fraudulent roadworthy certification that involves vehicles certified by private test stations from other provinces.

Revenue maximisation

The GDRT adopted a revenue maximisation strategy to improve revenue collection. As a result of the implementation year of the strategy, the Department collected net revenues of R3 404 billion in the 2016/17 financial year. This is despite the fact that average increase of 8,2% that was approved could not be implemented in the 2016/17 financial year. The Department required the service provider to upload the newly-approved fees in the e-Natis however the provinces were requested by national DoT not to do business with TASIMA due to the court case between the NDoT and TASIMA. The Department therefore has increased revenue by a total of R938 million over a period of 5 years.

As can be seen below, there has been a steady progress in the growth of revenues as a result of the strategy.

Description	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue	R2, 466, 850	R2, 707, 443	R2, 949, 662	R3, 217, 032	R3, 404, 668
Annual growth in rands	-	R240, 593	R242, 219	R267, 370	R187, 636
Annual growth in percentage	-	10%	9%	9%	6%



Increase in vehicle licensing transactions

The standard transaction fees payable with each vehicle licensing transaction have been increased from R36 to R42 with effect from 01 February 2017 as per Government Gazette No. 40523 dated 28 December 2016, Notice No R.1603. The Gazette has been added to the e-NaTIS Online Help, Menu, Legislation, Road Traffic Management Corporate Legislation and Regulations 2016-12-28. All vehicles licensed with transaction CC or 145 with a license expiry date of 31 January 2017 or later or licensed on or after 01 February 2017, will be charged the R42 transaction fees.

Strategic objectives

Programme: Transport Regulation					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Transport Administration and Licensing					
Provincial indicators					
Establishment of DLTCs.	0	1 Sebokeng	0	1	The Sebokeng DLTC was delayed due to additional excavations which necessitated additional funding and material as a result of the soil conditions found on site. Furthermore, there were community unrests which resulted in project stoppages on site.
Number of TOLABs constructed by 2019.	-	1 Sebokeng	0	1	The poor soil conditions identified during the geo-technical assessment resulted in the suspension of the project.

Performance indicators

Programme: Transport Regulation					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
Transport Administration and Licensing					
Provincial indicators					
Number of existing DLTCs refurbished.	Refurbishment of Temba completed.	-	-	-	-
National indicator					
Number of compliance inspections conducted.	120	250	250	-	-
Provincial indicator					
Agency fee review report submitted to Treasury.	0	-	-	-	-

Strategic objective 2: To regulate public transport services and public transport operators to achieve safe and reliable transport services.

SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS

Sebokeng TOLAB

The Department is establishing a one stop service centre in Sebokeng, Zone 10 (Sedibeng region) which will comprise a DLTC, TOLAB and VTS to regulate both public and private transport users. The one-stop service centres are aimed at bringing government services closer to communities. TOLABs are business centres established to facilitate the administration of all public transport operating licensing and registration processes. The DLTCs function is to process and issue licenses to motor vehicle users. The intention is to have the three buildings situated in a single precinct to allow for easy access of services.

The Department in conjunction with the GDID have commenced with preparations for the establishment of the proposed TOLAB. The Project Execution Plan (PEP) was approved and signed on 31 March 2017. The planning and designing phase was also completed. The construction of the building will commence in the 2017/18 financial year. The TOLAB will be completed in the 2018/19 financial year.

Re-construction of the Main Tshwane TOLAB

The plan to re-construct the dilapidated TOLAB in Tshwane (Eskia Mphahlele) was halted in 2016 due to the increased project costs that rendered the project unaffordable. The Department together with the GDID are in the process of reviewing the project.

Tshwane TOLAB – Temporary facility (Koedoespoort)

Due to the dilapidated state of the main TOLAB in Tshwane, the identification of an alternative temporary building was imperative to accommodate the Tshwane TOLAB officials and ensure that the regulatory services performed at the main TOLAB are not severely affected. Following an extensive assessment of government building in the Tshwane region, an alternative building at the Departmental Koedoespoort precinct was identified. The first phases of the renovations to the identified building were concluded in November 2015. The Department is currently finalising the second phase of the renovations which include the construction of a parking area for both officials and the construction of an ablution facility for clients. The project will be completed in financial year 2017/18.

The Gauteng Operating Licensing and Registration system

In 2001 the NDoT established the prescribed system called the National Land Transport Information System (NLTIS) which incorporated both Registration RAS and OLAS. However, since its inception, the national system has neither been reviewed nor upgraded to include some of the key amendments in legislation or any of the required technological enhancements. This has presented numerous challenges for provinces due to the system crash in 2009, system unavailability and slowness. This has affected service delivery in the province and led to numerous conflicts and protests by public transport operators.

The Department in 2016 adopted a resolution to embark on a process of designing, developing and implementing a provincial system which will be linked to the NLTIS as required by Section 6 (1) of the NLTA (2009). The system will also eradicate key obstacles experienced by the Department. The proposed system will not only minimise some of the violent protests that are as a result of delays in issuing operating licenses but will significantly improve the turnaround time in the application processing cycle. It is envisaged that the new system will be rolled out over a period of three years commencing in the 2017/18 financial year.

• Operating licenses

The Department in its mandate of regulating public transport services and public transport operators has issued a total of 10, 248 permits/operating licenses and converted 2, 603 permits.

The Department has experienced challenges in the conversion of permits to operating licences due to non-compliant applications that the Department received over the past years. The applications received lacked some of the compulsory requirements that must accompany each application which results in applications being rejected. The operators whose applications were rejected have been encouraged to re-apply with fully compliant applications and outreach programmes were also held to provide the operators with assistance.

Minibus taxi regional outreach programme

In pursuance to the Ntirhisano Taxi Indaba that was held on 30 June 2016 at the Standard Bank Arena, which was aimed at addressing challenges that currently face the minibus taxi industry, the Department conducted regional visits. The regional visits will be conducted on an annual basis as per the Taxi Indaba resolution. The visits focused on delays in the processing of applications for operating licenses and issuing of operating licenses. A total of 5 028 operators were serviced during the visits.

Registration and monitoring

The registration of all public transport modes entails regulating all public transport operators and association. The purpose of registration is to ensure that only legally registered public transport operators associations operate on allocated routes and ranks. 6 minibus associations were fully registered and 2 094 non-minibus taxi operators were registered.

As part of the verifications and auditing of routes to ensure that the public transport operators and associations conduct their operations on allocated and registered routes as stipulated on their operating licenses, the Department aims to minimise the route related conflicts and to avoid overlapping that lead to taxi conflict. This also assists in closing gaps that were identified in the RAS through the implementation of Section 5 of the NLTA (2009). 570 routes were audited and verified.

• Joint Operations Centre with Community Safety

The Department has identified a challenge with taxi associations which confiscate other taxi association vehicles are not complying with specified routes as stipulated in the operating licenses. The confiscation of vehicles is not regulated, therefore rendering it an illegal conduct. The establishment of the Joint Operations Centre will assist the Department in ensuring that law enforcers minimise the illegal conduct of taxi association confiscating vehicles and requesting a fee for their release. This will provide safe roads through the reduction of road crashes and death by creating a safe environment.

The Department entered into a Service Level Agreement with Department of Community Safety for the establishment of the Joint Operations Centre in December 2016. The Agreement stipulates that the Department will provide premises, personnel and funding for the centre. The Department of Community Safety will provide law enforcement services for transport and road infrastructure.

• Regulating and licensing of Uber operators

The Department aims to create an integrated, reliable, safe, accessible and affordable public transport system. A public transport system that has various public transport modes competing with one another. Uber as a public transport mode is regulated in Section 66 of the NLTA (2009) as a metered taxi service. The provincial government resolved that Uber partner drivers must be regulated and licensed as other public transport providers. Thus, the Department undertook to license Uber driver partners as public transport operators.

Uber provides continuous public transport service for the residence of Gauteng through the smart phone technology application and electronic transaction. The service was officially launched in May 2016 as part of the metered taxi industry. Uber has led to a high number of non-minibus registrations in the province.

Strategic objectives

Programme: Transport Regulation					
Strategic objectives indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS					
Provincial Indicator					
Number of permits/ operating license issued by 2019.	10 011	9 500	10 248	+748	The Department embarked on regional outreach programmes aimed at finalising all outstanding applications. This resulted in the more operating licenses/ permits being issued. The Department under reported by 221.
Number of permits converted to operating licenses by 2019.	6 269	5 000	2 603	2 397	Applications submitted to the Department were rejected due to non-compliant. The Department over reported by 213.

Performance indicators

Programme: Transport Regulation					
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations
SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS					
Provincial indicator					
Registration and Monitoring					
Number of fully registered minibus taxi associations in the Gauteng province by 2019.	15	15	5	10	Fewer mini-bus taxi associations meet the minimum requirement of a threshold of 30 operators with valid operating licenses in order for the association to be fully registered.
Number of audited monitored routes completed by 2019.	706	1 050	570	480	Lack of cooperation by mini bus taxi associations to confirm routes resulted in fewer routes being audited.
Number of non-minibus taxi modes registered by 2019.	2 290	1 000	2 094	+1 094	The Department received an increased number of applications from UBER partner drivers (metered taxis) and charter services.

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Establishment of DLTCs.	The Sebokeng DLTC will be completed in the 2017/18 financial year.
Number of TOLABs constructed by 2019.	Sebokeng TOLAB: Project re-scoping was conducted to identify suitable land within the precinct. The intervention recommended was to replace the MVRA with a TOLAB.
Number of permits converted to operating licenses by 2019.	Public transport operators are encouraged through various engagements and structures to submit compliant applications.
Number of fully registered minibus taxi associations in the Gauteng Province by 2019.	The Department will conduct outreach programmes and taxi general meetings with operators to encourage them to apply for operating licenses.
Number of audited monitored routes completed by 2019.	The Department will engage with taxi structures and task teams to ensure that is cooperation by mini bus taxi associations to confirm routes.

Changes to planned targets

None.

Linking performance with budgets

Programme expenditure

Transport Regulation	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
Transport Administration and Licencing	195 804	191 962	3 842	202 229	196,377	5 852
Operator Licence and Permits	129 891	127 360	2 531	66 529	65 980	549
Total	325 695	319 322	6 363	268 758	262 357	6 401

The budget for the TOLAB and DLTCs infrastructure projects is located within this programme, together with the allocations for licensing and registration functions. The audited outcome within this programme is at R262 million in 2015/16 to R319 million in 2016/17 financial year.

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
GMA	The management coordination and oversight of the Gautrain project.	2 812 089	2 812 089	See Annual Report of GMA

6. CONDITIONAL GRANTS

6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table below describes each of the conditional grants and earmarked funds received during for the period 1 April 2016 to 31 March 2017.

Public Transport Operations Grant (PTOG)

Department/ municipality to whom the grant has been transferred	GDRT
Purpose of the grant	To provide supplementary funding towards public transport services provided by the Department.
Expected outputs of the grant	Movement of people through an efficient, effective and affordable public transport network that is accessible, reliable and safe.
Actual outputs achieved	Kilometres = 95 312 234 Trips= 1 786 781 Routes = 3 476
Amount per amended DoRA (R'000)	R2 063 333
Amount transferred (R'000)	-
Reasons if amount as per DoRA not transferred	-
Amount spent by the Department/ municipality (R'000)	R2 035 389
Reasons for the funds unspent by the entity	The PTOG allocation was not fully spent for the current financial year as a result of penalties levies by the Department against the bus operators.
Monitoring mechanism by the transferring Department	-

Provincial Roads Maintenance Grant (PRMG)

Department/ municipality to whom the grant has been transferred	GDRT
Purpose of the grant	Routine, preventative and periodic maintenance of roads infrastructure.
Expected outputs of the grant	Maintenance of provincial road infrastructure.
Actual outputs achieved	169 157.67 m ² of blacktop patching and 117.24km of re-gravelling.
Amount per amended DoRA	R501 784
Amount transferred (R'000)	-
Reasons if amount as per DoRA not transferred	-
Amount spent by the Department/ municipality (R'000)	R501 196
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	-

Expanded Public Works Programme Infrastructure Grant (EPWP)

Department/municipality to whom the grant has been transferred	GDRT
Purpose of the grant	Job creation.
Expected outputs of the grant	Jobs created.
Actual outputs achieved	5 893
Amount per amended DoRA	R2 449
Amount transferred (R'000)	-
Reasons if amount as per DoRA not transferred	-
Amount spent by the Department/municipality (R'000)	R2 449
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	Project monitoring team.

7. CAPITAL INVESTMENT

7.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department has an asset road network of 5 638km of roads comprising of 4 250km of paved roads and 1 388km unpaved roads with 676 bridges and 428 culverts.

The Department has completed the following infrastructure projects:

Roads

- K54: Construction of single carriageway of the section Road K54 between D2561 and K69 (Developers portion – New Africa Development). The Department has completed additional works necessary for the completion of the road.
- P158/2 (N14) and P39/1: Light rehabilitation of road P158/2 (N14) and P39/1 between P158/2 (20.7km) to Pinehaven Interchange (Muldersdrift) is practically complete with additional on and off ramps on N14 (Malibongwe drive, Beyers Naude, and Muldersdrift).

Infrastructure projects that are currently in progress

DLTC

Sebokeng DLTC commenced construction in the 2016/17 financial year and is 71% complete. The DLTC will be completed in the 2017/18 financial year.

Roads on-going

- K46 (P79-1) K46 (P79-1): Upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 – Phase 2 will be completed in the 2017/18 financial year.
- K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54 will be completed in the 2017/18 financial year.
- K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road will be completed in the 2017/18 financial year.
- Vaal River City Interchange will be completed in the 2017/18 financial year.
- R82 Phase 3 (K57 between road D1073 (Walkerville) and K164 (De Deur) will be completed in the 2017/18 financial year.
- P186/1 (N12): Damaged bridge repair will be completed in the 2017/18 financial year.
- P46/1: Rehabilitation of Road P46/1 from Vereeniging to Alberton and D1073 will be completed in the 2017/18 financial year.
- P241/1: Rehabilitation of Road P241/1 (R554) from 17.7km to 19.75km and Road D405 from 0.00km to 8.75km (R82) will be completed in the 2017/18 financial year.
- D904: Light rehabilitation of Road D904 between Road R82 in Evaton and Road will be completed in the 2017/18 financial year.
- P249/1 Phase2: Rehabilitation of road P249/1 (R511) in the Pretoria region from 10.00km to 18.69km Gauteng/North West Border will be completed in the 2017/18 financial year.
- P41/1: Rehabilitation (repair and resurfacing of Road P41/1 from 0.84km to 5.61km West Nigel) will be completed in 2017/18 financial year.
- P88/1 between Roads P73/1 and P3/6 will be completed in the 2017/18 financial year.
- D670: Light rehabilitation of Road D670 from Bronkhorstspuit to Ekangala will be completed in the 2018/19 financial year.
- D1027 Phase 2: Rehabilitation of D1027 (Cedar Road) will be completed in the 2018/19 financial year.

Plans to close down or down-grade any current facilities

The Sage Life Building (head office) was experiencing occupational health and safety issues which included water challenges which were resolved during the financial year. The Department also experienced further occupational health and safety issues which could not be resolved at the current building which resulted in the identification of a new building at 45 Commissioner Street. The new building will accommodate the officials of the head office. The relocation to the new building will be undertaken during the 2017/18 financial year.

Progress made on the maintenance of infrastructure

Maintenance services related to tiling, painting, electrical, plumbing, and sewerage were rendered at the Sage Life and ABSA Buildings. Cleaning services are rendered to all GDRT offices and sites. The challenges regarding the elevators in the Sage Life and ABSA Buildings were resolved.

As part of continuous road maintenance, the Department also implemented the routine road maintenance programme which entails the following activities: pothole patching, re-gravelling, blading and reseal of roads. The overall conditions of the provincial network is at 70% as per the visual conditions assessment completed in 2015 whereas 30% from bad to very bad as per RAMP for 2016/17.

Developments relating to the above that are expected to impact on the Department's current expenditure

In pursuance of the Department's objective of preserving the status of provincial network, the Department is in a process of implementing new application relating to public participation as part of promotion of road safety. The application will enable the members of the public to report the status of roads network and matters needing urgent attention. The public will be reporting any matter relating to roads infrastructure and roads furniture such potholes, roads signs and guardrails. The application implementation is one of the flagship projects of the Premier relating to deliverology associate, where the Department will be able to respond to reported problems with 72 hours and will be launched during Transport Month 2017.

The Department is continuously focused on improving its service delivery to communities and therefore, commenced with the investigations for establishing a new regional office to service the Johannesburg metropolitan area. The Krugersdorp region is currently servicing five municipal areas including the Johannesburg metropolitan with more than 1000km of roads maintained. To improve the efficiency and effective of service delivery to these areas, the establishment of the new regional office is under consideration. This investigation will be concluded in the 2017/18 financial year.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft

As of 31 March 2017, the Department's asset holding totals R39 908 597 000. The asset base in the main comprises of roads, bridges and land for future road construction. Included in the above-mentioned amount are various categorises of movable assets totalling R472 767 000 and R25 589 000 respectively. During the 2016/17 financial period, the Department spent R709 309 000 on major upgrading and rehabilitation of key segments of the provincial road infrastructure network. A total number of 128 of obsolete and redundant assets were disposed of through public auction and all assets that are reported lost or stolen are reported in the Department's loss register and subsequently referred to the Department's anti-fraud and corruption unit for further investigation.

Measures taken to ensure that the Department's asset register remained up-to-date during the period under review

The Department performs annual physical asset verification of all its movable assets. A total number of 26 207 moveable assets were verified which includes road construction vehicles, maintenance machinery and equipment. The Department's asset management directorate plays an important role in updating the immovable asset register of the Department each time a major upgrade or rehabilitation of the provincial roads or bridges occurs. Project completion certificates issued by the appointed consultants have been extremely important in ensuring that the correct value is allocated to the upgrade or rehabilitation.

In addition, as part of the maintaining an updated Road (including bridges) Asset Management System, the Department through the assistance of the CSIR was able to conclude on the visual and conditional assessments for all Provincial roads and bridges. The results thereof will form the basis for future road infrastructure upgrades, rehabilitations and maintenance. The Department also performs monthly reconciliations between the asset register and the financial accounting system (BAS), Monthly Section 40 reports are submitted to the Provincial Treasury. The Department has introduced a checklist for capturing of assets on asset register which assist in ensuring that all purchased assets are accurately and completely captured.

The U-AMP was completed and approved by the HoD and delivered to GDID. The User Asset Management Plan is developed in compliance to the GIAMA Act (2007), to ensure effective and efficient immovable asset management and coordination of the use of immovable assets with service delivery objectives of the Department. The U-AMP optimises the cost of service delivery by:

- Ensuring accountability for capital and recurrent works.
- Recording the acquisition, reuse and disposal of an immovable asset.
- Addressing the maintenance of existing immovable assets.
- Protecting the environment and the cultural and historic heritage.
- Improving health and safety in the working environment.

Infrastructure projects	2016/2017			2015/2016		
	Final appropriation R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/under expenditure R'000
New and replacement assets	174 229	156 097	18 132	78 818	241 380	-162 562
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	361 182	386 078	-24 896	590 134	414 178	175 956
Rehabilitation renovations and refurbishments	357 571	308 912	48 659	683 392	761 768	-78 376
Maintenance and repairs	912 753	865 567	47 186	676 331	603 078	73 253
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	1 805 735	1 716 654	89 081	2 028 675	2 020 404	8 271



PART C

Governance

1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the State resources, which is funded by the tax payer.

2. RISK MANAGEMENT

- The Department has an approved risk management policy and strategy.
- The Department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.
- The Department has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- The Audit Committee is the advisory body for the Department on risk management and independently monitors the effectiveness of the system of risk management.
- Despite slow progression of risk management discipline, the Department has made a commitment to manage risks on a continuous basis. Also, the performance contracts of senior management have incorporated risk management for accountability purposes.

3. INTERNAL CONTROL UNIT

- There is an on-going process for identifying, evaluating and managing the significant risks faced by the Department in order to prioritise high risk and ensure adequate controls are designed and are tested on regular basis for effectiveness.
- Administrative policies were reviewed, approved and communicated to the Department.
- Audit action plans were closely monitored for implementation purposes.

4. INTERNAL AUDIT AND AUDIT COMMITTEES

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

- The Internal Audit performed its audits according to the approved Internal Audit coverage plan. The Plan was based on high risk areas as per the Strategic risk profile and the audit activities were as follows:
 - ✓ Risk and compliance audit;
 - ✓ Performance Audit; and
 - ✓ Computer Audit.
 - ✓ Information Technology Risk Assessment.
- Summary of audit work performed and completed were 10 Risk, Compliance, Performance and Computer audits.
- The Head of the Department is currently responsible for Strategic and administration support to the Internal Audit function.
- Risk based Internal Audit Plans were developed by GAS and approved by the respective Departmental Audit Committees which exercise oversight over the activities of GAS.
- During the last quarter of the 2016/17 financial year, Gauteng Audit Services presented the risk-based three year rolling internal audit plan for the Gauteng Department of Roads and Transport to the audit committee, having discussed it with the Accounting Officer. The Internal Audit plan was approved by the audit committee for implementation from 1st April 2016.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed the Code of Conduct for the public service to promote the high standard of professional ethics. The ethical principles contained in the Code are applicable to all DT employees. The Department implemented the Code and managers ensure that all employees within the Department adhere to it.

Accountability is key to the organisational integrity. All employees are expected to accept responsibility for their actions. Disciplinary matters are resolved by a prescribed disciplinary code and procedure prescription. Labour relations support the introduction and implementation of disciplinary actions for bridge of Code of Conduct. Application of disciplinary measures is an integral component of effective fraud and corruption prevention within the Department.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department has received numerous letters of complaint and none compliance in respect of OHS issues from the Department of Labour (DoL). In May 2016, the Gauteng Department of Infrastructure Development (GDID) went out on tender for alternative accommodation for the GDRT and a new building was leased for the GDRT. The building in 45 Commissioner Street is fully-compliant with all OHS issues. Currently, renovations are being done to suit the needs of the GDRT. The GDRT will move into the new premises by the end of July 2017.

7. PORTFOLIO COMMITTEES

ROADS AND TRANSPORT PORTFOLIO COMMITTEE

QUESTIONS RAISED BY THE COMMITTEE ON BUDGET VOTE 9 FOR 2016/17 (29th APRIL 2016)

How is the Department planning to efficiently and effectively spend the budget appropriation in the current financial year, whereas slow expenditure was experienced in the previous financial year?

Response:

The Department acknowledges the slow expenditure patterns that were experienced over the last financial year. Whilst improvements have been completed to stabilise expenditure patterns, the impact on service delivery objectives remain a concern for the Department.

The Department's spending over the previous 5 financial years is as per the table below:

ITEM	2011/12	2012/13	2013/14	2014/15	2015/16
Allocated budget	6 357 678	5 737 668	5 671 487	6 033 416	6 481 601
Expenditure	5 784 647	5 564 906	5 366 174	5 872 084	6 259 233
Unspent funds	573 031	172 762	305 313	161 332	222 368
%	9%	3%	5%	3%	3%

The table above depicts an overall improvement in terms of the Departmental expenditure and budget management. The improvements were as a result of measures that are in operation within the Department. These measures include:

- Weekly expenditure reporting to all managers that facilitate risk identification and mitigation;
- Closer interaction between the end user directorates and the Finance Branch in order to timeously address challenges;
- Closer interaction with the Provincial Treasury, particularly in relation to the infrastructure programme, as well as the service providers that are implementing the infrastructure projects with regular project meetings between the Department's team and the respective service providers;

- Implementing budget shifts, especially within infrastructure projects, by shifting funds from projects that indicate high risks of under-spending to the projects whose spending is progressing well enough that they can therefore handle additional resources; and
- The Department remains committed to continuously improving its expenditure trends thereby ensuring the successful implementation of all of its strategic goals and objectives.

How is the Department planning to avoid the unauthorised, irregular, wasteful and fruitless expenditure in the current financial year?

Response:

The Department is extremely proud of the fact that it has not incurred any unauthorised expenditure for the past four financial years. This success is very much attributable to the effective budget control measures that have been implemented within the Department.

The Department has implemented strict internal control measures that effectively monitor the prevention of any new irregular or fruitless and wasteful expenditure. However, the challenge for the Department still resides in respect of pending litigation cases and the finalisation of the processes around the bus subsidy contracts.

The Department remains committed to the achievement of a clean audit that is based on sound financial management and sound systems of internal controls.

How is the Department planning to spend the entire allocated budget in the current financial year, with all challenges faced in the previous financial year related to the slow expenditure?

Response:

During 2015/16, the under-spending within this programme was as a result of the following reasons:

- The delays in the implementation of a comprehensive HVAC system for the Department, a project that is being implemented by GDID.
- The delays in the designs for the refurbishment of the Zwartkop Training Centre, a project that is being implemented by GDID.
- The delay in the full implementation of planned security upgrades for the Department and its regional offices could not occur as the legal matter surrounding the security service providers has not yet been finalised.
- The other items that under-spent the budgets were operational items that were managed through cost-containment measures as required by Treasury. The items are:
 - ✓ Catering.
 - ✓ Fleet services (government motor transport).
 - ✓ Stationery and printing.
 - ✓ Property payments.
 - ✓ Travel and subsistence.
 - ✓ Venues and facilities.

The budget allocations for 2016/17 have taken the above into account. The Department will be monitoring spending patterns relating to this programme to consider any possible budget adjustments that maybe required during the latter stages of the financial year.

The Department should explain as to whether the following 2015/16 targeted outputs that were affected by the slow expenditure were discontinued or not in the current financial year and why they are not included in the Annual Performance Plan (APP) of the current financial year, if not discontinued.

Response:

Security upgrades

There will be no security upgrades planned for Departments and regional offices until the court case is concluded.

Designs for refurbishment of the Zwartkop Training Centre

The reason why it is not included in the APP 2016/17 is that the final revised designs and plans must still be approved and signed off. Professional fees must also be re-adjusted.

Implementation of a comprehensive HVAC system

The initial engagement between the GDRT and GDID in relation to their conditioning system commenced late in the year 2014. This was supported by the findings of the Department of Labour (DoL) and subsequent warnings from the City of Johannesburg concerning the ABSA and Sage Life building in relation of safety and compliance.

On 18 April 2013, GDRT received a notice from the Department of Labour regarding the conditions of ABSA building. On 3 September 2014, GDRT received a fire safety warning from the City of Johannesburg regarding the condition of safety at Sage Life building. Furthermore, the second notice was received from the DoL on 18 December 2015, detailing the areas of non-compliance matters both at Sage Life and ABSA buildings.

HVAC implementation

A presentation was put together to highlight all the issues of concern for the two facilities, more on the provision of sufficient ventilation for employees. TKDS Consulting Engineering was appointed by GDID with the scope of conducting assessment on the Sage Life HVAC system and formulate informed recommendations on the existing system whether it is still eligible for repair or in need of replacement. However, the project was put on hold by GDID due to budget constraints.

GDRT then proposed to utilise its own budget to implement the project with the view that GDID will reimburse GDRT when funds become available. Approval was granted by HoD GDID. Upon the approval, the bid specification and bid evaluation committees were appointed and formulated as well as the steering committee. The obligation of the steering committee was intended at sourcing alternatives ways of fast tracking the implementation of the HVAC project.

GDID advised that there were engineering consultants which had already commenced with the assessment of the Sage Life HVAC system. Upon the agreement from both parties, TKDS was reinstated on the 28 January 2016 to continue with the implementation of the project.

The service provider therefore presented a project plan on how the process will unfold.

- The first step on the project plan was to do a site inspection of the whole building, which was completed.
- The next step was to develop the as built-drawings of both towers (North and South) which were also achieved.
- From the drawings, the consultants had to create designs and this was also completed.

Alternative options

The Department was then required to look at alternative options to fast track the project. The steering committee was tasked by HoD GDRT to explore the alternatives that will assist in speedily addressing the matter.

Option one

The first option explored was the identification of an alternative building within the precinct that can be able to accommodate the employees at Sage Life building. The available building in the precinct was not suitable for immediate occupation. The GDID proposed the 78 Fox Street building which was said to be 95% completed. However upon arrival at the proposed facility it was discovered that it has unresolved issues worse than Sage Life building.

Option two

The second identified possible solution was the split-units installation, which was investigated by the consultants and presented with cost to the Department. The challenge with this option was that the structure of the building is not suitable for the number of split units to be installed. Secondly, obtaining permission from the local authority to upgrade electricity to meet the required standard also proved to be unrealistic.

Option three

The third option was to source an alternative building in Johannesburg central business district which is in progress.

Way forward

- Different options were explored by the steering committee but it became evident that the facilities have several OHS issues of concern. This resulted in the Department facing grim consequences of the industrial action by the organised labour and contravention warnings.
- Three buildings have been identified and the GDID requested to conduct a space planning analyses to determine the financial cost.
- Stirring onward, a formal communique dated 22 March 2016 has been sent by the GDRT requesting GDID to assist with identification of alternative office accommodation which is still in progress. Upon the identification of an accommodation a tender process will be administered.
- The tender advertisement was featured in the City Press on 17 April 2016 to source alternative office accommodation. The tender closing date is on 16 May 2016.

The Department should update the Committee on the review of the organisational structure in relation to the rolling out of the IDMS.

The Department presented the proposed Service Delivery Model and Organisational Structure to the Committee.

Way forward

- Business case for submission to MPSA after approved by MEC [includes job descriptions and job evaluations where applicable].
- DoRA funded posts [defined and submitted to National Treasury].
- Process maps and system requirements.

The Department should explain the discrepancy in the number of infrastructure designs to be completed in the current financial year, as the budget statement listed 14 and the APP mentioned 23.

Response:

The number of designs to be completed according to the original APP was 14. Unfortunately, the compiler mistakenly used the number 23 which was the original number for 2017/18 designs. The final and correct number on the adjusted APP 2015/16 is 10 designs completed. The other 4 designs had an additional scope of work which led to an extension of time, and they are now scheduled to be completed in 2016/17.

Why Non-Motorised Projects were deferred to the current financial year, and what happened to the budget for the Non-Motorised Projects in the previous financial year in relations to the current financial year, and which non-motorised projects are planned to create 250 jobs through the implementation of EPWP principles?

Response:

The tendering process was furthermore delayed as there was an overwhelming response on the part of bidders. At the adjudication stage the process was condemned on the basis of late communication to bidders regarding the erratum. The money was surrendered for reallocation during the budget adjustment period.

About 25km of walkways/cycle lanes had been planned and will be constructed utilising labour intensive methods and these would invariably create those 250 job opportunities.

The Department should brief the Committee on the internal capacity to carry out all Road Infrastructure Projects in the current financial year, particularly on the project management as well as the financial management.

Response:

The Department have capacity to execute all road infrastructure projects in the current financial year. Although the Departmental structure is not filled to capacity, the current technical personnel strive to continuously manage the roads projects diligently. This is evident in the 2015/16 expenditure achieved (99%).

Below is the list of filled and vacant technical posts in the Department.

Currently there are 256 vacant posts in the OSD Staff Complement, as listed below:

Description	Roads		Transport	
	Vacant	Filled	Vacant	Filled
Chief Engineer	3	0	2	0
Engineer Production Gr A	15	6	14	2
Candidate Engineer Production	36	5	24	0
Engineering Technician Production	34	34	11	5
Control Engineer Technician Production	10	7	0	3
Candidate Engineering Technician	44	6	16	4
GIS Professional Production	0	0	2	0
Candidate GIS Professional	0	0	10	0
Engineering Technologist Production	10	2	0	0
Candidate Engineering Technologist	14	1	0	0
GIS Technologist Production	4	1	0	0
Surveyor Technician Production Gr A	3	3	0	0
Control Technician Production Gr A	1	0	0	0
Candidate Surveyor Technician Gr A	2	0	0	0
Candidate Quantity Surveyor Gr A	0	2	0	0
Chief Professional Surveyor Gr A	1	0	0	0
TOTAL	177	67	79	14
TOTAL VACANT POSTS FROM BOTH BRANCHES	256			

The total number of professionals and candidates from the above Table are listed below.

Description	Roads		Transport	
	Vacant	Filled	Vacant	Filled
Professionals	81	53	29	10
Candidates	96	14	50	4
TOTAL	177	67	79	14

The GDRT has identified the salary per annum offered as a key reason for not being able to fill the posts (mainly engineering posts) as the salary we offer per annum is less, in relation to the market salary offered by organisations in the private sector. Occupational Specific Dispensation (OSD) dictates what engineering salaries per annum are to be. Thus, we have no flexibility (around OSD salary posts) that we can utilise to compete with companies in the private sector. As opposed to reported cases where provincial Departments have diverted from the OSD instructions to fill their OSD posts, The GDRT complies with the DPSA prescripts and this has hampered the filling of key posts.

Alternative avenues have been sourced by the Department and the vacant posts for professional engineers will be re-advertised soon. The infrastructure projects are managed by the available project managers in the Department who will also be responsible for financial and performance management.

The Department should update the Committee on the talks about devolving the Bus Services to the Metros in the province.

Response:

The Department drafted a presentation to the Metros on acceptance of the function and all of them indicated that they are not ready to take over the function. The Metros also raised their concerns about the uncertainty of the PTOG funding from National Treasury. Their main concern is that Public Transport Operating Grant (PTOG) allocation is not adequate for bus subsidy operations in its entirety.

The Department should clarify the discrepancy in the APP where the Department reported that the feasibility study on bus services in the West Rand is discontinued as it is not financially viable, and on the other hand, indicate in the budget statement that the project will be implemented in 2018.

Response:

The West Rand bus subsidy viability assessment has culminated in indications that bus subsidy operations will be financially sustainable and alternative designs can be explored. The Department supports the preliminary recommendation to explore on alternative designs and is of the view that further engagements with West Rand Municipality must be pursued. The main objective is to explore alternative public transport modes or routes to address the lack of subsidised public transport services in the region.

How is the Department addressing the matter of bus service withdrawal experienced in the previous financial year?

Response:

Subsequent to PUTCO's withdrawal, Autopax was appointed as a temporary operator for a period of nine months and the Autopax contracts are now extended for twelve months until the end of the 2016/17 financial year, whereby new tenders will be advertised and awarded.

Why the Roodepoort Intermodal Facility Project is not indicated in the current financial year as the targeted output?

Response:

As at the final draft of the 2016/17 APP, completion of the project had been anticipated as per the contractor's programme. The Department is in the process of terminating the current contract as the contractor is continuously failing to meet the target.

The Department should also clarify if Roodepoort and Vereeniging Intermodal Facility Projects would receive roll overs as they are running behind the schedule.

Response:

The Department has not requested roll overs, however the requested budget for the financial year will be utilised.

The Department should indicate the legal cost associated with the TASIMA Case in Temba and Mabopane DLTCs.

Response:

The case is between TASIMA and the NDoT. There is no specific case for Temba and Mabopane; however the entire country is affected in terms of provision, maintenance and upgrade of the e-Natis. The Gauteng province is not paying any legal costs towards the case.

The Department should brief the Committee on the project scope of the Sebokeng DLTC and Sebokeng TOLAB as well as the upgrade of the Tshwane TOLAB.

Response:

Sebokeng DLTC

- This project entails the construction of new DLTCs and a Motor Vehicle Registration Authority (MVRA).
- The project involves the works associated with the development of a Greenfield site on a portion of the stand measuring approximately 40,627m², with the remainder earmarked for future development by others.
- The scope of the works comprises of the following:
 - ✓ The provision of a DLTC building with a floor area of 1235m².
 - ✓ A MVRA building with a floor area of 955m².
 - ✓ Associated facilities including a guard house of 9m² and the provision of staff and general public parking.
 - ✓ An access road, internal roads with a testing track to accommodate code 08, 10 and 14, (DRT construction unit responsible for constructing layer works).
 - ✓ Supply, delivery and installation of a Clear-Vu fence.
 - ✓ The main contractor is Makholi Projects. The contract value is R63.5million (contracted by GDID).
 - ✓ G6 and G7 material supplier (Civil Quip Plant and Hire). Contract value is R14.7million (contracted by GDRT).

Sebokeng TOLAB

The Department has to identify an alternative site as the one currently identified is a dumping site and according to the Geo technical report, it is not suitable. It would cost the Department about R44 million just to clear the site. There is no alternative site identified currently and the Department will be advised by a professional team on the suitability of a site. There is a budget allocation of R17 million for the 2016/17 financial year.

Tshwane TOLAB

The Department has identified the Koedoespoort regional office as a temporary TOLAB and there are a few improvements that are outstanding before the TOLAB can be operational:

- Parking area.
- Ablution blocks for clients.
- The MEC is waiting for GDID to cancel the main Tshwane Building contract before he can give approval for the project to continue.

The budget for Koedoespoort is R3 million and for the main Tshwane Building, R15 million.

**QUESTIONS EMANATING FROM THE ANNUAL REPORT OF THE GDRT 2015/16 FINANCIAL YEAR
(01 November 2016)**

The Department should provide reason/s for shifting of funds from the Administration programme and Transport Operations programme to the Transport Infrastructure programme and Transport Regulation programme.

Response:

The shifts that were made were all in line with the operational requirements of the Department. The reasons of the overall shifts per programme are:

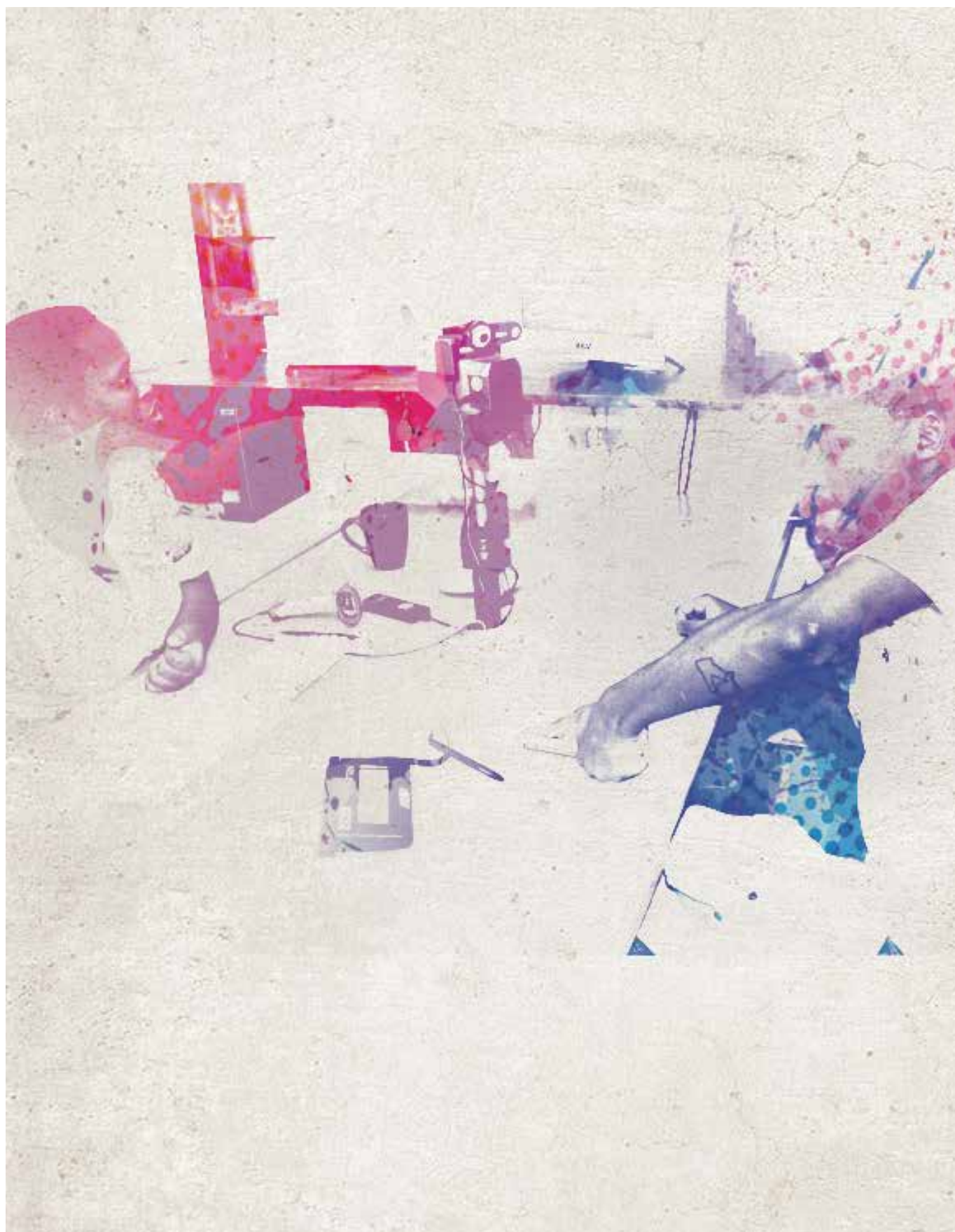
Programme 1: Administration

Shifts from:

- R11 980m from the communications item – the funds were allocated for telephone, cellphone, as well as postage payments that were not fully spent in line with the cost containment measures.
- R4 500m from the computer services item as a result of software licenses that were not paid by the end of the financial year as a result of disputes between the Department and the e-Gov Department. This dispute has been subsequently resolved and the amount paid during the current financial year.
- R360 000 from the consultants item in the HR unit as a result of savings on the item for qualification verifications with SAQA.

Shifts to:

- There was R2, 035m that was shifted to this programme to augment the compensation of employees.



Programme 2: Transport Infrastructure

Shifts to:

- The Department took a decision to write-off the remainder of the debt by the GDID that occurred during the reconfiguration process in 2009. The total write-off was R16 840m.
- There was R1 080m that was shifted to this programme to augment the compensation of employees' item.

Programme 3: Transport Operations

Shifts in the main consisted of:

- A total of R3 325m savings that was realized in the bus monitoring allocation was shifted to fund the GDID debt write-off.
- The other shift of R3 182m was to settle the last invoices for work done at the DLTCs located within programme 4.



Programme 4: Transport Regulation

- The amounts shifted to this programme have already been explained above; R3 182m from programme 3 for the DLTCs invoices and R3 320m from programme 1.

The Department should elaborate on the following reasons for the under expenditure per programme:

7.1 ADMINISTRATION PROGRAMME

Delays in the implementation of the comprehensive HVAC by the GDID.

Response:

The delay in the HVAC was due to the whole system having to be replaced and the total costs would have been over R20 million but we also had to look at electricity and whether the current electricity would be able to carry the new air conditioner. It was agreed that the Department move from Sage Building into a rented building by GDID. It is now confirmed that the Department would be moving to 45 Commissioner Street in +/- May 2017.

Delays in the designs for refurbishment of the Zwartkop Training Centre.

Response:

The project is implemented by the GDID on behalf of the Department, and we were informed that the finalisation of the designs for the refurbishment has been delayed by the poor performance of the consultants appointed for project management.

Delays in the full implementation of planned security upgrades in regional offices due to legal issues around security service provider.

Response:

In order to facilitate an understanding regarding legal issues in relation to security matters, GDRT believes it is apposite to set out the background. The Department issued tenders for the procurement of security services. After the appointment of the security companies, the AG discovered some irregularities in the procurement process and therefore the decisions were found to be defective. The GDRT is required in terms of the law that when government errs by issuing defective decision, the subject affected by it is entitled to proper notice and be afforded a proper hearing on whether the decision should be set aside or not.

The Department referred these matters to court to have the defective decisions set aside. Generally, this means that the Department must apply formally to court to set aside its own defective decisions.

As a result, these matters are still pending before the court and the Department is not permitted to go out on tender to procure security services until these matter are finalised in court.

7.2 TRANSPORT OPERATIONS PROGRAMME

As a result of the PTOG and North West Star allocations that were not depleted during the year.

In bus operations there are Did not Operate (DNO) trips and other contractual transgressions and these attract penalties that are applied and deducted in monthly claims submitted to the Department for payment. Consequently, these penalties amount to millions of rands that are accounted for at the end of the financial year. These penalties cannot be referred to as under expenditure.

7.3 TRANSPORT REGULATION PROGRAMME

The Department did not make the payment for the software licenses due to the fact that the amount that was claimed by the Gauteng Department of Finance was much higher than the Departmental staff usage.

This matter revolved around the payment of invoices for Microsoft licenses invoices for both 2014/15 and 2015/16 years for the amounts of R4.5m and R9.5m respectively. The dispute has since been resolved after a meeting with the Department of e-Government. The Department clarified and maintained that the licenses and invoices were inclusive of g-Fleet as the Department pays the full amount for both. The Department has since paid and settled both invoices in full.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.1.1.2	Significant uncertainties.	<p><i>In terms of Rule 182(4), the Accounting Officer submits a quarterly update on the lawsuits to SCOPA and the Roads and Transport Portfolio Committee on the matter until finalisation thereof.</i></p> <p><i>That the Accounting Officer intensifies performance and consequence management processes to mitigate instances of findings on lawsuits and provides the Committee with a progress report detailing the effectiveness of measures put in place to address challenges related to lawsuits commencing 30 days after adoption hereof.</i></p>	<p>In terms of the GDRT Legal Service Litigation Report of October 2016:</p> <ul style="list-style-type: none"> • The GDRT conducts its business within the required legislation and relevant regulations, and tries to avoid instances that could lead to expensive legal tussles. Most of the current legal challenges are unavoidable, and the Department must make decisions as to the efficacy or desirability of defending cases, or settling them. This depends on whether a case will set precedents or not. Where legal challenges arise from the negligence of any of our officials, the necessary disciplinary measures will be implemented. • It is unfortunate that most of the cases are historical and as a result people who were responsible had since left the Department. Most of the cases have a long-chequered history which includes, among others, routine road maintenance contractors whose contracts stems from 2008. • Other cases emanate from an investigation report that was conducted by the Auditor-General after having been commissioned by the MEC. The Auditor-General established that the process of award of the tenders, and in some instances the conclusion of the contracts which ensued from such awards were tainted with irregularities and violation of the legal prescripts regulating procurement of goods and services by organs of State. The Department took reasonable steps to have the awards or contracts reviewed by a court of competent jurisdiction, as the Department is not exempt from proper court process. • It is a fact that almost half of the contingent liabilities reported as R1 355 211 000 involves the land expropriated for the purpose of Gautrain of which government had already paid what it deemed to be a market value for the land. The amount paid has not been taken into account by the suing party when summons were issued. • With regard to cases involving poor roads conditions, the Department has procured the services of routine road maintenance contractors who as part of the contractual obligations will be jointly held liable with the Department if an incident occurs or reported in relation to conditions of roads within their scope of work. • With regard to consequence management, it is now entrenched within the Department that all employees must do what is right and do it properly. The Accounting Officer has not hesitated to take disciplinary action against any employee who is suspected to have committed misconduct. • The bulk of the cases which involves land expropriated for Gautrain are in the process of being transferred to the GMA. As indicated afore, the Government has already paid what it deemed to be market value of the land. • In conclusion there are minimal cases that are coming forth which means after the transfer of the cases involving Gautrain land the contingency liabilities will be reduced by almost half. 	Partially. In progress.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.1.2.1	<i>Re-statement of corresponding figures.</i>	<i>That the MEC provides the Committee with a progress report detailing the implementation and effectiveness of measures put in place to curb the recurrence of errors in the financial statements within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2017.</i>	<p>During the past financial years, the Department had identified proper management of its assets as a primary area for improvement, which if adequately addressed, could pave the way for a sustainable clean audit. In responding to this challenge, the Department had undertaken decisive medium to long term solutions that would facilitate immediate improvements and continued sustainability of improved results. The interventions as implemented are as follows:</p> <ol style="list-style-type: none"> 1. Continued close working relationship with the CSIR in establishing and improving on all road and bridge information ensuring that the Department improves and maintains a valid, accurate and complete immovable asset register at all times. This process has already commenced and is on track and will also result in the establishment of a fully-fledged Provincial Road Geographic Information System (GIS). The first phase of the GIS system is already operational within the Department. 2. The Asset and Disposal Management unit located within the Finance Unit had been tasked to ensure that they are part of each of the core service delivery unit's monthly meetings to get an update on the status of all construction projects. This is critical to ensure that the asset register is timeously updated upon completion of qualifying projects. This process has been implemented and is ongoing. 3. The Department has also embarked on a process that will ensure that conditional assessments of all its roads and bridges are up to date and relevant to information for both budgeting processes as well as immovable asset values. The first phase of the project relating to the conditional assessments of the Roads has been finalised. The asset register is in the process of being adjusted to reflect appropriate asset values. The bridge assessment process is currently in progress. 4. All supporting schedules used during the preparation of the financial statements are signed off by the respective Deputy-Director Generals within the Department prior to submission to the Finance Directorate for consolidation. This process has been implemented. 5. The HoD has been instructed to ensure that consequence management principles be applied when officials fail in their daily responsibilities, such as the preparation and review of reliable and accurate information. This process is implemented and is ongoing. 6. Furthermore, as part of the review process of all senior managers' performance contracts, key deliverables that are aligned to overall audit outcomes will be included in performance contracts of the respective senior managers to drive accountability and consequence management. This process has commenced and is in progress. <p>Through these processes the Department will ensure that it accounts for its entire infrastructure assets at appropriate values which in a long run this will avoid any prior period adjustments.</p>	Partially. In progress.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.2.1.2	<i>Reliability of reported performance information.</i>	<i>That the Department provides the Committee with a quarterly progress report regarding the implementation and effectiveness of measures put in place to address weaknesses of pre-determined objectives within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2017.</i>	<p>The developed template is now in use to address the deficiency and classifying data correctly and an automated system template was developed for accurate verification of raw data captured.</p> <p>A physical collection of raw data on beneficiaries is conducted at all regions to capture accurate information of beneficiaries.</p> <p>Further to the above, see the action plan and report below: (Fig.1)</p>	Partially. In progress.
5.3.1.1.2	<i>Irregular expenditure.</i>	<i>In terms of GPL Rule 182 (4), the MEC provide the SCOPA and Portfolio Committee on Roads and Transport with a monthly report detailing its adherence with and compliance to the requirements of all applicable legislation to ensure that effective measures are implemented to prevent irregular expenditure as required by Section 38(1)(c) (ii) and Treasury Regulation 9.1.1 within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2017.</i>	<p>The Department acknowledges the concerns raised by the Committee. As the Department, we remain committed in ensuring that all transactions comply fully with Section 38(1) (ii) of the PFMA and paragraph 9.1.1 of the Treasury Regulation.</p> <p>This commitment is highlighted by the Departments focused approach around the following elements:</p> <ul style="list-style-type: none"> • Prevention of any forms of non-compliance with laws and regulations. • Early detection should there be any non-compliance. • Correction of any non-compliance. <p>Over the past few financial years, the Department has strengthened its focus around the element prevention of any forms of non-compliance with laws and regulations. The following are some of the measures implemented:</p> <ol style="list-style-type: none"> 1. The adoption and implementation of a Department Anti-Fraud and Corruption Policy and related procedures. 2. The adoption and implementation of strict SCM policies and procedures. 3. The vetting of suppliers and SCM officials, 4. The continuous training and development of SCM officials. 5. The use of probity auditors to scrutinize the tender process. <p>These measures have significantly improved the Department's chances of obtaining a clean audit. During the current financial year that Department can confirm that it has not reported any new irregular expenditure. The monthly reports only show irregular expenditure emanating from prior years as a result of the continuous nature of the originally signed contracts.</p> <p>The table below provides a snapshot of the reported irregular expenditure in the current financial year (as at 30 November 2016): (Fig.2).</p>	Partially. In progress.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.2.1.2	<i>Irregular expenditure.</i>	<i>That the Accounting Officer intensify performance and consequence management processes to eliminate findings on irregular expenditure and provides the Committee with a progress report detailing the effectiveness of measures put in place to address challenges relating to irregular expenditure within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2017.</i>	The Department takes cognisance of the fact that consequence management plays a very pivotal role in deterring any potential transgressors. The positive control environment created by the leadership of the organization serves as a strong message to all officials of the Department that any official found guilty of incurring irregular or fruitless expenditure will be subjected to fair and transparent disciplinary processes. Although committed to consequence management, the Department is of the view that the preventative measures as highlighted above will ensure that no irregular expenditure is incurred.	Yes. Ongoing.
5.3.2.5.1	<i>Irregular expenditure pertaining to the procurement of goods and services.</i>	<i>That the MEC provides the Committee with the final investigation report regarding the appointment of service providers within 30 days of receipt thereof.</i>	The Department acknowledges and welcomes the resolution as raised by the Committee. The investigation into the aforementioned matter is currently in progress. The Department will provide the Committee with the final investigation report on completion.	In progress.
5.4.1.1	<i>Leadership, financial and performance management.</i>	<i>That the MEC provide the Committee with a progress report detailing the implementation and effectiveness of measures put in place to address poor leadership in the Department within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2017.</i>	<p>The executive management of the Department has taken the following approach to dealing with instances of poor leadership in the Department:</p> <ul style="list-style-type: none"> • All senior managers have been instructed to take personal responsibility for various crucial functions and oversight in their areas of responsibility. This includes signing off on all reports that detail the functional performance of their responsibility areas. • These senior managers are also provided with the opportunity to acquire additional skills and knowledge in the area of financial, risk and performance management, as well as preparation for the annual and regular internal audits. • Where serious performance or compliance breaches occur, such senior managers will receive a stern warning, or if the breach demands it, will undergo the required disciplinary measures. In general, no performance bonuses are approved where the directorate, branch or organisational performance is well below par; on the other hand, where individual excellence has been proven, such managers are provided with the available incentives as a means of encouraging other managers to follow suit. 	Yes.
5.5.1.1	<i>Investigations</i>	<i>That the MEC provides the Committee with the outcome of the disciplinary hearings against officials implicated within 30 days of adoption hereof and a quarterly progress continuing up until finalisation thereof.</i>	The Department has compiled and submitted a report on the disciplinary cases and the status thereof. The submission of quarterly reports are provided.	Ongoing

Figure.1

Action Plan	Time frame	Progress report
Strengthened internal controls to ensure effective review processes are undertaken to collate, verify and validate the reported information against reliable and accurate source documentation,	31 March 2017	An internal auditor has been recruited to review processes to collate, verify and validate the reported information that forms a basis for Portfolio of Evidence – this is another strategy of ensuring that Management play an oversight role on performance information – an internal auditing firm has been recruited through GAS to also assist – Sekele Xabiso.
Tasks teams set up to refine the monitoring and reporting internal control mechanisms for Programme 3.	31 March 2017	The task team composed of Finance; Monitoring & Evaluation, Public Transport Operations Directorate and the DDG's office and has been set up and the last meeting was held with CSIR to finalise validation of APP targets. The process was protracted due to the volume of work involved.
Developed a Bus Monitoring Process Flow and Standard Operating Procedure Manual to ensure standardisation across the unit in the collation, storage and verification of source documentation against reported information.	31 March 2017	The Standard Operating Procedure was developed and signed by the Accounting Officer on 14 December 2016.
Contracted the CSIR to assist in validating the targets and process mapping of the collation of source information for performance reporting.	31 March 2017	3 Interns and 3 State Accountants have been deployed to the CSIR to assist in capturing timetable and claims information as a process of validating the APP targets to conform to SMART principles – the Task Team is meeting the CSIR on regularly to review the progress.
Revised contracts of the Supervisory Monitoring Firms (SMFs) to improve their accountability in terms of ensuring accurate and valid information and applicable penalties for deficiencies in reporting.	31 March 2017	Regular meetings are already held with SMFs to discuss what is required to improve on the issue of accuracy and accountability on performance information and an instruction to attach journey analysis in all claims has been issued. Details can be provided as portfolio of evidence.
Undertaken staff capacitation through training programmes to provide the relevant skills to improve the monitoring and reporting systems.	31 March 2017	Staff attended a course on Bus Planning (July 2016) and Leaders in Transport Planning in October 2016.
Recruiting staff with relevant technical skills required to improve the operations of the unit and the audit outcomes.	31 March 2017	There is a moratorium on recruitment of staff that was published by HRM due to processes of staff establishment review, which is based on the new Service Delivery Model (SDM). The Department had advertised four Transport Economist posts and unfortunately the recruitment process is halted.
Introduce the ABMS and RTPIS as a strategic move to support the modernisation of public transport.	31 March 2017	Procurement processes have already resumed. The Department is finalising the budget for implementation.

Figure2

NO.	NATURE OF TRANSGRESSION	AMOUNT	REMEDIAL ACTION
1.	Extension of 34 bus subsidy contracts devolved from the NDoT	R1 137 717 956.60	The Department is in a process of embarking on an open tender process effective from 1 April 2018. In the meantime the Department is at an advance stage of finalising the memo to request National Treasury to condone the expenditure.
2.	Extension of security service contract pending an ongoing litigation process.	R6 447 903.48	The Department is not in a position to go out on tender since the matter has not been adjudicated. The entire expenditure will be referred to National Treasury for programmed condonement.
3.	Instruction to Perform Work (IPW) for design and site supervision of construction on road R25 and R82.	R5 565 446.73	<p>As a corrective action, the Department took a resolution that all appointments of consultants above value of R500, 000, 00 as required by the legislative framework must be subjected to an open tender process.</p> <p>Both projects have been completed only final accounts and retention monies are outstanding. This irregular expenditure is not expected to recur post 2016/17 financial year</p> <p>The entire expenditure will be referred to National Treasury for condonement.</p>
4.	Construction of intermodal public transport facility in Vereeniging. Based on findings by the Auditor General not all of the procurement processes were followed in appointing the contractor.	R7 561 610.98	The Department initiated an investigation into the appointment process. In addition, the Office of the Public Protector is also investigating the appointment process.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Irregular expenditure (non-compliance with procurement processes).	2015/16	The matter has been investigated and referred to National Treasury for condonement.
Fruitless and wasteful expenditure (non-compliance with PFMA).	2014/15	The matter has been resolved. No significant new fruitless and wasteful expenditure has been incurred in the current financial year.
Non-compliance with DoRA (conditional grants received).	2014/15	The matter has been resolved. The Department has put measures in place to ensure evaluation reports are submitted timeously. No findings were raised in 2015/16 financial year.

10. INTERNAL CONTROL UNIT

- In accordance with the requirements of the PFMA (1999), and best practice, the Department has a fully resourced internal Audit function.
- The Internal Audit performed its audits according to the approved Internal Audit coverage plan. The plan was based on high risk areas as per the strategic risk profile.
- The HoD was appointed and he is responsible for strategic and administration support to the Internal Audit function.
- There is an on-going process for identifying, evaluating and managing the significant risks faced by the Department in order to prioritise high risk and ensure adequate controls are designed and are tested on regular basis for effectiveness.
- All planned internal audits were completed during the year under review.
- Administrative policies were reviewed, approved and communicated.
- Quarter audit reports were presented to audit committee for independent oversight.
- Risk management action plan was closely monitored for implementation.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key activities of Internal Audit

Risk based Internal Audit Plans were developed by GAS and approved by the respective Departmental Audit Committees which exercise oversight over the activities of GAS.

The activities are as follows:

- Risk and compliance audit.
- Performance audit.
- Computer audit.
- Information technology risk assessment.

Specify summary of audit work done:

Nine risk, compliance, performance and computer audits.

During the last quarter of the 2016/17 financial year, GAS presented the risk-based three year rolling internal audit plan for the GDRT to the Audit Committee, having discussed it with the Accounting Officer. The Internal Audit Plan was approved by the Audit Committee for implementation from 1 April 2016.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external member	If internal, position in the Department	Date appointed	Date resigned	Number of meetings attended
Janice Meissner	<ul style="list-style-type: none"> Chartered Accountant (SA). B.Com. B.Com. (Honours). 	External	N/A	01 October 2014	Current	05
Lorraine Francois	<ul style="list-style-type: none"> B.Com. MBA. Certified Internal Auditor. Postgraduate Certificate in Accounting. 	External	N/A	01 October 2009	29 April 2016	None
Masaccha Mbonambi	<ul style="list-style-type: none"> B. Accounting. B. Com. (Honours). Certificate in Board Governance. 	External	N/A	01 September 2016	Current	03
George Higgins	<ul style="list-style-type: none"> B. Com. B. Com (Honours). Higher Diploma in Auditing. Chartered Accountant (SA) Registered Auditor. 	External	N/A	01 September 2016	Current	04

12. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 04

Gauteng Department of Roads and Transport

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two 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 to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Janice Meissner	05
Masaccha Mbonambi	03
George Higgins	04

Executive Members

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

Compulsory Attendees	Number of Meetings attended
Ronald Swartz (Accounting Officer)	03
Sanele Zondo (Chief Financial Officer)	04
Delicia Kgage (Chief Risk Officer)	03
Lorraine Francois (Chief Audit Executive)	04

The Members of the Audit Committee met with the Senior Management of the Department, Auditor-General and Internal Audit collectively to address risks and challenges facing the Department. A number of in-committee meetings were held to address control weaknesses and deviations within the Department.

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 and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Department continued to improve during the year under review. Some deficiencies in the system of internal control and deviations were reported in the Internal

Audit Reports. However, it is with great concern that the Audit Committee notes the issues raised by both Internal Audit and AGSA on the internal control system for reporting against predetermined objectives. These issues as noted in the audit report include inefficiencies to measure and validate information so that the actual performance reported is credible. The Audit Committee has recommended to the Accounting Officer that the implementation of improvements in the control environment with regards to reporting performance should be prioritised.

The Audit Committee also reviewed progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. The Audit Committee report its dissatisfaction with minimal progress made in the implementation of the Disaster Recovery Plan and the Business Continuity Plan. The disaster recovery project has not been completed and therefore the Disaster Recovery Plan has not been implemented. This was due to change of decision by Management from using Gautrain site to SITA. Furthermore, IT backups performed during 2016/17 period were completed with errors and failures due to technical errors caused by the backup technology. This could lead to data being unavailable in the event of a disaster resulting in disruption of business activities. This continued to be a high risk for the Department.

Internal Audit

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the entity has a system of Internal Audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government (GPG), the Internal Audit Function is shared amongst Departments in the Province.

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the Internal Audit has discharged its functions and responsibilities during the year under review.

The Audit Committee has noted an improvement in the communication between the Accounting Officer, Senior Management, the AGSA and the Internal Audit which if continued can strengthen the Corporate Governance initiatives within the Department. The Audit Committee wishes to stress that in order for the Internal Audit to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills should be addressed.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. However, the Audit Committee was required to intervene with the Accounting Officer to ensure that the actual management of the risks (strategic, financial and operational) were receiving the attention the risk management function deserves. The Internal Audit reports reflected that controls were adequate but ineffective with some findings being rated as significant during the financial year. The key areas of concern included supply chain management (SCM), provision and maintenance of roads infrastructure, operation licenses as well as permits and Information Technology Governance. Management should put more effort in implementing the agreed action plans to address the previously reported audit findings in order to improve the overall controls within the Department.

The Audit Committee is satisfied that proactive steps are now being taken to manage the risks of the Department and a substantial improvements are required. It is emphasized that Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to further enhance the performance of the Department. It is the request of the Audit Committee for the Department to substantially improve in the maturity of risk management.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were completed during the year under review. Furthermore, a number of investigations are still in progress. Various measures were recommended, including taking action against the identified officials and this was in the process of finalisation. The recommendations are at various stages of implementation.

The quality of 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 financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee is comfortable that the Annual Financial Statements have been prepared in terms of the Modified Cash Standard (MCS) and PFMA.

The Audit Committee has also:

- Discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto; and
- Reviewed the Department's compliance with legal and regulatory provisions.

Auditor-General's report

The Audit Committee concurs with and accepts the conclusion and audit opinion of the AGSA on the Annual Financial Statements. The Committee is of the view that the audited financial statements be accepted and read together with the report of the AGSA. The Audit Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues highlighted in the audit report.

The Audit Committee also notes the key issues identified by the AGSA in the management letter and has assessed Management's action to mitigate any financial or performance reporting risks associated with these matters. The Committee is comfortable that given the implementation of effective and efficient controls these matters should be adequately dealt with in future periods.

The external audit function performed by the AGSA is independent of the Department. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the AGSA's team.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department.



Ms. Janice Meissner
Chairperson of the Audit Committee
Date: 31 July 2017



PART D

Human Resource Management

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the Public Service.

2. OVERVIEW OF HUMAN RESOURCES

The approved organisational structure which was implemented on PERSAL in 2013 brought about stability in terms of placement of permanent staff in their respective positions and business units thereby eradicating uncertainty amongst employees i.e. contract workers below threshold were absorbed and Senior Management Service (SMS) members who were out of adjustment were matched and placed appropriately.

The Department is currently embarking on aligning the structure to the Programme of Action of the province as espoused in the ten pillars of the current Administration. In addition, the Department is implementing IDMS, as approved by the Provincial Executive Committee (EXCO). The implementation of IDMS necessitates alignment of the components of the Department which are responsible for Capital Infrastructure to streamline functionalities for efficient implementation to mitigate service delivery challenges. This will enhance achievement of the adopted ITMP 25 year strategy.

In an endeavor to mitigate risks associated with instability brought by fear of job losses, the Department resolved to institute technical moratorium on non-critical posts.

A total number of 69 out of 1870 (total staff complement) equating to 3,7% terminated their services during the 2016/17 financial year. 52% of the exited employees participated in an exit interview, while 48% did not participate due to the nature of termination i.e. death and retirements.

Employee Health and Wellness Programme

Employee health and human capital risk management are regarded as key strategic issues in which the Department is striving for. The health and wellbeing of employees is of great importance to the organisation, thus the Department hosted two wellness days. The aim of the events was to screen employees for personal health risks and to provide each individual with personal reports recommending how to manage the risks. The health professionals provided, among others, counselling to employees on the lifestyle changes required to manage identified lifestyle diseases including obesity, high blood pressure, high cholesterol and those who needed further referral were encouraged to utilise ICAS which is a 24-hour service that provides staff members and their immediate families with confidential support and advice on health and personal issues. A total number of 20 health screening sessions were conducted and reached 880 employees.

The Department also commemorated health calendar days including hosting of a Candlelight Memorial, hosting a Cancer Awareness Programme, commemorating World AIDS Day and raising awareness of the 16 Days of Activism on No Violence against Women and Children. A total of 318 employees participated in these events and 250 IEC materials were distributed through electronic medium on various health related topics in accordance with the national health calendar. Around 30 Departmental peer educators participated in the National World AIDS Day commemoration.

In compliance to the Occupational Health Safety (OHS) Act (Act 85 of 1993), which stipulates that the working environment should be free of hazards that will be detrimental to employees, the Department conducted training for 104 employees in firefighting, first aid, health and safety. OHS audits were conducted in all buildings to identify occupational hazards.

Employment Equity (EE)

The Department has not achieved the 2% quota of PwDs as well as 50% of women in SMS in the financial year under review. In an effort to achieve the EE targets, the Department will collaborate with organisations of PwDs. In addition, medical aid schemes and the Department of Public Service and Administration (DPSA) were approached to advise the Department on chronic diseases that may render an employee either temporarily or permanently disabled.

The recruitment processes will be structured such that it assists in the attainment of 50% representation of woman in Senior Management Services.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL-RELATED EXPENDITURE

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, home owners' allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 01 April 2016 and 31 March 2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	218 380	129 134	0.00	0.00	59	63
GAUTRAIN	2 536 828	0	0.00	0.00	1	0
TRANSPORT INFRASTRUCTURE	1 493 311	216 484	0.00	0.00	14	105
TRANSPORT OPERATIONS	1 762 805	20 361	0.00	0.00	1	10
TRANSPORT REGULATION	244 465	126 858	0.00	0.00	52	61
Total [as on financial systems (BAS)]	6 255 790	492 837	0.00	0.00	8	239

Table 3.1.2 Personnel costs by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	27 246	4.50	209	130 363
Skilled (levels 3-5)	154 309	25.48	776	198 852
Highly skilled production (levels 6-8)	198 277	32.74	601	329 911
Highly skilled supervision (levels 9-12)	125 638	20.74	219	573 690
Senior management (levels 13-16)	63 686	10.52	61	1 044 037
Contract (levels 1-2)	0	0	0	0
Contract (levels 3-5)	214	0.04	1	213, 516
Contract (levels 6-8)	1 454	0.24	5	290 792
Contract (levels 9-12)	2 950	0.49	5	590 025
Contract (levels 13-16)	3 986	0.66	3	1 328 666
Periodical remuneration	3 569	0.59	12	297 426
Abnormal appointment	14 910	2.46	174	85 690
Total	596 238	98.44	2 066	288 735

Table 3.1.3 Salaries, overtime, home owners' allowance and medical aid by programme for the period 01 April 2016 and 31 March 2017

Programme	Salaries		Overtime		Home owners' allowance		Medical aid		Total personnel cost per salary band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
1. Administration	151 177	89.6%	1 624	10	7 020	4.2	8 988	5.3	168 809
2. Transport infrastructure	263 816	86.6%	0	0	17 308	5.7	23 481	7.7	304 605
3. Transport operation	16 814	88.6%	53	0.3	738	3.9	1 373	7.2	18 978
4. Transport regulation	1 884	96.8%	0	0	48	2.5	15	0.8	1 947
Total	433 691	87.7	1 677	0.3	25 114	5.1	33 857	6.9	494 339

Table 3.1.4 Salaries, overtime, home owner's allowance and medical aid by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Salaries		Overtime		Home owners' allowance (HOA)		Medical aid		Total Personnel cost per salary band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Skilled (levels 3-5)	101 320	80.3	656	5	10 164	8.1	13 979	11.1	126 119
Highly skilled production (levels 6-8)	143 220	88	629	4	7 456	5	12 331	8	163 636
Highly skilled supervision (levels 9-12)	96 481	93	391	4	3 307	3	3 929	4	104 108
Senior management (levels 13-16)	52 458	96	0	0	1 645	3	798	1	54 901
Contract (levels 1-2)	0	0	0	0	0	0	0	0	0
Contract (levels 3-5)	151	100	0	0	0	0	0	0	151
Contract (levels 6-8)	1 251	96	0	0	16	1	35	3	1 302
Contract (levels 9-12)	2 647	100	0	0	6	22	0	0	2 653
Contract (levels 13-16)	3 599	98	0	0	68	2	0	0	3 667
Periodical remuneration	18	100	0	0	0	0	0	0	18
Abnormal appointment	14 908	100	0	0	0	0	0	0	14 908
Total	416 053	88.2	1 676	4	22 662	5	31 072	7	471 463

3.2 EMPLOYMENT AND VACANCIES

Table 3.2.1 Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate (includes frozen posts)	Number of employees additional to the establishment
ADMINISTRATION (PR1), permanent	36.00	20.00	44.44	0
ADMINISTRATION**OLD, permanent	728.00	529.00	27.34	0
ADMINISTRATION, permanent	8.00	4.00	50.00	0
EPWP**OLD, permanent	2.00	2.00	0.00	0.00
MAINTENANCE, permanent	917.00	718.00	21.70	6.00
PUBLIC TRANSPORT, permanent	103.00	58.00	43.69	0.00
ROAD INFRASTRUCTURE**OLD, permanent	798.00	521.00	34.71	13.00
TRANSPORT INFRASTRUCTURE, permanent	56.00	25.00	55.36	1.00
TRANSPORTATION MNGM (PR4), permanent	2.00	2.00	0.00	0.00
Total	2 650.00	1 879.00	29.09	20.00

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2), permanent	336.00	209.00	37.80	0.00
Skilled (levels 3-5), permanent	975.00	776.00	20.41	0.00
Highly skilled production (levels 6-8), permanent	886.00	601.00	32.17	11.00
Highly skilled supervision (levels 9-12), permanent	371.00	219.00	40.97	6.00
Senior management (levels 13-16), permanent	69.00	61.00	11.59	0.00
Contract (levels 3-5), permanent	1.00	1.00	0.00	0.00
Contract (levels 6-8), permanent	5.00	5.00	0.00	2.00
Contract (levels 9-12), permanent	5.00	5.00	0.00	1.00
Contract (levels 13-16), permanent	2.00	2.00	0.00	0.00
Total	2 650.00	1 879.00	29.09	20.00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, permanent	258.00	175.00	32.17	3.00
ARTISANS IN BUILDING, METAL MACHINERY ETC, permanent	18.00	18.00	0.00	0.00
APPRAISERS-VALUERS AND RELATED PROFESSIONALS, permanent	1.00	0.00	0.00	0.00
ARTISAN, PROJECT AND RELATED SUPERINTENDENTS, permanent	27.00	21.00	22.22	0.00
ATTORNEYS, permanent	2.00	2.00	0.00	0.00
AUTHORS, JOURNALISTS AND OTHER WRITERS, permanent	5.00	1.00	80.00	0.00
AUXILIARY AND RELATED WORKERS, permanent	60.00	42.00	30.00	0.00
BUILDING AND OTHER PROPERTY CARETAKERS, permanent	9.00	9.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS, permanent	14.00	9.00	35.71	0.00
CARTOGRAPHERS AND SURVEYORS, permanent	12.00	2.00	83.33	2.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, permanent	6.00	3.00	50.00	0.00
CIVIL ENGINEERING TECHNICIANS, permanent	3.00	3.00	0.00	0.00
CLEANERS IN OFFICES, WORKSHOPS, HOSPITALS ETC, permanent	108.00	89.00	17.59	0.00
CLIENT INFORMATION CLERKS(SWITCHBOARD, RECEPTION, INFORMATION CLERKS), permanent	10.00	5.00	50.00	0.00
COMMUNICATION AND INFORMATION RELATED, permanent	10.00	3.00	70.00	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS, permanent	8.00	6.00	25.00	0.00
ECONOMISTS, permanent	5.00	2.00	60.00	0.00
ENGINEERING SCIENCES RELATED, permanent	52.00	20.00	61.54	2.00
ENGINEERS AND RELATED PROFESSIONALS, permanent	143.00	58.00	59.44	13.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
FINANCE AND ECONOMICS RELATED, permanent	22.00	17.00	22.73	0.00
FINANCIAL AND RELATED PROFESSIONALS, permanent	21.00	9.00	57.14	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, permanent	51.00	40.00	21.57	0.00
GENERAL LEGAL ADMINISTRATION & RELATED PROFESSIONALS, permanent	2.00	2.00	0.00	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, permanent	2.00	2.00	0.00	0.00
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT & RELATED PROFESSIONALS, permanent	47.00	39.00	17.02	0.00
HUMAN RESOURCES CLERKS, permanent	39.00	26.00	33.33	0.00
HUMAN RESOURCES RELATED, permanent	24.00	17.00	29.17	0.00
IDENTIFICATION EXPERTS, permanent	1.00	1.00	0.00	0.00
INFORMATION TECHNOLOGY RELATED, permanent	8.00	4.00	50.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUNICATORS, permanent	1.00	1.00	0.00	0.00
LEGAL RELATED, permanent	7.00	5.00	28.57	0.00
LIBRARY MAIL AND RELATED CLERKS, permanent	19.00	14.00	26.32	0.00
LIGHT VEHICLE DRIVERS, permanent	10.00	7.00	30.00	0.00
LOGISTICAL SUPPORT PERSONNEL, permanent	4.00	4.00	0.00	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS, permanent	26.00	20.00	23.08	0.00
MESSENGERS PORTERS AND DELIVERERS, permanent	31.00	29.00	6.45	0.00
MOTOR VEHICLE DRIVERS, permanent	7.00	7.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, permanent	430.00	296.00	31.16	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, permanent	245.00	168.00	31.43	0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL, permanent	23.00	21.00	8.70	0.00
OTHER OCCUPATIONS, permanent	77.00	77.00	0.00	0.00
PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS, permanent	2.00	1.00	50.00	0.00
PRINTING AND RELATED MACHINE OPERATORS, permanent	1.00	1.00	0.00	0.00
QUANTITY SURVEYORS & RELATED PROFESSIONALS NOT CLASSED ELSEWHERE, permanent	1.00	1.00	0.00	0.00
ROAD SUPERINTENDENTS, permanent	19.00	9.00	52.63	0.00
ROAD TRADE WORKERS, permanent	23.00	15.00	34.78	0.00
ROAD WORKERS, permanent	602.00	445.00	26.08	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, permanent	64.00	53.00	17.19	0.00
SECURITY GUARDS, permanent	1.00	1.00	0.00	0.00
SENIOR MANAGERS, permanent	40.00	32.00	20.00	0.00
STATISTICIANS AND RELATED PROFESSIONALS, permanent	4.00	4.00	0.00	0.00
TRADE LABOURERS, permanent	26.00	26.00	0.00	0.00
TRADE , permanent	9.00	7.00	22.22	0.00
WATER PLANT AND RELATED OPERATORS, permanent	10.00	10.00	0.00	0.00
Total	2 650.00	1 879.00	29.09	20.00

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary level 16 (MEC)	1	1	100%	0	0%
Salary level 15	4	4	100%	0	0%
Salary level 14	11	8	73%	3	27%
Salary level 13	34	29	85%	5	15%
Total *	51	43	84%	8	16%

Table 3.3.2 SMS post information as on 30 September 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary level 16 (MEC)	1	1	100%	0	0%
Salary level 15	4	4	100%	0	0%
Salary level 14	11	8	73%	3	27%
Salary level 13	34	29	85%	5	15%
Total	51	43	84%	8	16%

Table 3.3.3 Advertising and filling of SMS posts for the period 01 April 2016 and 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary level 16 (MEC)	1	1	100%	0	0%
Salary level 15	4	4	100%	0	0%
Salary level 14	11	8	73%	3	27%
Salary level 13	34	29	85%	5	15%
Total	51	43	84%	8	16%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - advertised within 6 months and filled within 12 months after becoming vacant for the period 01 April 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
The Department is in the process of aligning the organisational structure. Once the structure is finalised, all critical posts will be filled through the recruitment process.
Reasons for vacancies not filled within six months
The Department is in the process of aligning the organisational structure. Once the structure is finalized, all critical posts will be filled through the recruitment process.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
No disciplinary steps are required as the Department has put a moratorium on the filling of vacancies.
Reasons for vacancies not filled within six months
The Department is in the process of aligning the organisational structure. Once the structure is finalized, all critical posts will be filled through the recruitment process.

3.4 JOB EVALUATION

Table 3.4.1 Job evaluation by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	656	0	0	0	0	0	0
Contract (levels 3-5)	0	0	0	0	0	0	0
Contract (levels 6-8)	0	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Contract (Band C)	0	0	0	0	0	0	0
Contract (Band D)	0	0	0	0	0	0	0
Skilled (levels 3-5)	687	0	0	0	0	0	0
Highly skilled production (levels 6-8)	912	84	9.2%	0	0	0	15
Highly skilled supervision (levels 9-12)	344	138	40.1%	5	3.6%	21	15.2%
SMS Band A	34	14	41.2%	0	0	0	0
SMS Band B	11	10	90.9%	0	0	0	0
SMS Band C	4	2	50%	0	0	0	0
SMS Band D	2	0	0	0	0	0	0
Total	2 650	248	9.4%	5	3.6%	21	15.2%

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2016 and 31 March 2017

Gender	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
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2016 and 31 March 2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Assistant Directors	6	8	9	Posts downgraded due to job evaluation process.
Budget Control Specialist	4	8	9	Posts downgraded due to job evaluation process.
Server Support Specialist	2	8	9	Posts downgraded due to job evaluation process.
System Developer	2	8	9	Posts downgraded due to job evaluation process.
System/ Business Analyst	1	8	9	Posts downgraded due to job evaluation process.
Assistant Directors	10	9	10	Posts downgraded due to job evaluation process.
Deputy Director	11	11	12	Posts downgraded due to job evaluation process.
Total number of employees whose salaries exceeded the level determined by job evaluation				36
Percentage of total employed				1.9%

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2016 and 31 March 2017

Gender	African	Asian	Coloured	White	Total
Female	13	1	0	3	17
Male	15	0	1	3	19
Total	28	1	1	6	36

Employees with a disability	-	-	-	-	0
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Total number of employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 EMPLOYMENT CHANGES

Table 3.5.1 Annual turnover rates by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (levels 1-2), permanent	221	1	1	0.45
Skilled (levels 3-5), permanent	829	7	38	4.58
Highly skilled production (levels 6-8), permanent	641	3	14	2.18
Highly skilled supervision (levels 9-12), permanent	171	5	9	5.26
SMS Band A, permanent	35	1	0	0.00
SMS Band B, permanent	15	1	3	20.00
SMS Band C, permanent	4	0	0	0.00
SMS Band D, permanent	1	0	0	0.00
Contract (levels 3-5), permanent	1	0	0	0.00
Contract (levels 6-8), permanent	4	1	0	0.00
Contract (levels 9-12), permanent	3	2	0	0.00
Contract (Band A), permanent	1	0	1	100.00
Contract (Band C), permanent	1	0	0	0.00
Contract (Band D), permanent	1	0	0	0.00
Total	1, 928	21	66	3.42

Table 3.5.2 Annual turnover rates by critical occupation for the period 01 April 2016 and 31 March 2017

Critical occupation	Number of employees at beginning of period - April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
ADMINISTRATIVE RELATED, permanent	176	2	4	2.27
ALL ARTISANS IN BUILDING, METAL MACHINERY, ETC, permanent	20	0	1	5.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, permanent	22	1	2	9.09
ATTORNEYS, permanent	2	0	0	0.00
AUTHORS, JOURNALISTS AND OTHER WRITERS, permanent	2	0	0	0.00
AUXILIARY AND RELATED WORKERS, permanent	43	1	1	2.33
BUILDING AND OTHER PROPERTY CARETAKERS, permanent	10	0	1	10.00
BUS AND HEAVY VEHICLE DRIVERS, permanent	9	0	0	0.00

Critical occupation	Number of employees at beginning of period - April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
CARTOGRAPHERS AND SURVEYORS, permanent	2	0	0	0.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, permanent	1	2	0	0.00
CIVIL ENGINEERING TECHNICIANS, permanent	3	0	0	0.00
CLEANERS IN OFFICES, WORKSHOPS, HOSPITALS, ETC, permanent	91	1	1	1.10
CLIENT INFORMATION CLERKS (SWITCHBOARD, RECEPTION, INFORMATION CLERKS), permanent	5	0	0	0.00
COMMUNICATION AND INFORMATION RELATED, permanent	4	0	0	0.00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS, permanent	6	0	0	0.00
ECONOMISTS, permanent	2	0	0	0.00
ENGINEERING SCIENCES RELATED, permanent	17	2	0	0.00
ENGINEERS AND RELATED PROFESSIONALS, permanent	58	2	0	0.00
FINANCE AND ECONOMICS RELATED, permanent	18	0	1	5.56
FINANCIAL AND RELATED PROFESSIONALS, permanent	8	0	0	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, permanent	44	0	2	4.55
GENERAL LEGAL ADMINISTRATION & RELATED PROFESSIONALS, permanent	2	0	0	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, permanent	2	0	0	0.00
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT & RELATED PROFESSIONALS, permanent	39	0	1	2.56
HUMAN RESOURCES CLERKS, permanent	26	0	0	0.00
HUMAN RESOURCES RELATED, permanent	18	1	2	11.11
IDENTIFICATION EXPERTS, permanent	1	0	0	0.00
INFORMATION TECHNOLOGY RELATED, permanent	2	1	0	0.00
LANGUAGE PRACTITIONERS, INTERPRETERS & OTHER COMMUNICATORS, permanent	1	0	0	0.00
LEGAL RELATED, permanent	5	0	0	0.00

Critical occupation	Number of employees at beginning of period - April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
LIBRARY MAIL AND RELATED CLERKS, permanent	14	0	0	0.00
LIGHT VEHICLE DRIVERS, permanent	8	0	1	12.50
LOGISTICAL SUPPORT PERSONNEL, permanent	4	0	0	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS, permanent	20	0	0	0.00
MESSENGERS PORTERS AND DELIVERERS, permanent	26	2	0	0.00
MOTOR VEHICLE DRIVERS, permanent	6	1	0	0.00
OTHER ADMINISTRATIVE & RELATED CLERKS AND ORGANISERS, permanent	302	2	7	2.32
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, permanent	169	0	3	1.78
OTHER INFORMATION TECHNOLOGY PERSONNEL, permanent	20	1	0	0.00
OTHER OCCUPATIONS, permanent	81	0	1	1.23
PHOTOGRAPHIC, LITHOGRAPHIC AND RELATED WORKERS, permanent	1	0	0	0.00
PRINTING AND RELATED MACHINE OPERATORS, permanent	1	0	0	0.00
ROAD SUPERINTENDENTS, permanent	9	0	0	0.00
ROAD TRADE WORKERS, permanent	15	0	0	0.00
ROAD WORKERS, permanent	477	0	33	6.92
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, permanent	55	0	0	0.00
SECURITY GUARDS, permanent	2	0	0	0.00
SENIOR MANAGERS Permanent	32	1	4	12.50
STATISTICIANS AND RELATED PROFESSIONALS, permanent	4	0	0	0.00
TRADE LABOURERS, permanent	26	0	0	0.00
TRADE RELATED, permanent	7	0	1	14.29
WATER PLANT AND RELATED OPERATORS, permanent	10	0	0	0.00
TOTAL	1 928	21	66	3.42

Table 3.5.3 Reasons why staff left the Department for the period 01 April 2016 and 31 March 2017

Termination type	Number	% of total resignations
Death, permanent	12	0.63
Resignation, permanent	17	0.90
Expiry of contract, permanent	1	0.05
Transfers, permanent	4	0.21%
Discharged due to ill health, permanent	2	0.10
Dismissal-misconduct, permanent	4	0.21
Retirement, permanent	29	1.54
Total	69	3.64
Total number of employees who left as a % of total employment		3.64%

Table 3.5.4 Promotions by critical occupation for the period 01 April 2016 and 31 March 2017

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	176	0	0.00	132	75.00
All artisans in building, metal machinery etc.	20	0	0.00	6	30.00
Artisan project and related superintendents	22	1	4.55	8	36.36
Attorneys	2	0	0.00	1	50.00
Authors journalists and other writers	2	0	0.00	0	0.00
Auxiliary and related workers	43	0	0.00	32	74.42
Building and other property caretakers	10	0	0.00	9	90.00
Bus and heavy vehicle drivers	9	0	0.00	7	77.78
Cartographers and surveyors	2	0	0.00	2	100.00
Cartographic surveying and related technicians	1	0	0.00	0	0.00
Civil engineering technicians	3	0	0.00	1	33.33
Cleaners in offices, workshops, hospitals, etc.	91	0	0.00	7	7.69
Client inform clerks(switchboard, reception, information clerks)	5	0	0.00	4	80.00
Communication and information related	4	1	25.00	2	50.00
Computer system designers and analysts	6	0	0.00	5	83.33
Economists	2	0	0.00	1	50.00

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineering sciences related	17	0	0.00	6	35.29
Engineers and related professionals	58	0	0.00	18	31.03
Finance and economics related	18	0	0.00	14	77.78
Financial and related professionals	8	1	12.50	6	75.00
Financial clerks and credit controllers	44	1	2.27	21	47.73
General legal administration & related professionals	2	0	0.00	2	100.00
Head of Department/chief executive officer	2	0	0.00	1	50.00
Human resources & organisation development & related professionals	39	1	2.56	28	71.79
Human resources clerks	26	0	0.00	5	19.23
Human resources related	18	0	0.00	13	72.22
Identification experts	1	0	0.00	1	100.00
Information technology related	2	1	50.00	2	100.00
Language practitioners interpreters & other communication	1	0	0.00	1	100.00
Legal related	5	0	0.00	4	80.00
Library mail and related clerks	14	1	7.14	4	28.57
Light vehicle drivers	8	0	0.00	7	87.50
Logistical support personnel	4	0	0.00	3	75.00
Material-recording and transport clerks	20	0	0.00	17	85.00
Messengers porters and deliverers	26	1	3.85	19	73.08
Motor vehicle drivers	6	0	0.00	6	100.00
Other administration & related clerks and organisers	302	0	0.00	180	59.60
Other administrative policy and related officers	169	2	1.18	109	64.50
Other information technology personnel	20	0	0.00	15	75.00
Other occupations	81	0	0.00	72	88.89
Photographic lithographic and related workers	1	0	0.00	0	0.00
Printing and related machine operators	1	0	0.00	1	100.00
Road superintendents	9	0	0.00	9	100.00
Road trade workers	15	0	0.00	10	66.67
Road workers	477	1	0.21	297	62.26

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Secretaries & other keyboard operating clerks	55	0	0.00	28	50.91
Security guards	2	0	0.00	1	50.00
Senior managers	32	1	3.13	19	59.38
Statisticians and related professionals	4	0	0.00	0	0.00
Trade labourers	26	0	0.00	20	76.92
Trade related	7	0	0.00	3	42.86
Water plant and related operators	10	0	0.00	10	100.00
Total	1 928	12	0.62	1 169	60.63

Table 3.5.5 Promotions by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2), permanent	221	0	0.00	0	0.00
Skilled (levels 3-5), permanent	829	2	0.24	590	71.17
Highly skilled production (levels 6-8), permanent	641	6	0.94	407	63.49
Highly skilled supervision (levels 9-12), permanent	171	3	1.75	126	73.68
Senior management (levels 13-16), permanent	55	1	1.82	40	72.73
Contract (levels 3-5), permanent	1	0	0.00	1	100.00
Contract (levels 6-8), permanent	4	0	0.00	1	25.00
Contract (levels 9-12), permanent	3	0	0.00	2	66.67
Contract (levels 13-16), permanent	3	0	0.00	2	66.67
Total	1 928	12	0.62	1 169	60.63

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, permanent	3	1	0	1	1	1	0	0	7
Professionals, permanent	21	1	2	2	15	6	3	1	51
Technicians and associate professionals, permanent	368	12	6	99	535	18	10	60	1108
Clerks, permanent	0	0	0	0	0	0	0	0	0
Service and sales workers, permanent	537	6	0	96	96	7	2	11	755
Craft and related trades workers, permanent	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers, permanent	0	0	0	0	0	0	0	0	0
Elementary occupations, permanent	113	1	0	1	96	1	0	0	212
Total	1 042	21	8	199	743	33	15	72	2, 133
Employees with disabilities	2	0	0	0	1	0	0	0	3

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	3	1	0	1	1	1	0	0	7
Senior management, permanent	21	1	2	2	15	6	3	1	51
Professionally qualified and experienced specialists and mid-management, permanent	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	368	12	6	99	535	18	10	60	1, 108
Semi-skilled and discretionary decision making, permanent	537	6	0	96	96	7	2	11	755
Unskilled and defined decision making, permanent	113	1	0	1	96	1	0	0	212

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (top management), permanent	0	0	0	0	0	0	0	0	0
Contract (senior management), permanent	0	0	0	0	0	0	0	0	0
Contract (professionally qualified), permanent	0	0	0	0	0	0	0	0	0
Contract (skilled technical), permanent	0	0	0	0	0	0	0	0	0
Contract (semi-skilled), permanent	0	0	0	0	0	0	0	0	0
Total	1 042	21	8	199	743	33	15	72	2 133

Table 3.6.3 Recruitment for the period 01 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, permanent	2	0	0	0	3	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making, permanent	4	0	0	0	3	0	0	0	7
Unskilled and defined decision making, permanent	0	0	0	0	1	0	0	0	1
Contract (semi-skilled), permanent	3	0	0	0	0	0	0	0	3
Total	10	0	0	0	9	0	0	0	19
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.4 Promotions for the period 01 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management, permanent	4	0	0	2	0	0	0	0	6
Senior management, permanent	14	0	2	3	10	3	2	1	35
Professionally qualified and experienced specialists and mid-management, permanent	50	4	0	9	57	1	2	6	129
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	151	3	1	16	202	9	5	26	413
Semi-skilled and discretionary decision making, permanent	450	3	0	13	114	4	1	7	592
Contract (top management), permanent	0	0	0	1	0	0	0	0	1
Contract (senior management), permanent	1	0	0	0	0	0	0	0	1
Contract (professionally qualified), permanent	1	1	0	0	0	0	0	0	2
Contract (skilled technical), permanent	0	0	1	0	0	0	0	0	1
Contract (semi-skilled), permanent	0	0	0	0	1	0	0	0	1
Total	671	11	4	44	384	17	10	40	1 181
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.5 Terminations for the period 01 April 2016 to 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management, permanent	1	0	0	0	1	1	0	0	3
Professionally qualified and experienced specialists and mid-management, permanent	2	0	0	4	0	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	9	1	0	1	6	0	0	0	17
Semi-skilled and discretionary decision making, permanent	37	0	0	0	5	0	0	0	42
Unskilled and defined decision making, permanent	0	0	0	0	0	0	0	0	0
Contract (senior management), permanent	1	0	0	0	0	0	0	0	1
Contract (semi-skilled), permanent	0	0	0	0	0	0	0	0	0
Total	35	1	0	4	11	1	0	0	69

Table 3.6.7 Skills development for the period 01 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	0	1	1	26	2	0	1	52
Professionals	18	2	1	2	22	5	1	3	54
Technicians and associate professionals	68	4	2	13	78	7	2	5	179
Clerks	213	14	1	7	221	16	3	11	486
Service and sales workers	6	0	0	0	7	0	0	2	15
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	12	1	0	0	67	0	0	0	80
Elementary occupations	56	1	0	0	35	0	0	0	92
Total	394	22	5	23	456	30	6	22	958
Employees with disabilities	4	0	0	1	2	0	0	0	7

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2016

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary level 16	-	-	-	-
Salary level 15	5	6	6	100
Salary level 14	12	12	11	98
Salary level 13	40	38	37	98
Total	58	57	55	96

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2017

Reasons
One (1) SMS member did not comply with the submission of the performance agreement.
One (1) SMS member was on suspension.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2017

Reasons
None.

3.8 PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender and disability for the period 01 April 2015 to 31 March 2017

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, female	411.00	677.00	60.71	2, 742.74	6, 673.32
African, male	699.00	1, 004.00	69.62	3, 741.51	5, 352.66
Asian, female	8.00	12.00	66.67	69.67	8, 708.22
Asian, male	5.00	8.00	62.50	49.58	9, 916.06
Coloured, female	10.00	22.00	45.45	67.80	6, 779.98
Coloured, male	11.00	17.00	64.71	80.16	7, 287.44
White, female	42.00	61.00	68.85	309.67	7, 373.00
White, male	52.00	70.00	74.29	448.77	8, 630.24
Total	8	10	80	55	6, 860
Employees with a disability	1, 244.00	1, 879.00	66.21	7, 548.85	6, 068.21

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 01 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee
Lower skilled (levels 1-2)	92.00	209.00	44.02	277.61	3,017.55
Skilled (levels 3-5)	584.00	776.00	75.26	2,611.50	4,471.74
Highly skilled production (levels 6-8)	430.00	601.00	71.55	3,203.63	7,450.31
Highly skilled supervision (levels 9-12)	123.00	219.00	56.16	1,237.51	10,061.04
Contract (levels 3-5)	1.00	1.00	100.00	5.33	5,330.33
Contract (levels 6-8)	2.00	5.00	40.00	13.53	6,766.06
Contract (levels 9-12)	2.00	5.00	40.00	19.85	9,926.51
Periodical remuneration	-	-	-	-	-
Abnormal appointment	-	-	-	-	-
Total	1 234.00	1 816.00	67.95	7 368.97	5 971.61

Table 3.8.3 Performance rewards by critical occupation for the period 01 April 2016 to 31 March 2017

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	105.00	175.00	60.00	839.45	7 994.78
All artisans in the building metal machinery etc.	13.50	18.00	75.00	116.67	8 641.98
Artisan project and related superintendents	10.50	21.00	50.00	82.09	7 818.54
Attorneys	2.00	2.00	100.00	28.40	14 198.26
Authors, journalists and other writers	1.00	1.00	100.00	8.04	8 043.65
Auxiliary and related workers	32.00	42.00	76.19	164.98	5 155.70
Building and other property caretakers	9.00	9.00	100.00	35.94	3 992.95
Bus and heavy vehicle drivers	7.00	9.00	77.78	28.79	4 113.53
Cartographers and surveyors	1.00	2.00	50.00	6.90	6 901.19
Cartographic surveying and related technicians	1.00	3.00	33.33	10.80	10 795.04
Civil engineering technicians	1.00	3.00	33.33	13.77	13 768.82
Cleaners in offices, workshops, hospitals, etc.	18.00	89.00	20.22	64.48	3 582.41

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Client inform clerks(switchboard, reception, information clerks)	3.00	5.00	60.00	13.86	4 619.08
Communication and information related	2.00	3.00	66.67	15.94	7 968.43
Computer system designers and analysts	5.00	6.00	83.33	41.81	8 361.92
Economists	1.00	2.00	50.00	8.71	8 712.74
Engineering sciences related	10.00	20.00	50.00	119.62	11 962.46
Engineers and related professionals	36.00	58.00	62.07	351.02	9 750.58
Finance and economics related	10.00	17.00	58.82	132.71	13 271.41
Financial and related professionals	9.00	9.00	100.00	73.76	8 195.66
Financial clerks and credit controllers	26.00	40.00	65.00	164.92	6 343.27
General legal administration & related professionals	1.00	2.00	50.00	11.20	11 203.50
Head of Department/Chief Executive Officer	0.00	2.00	0.00	0.00	0.00
Human resources & organisation development & relate professionals	28.00	39.00	71.79	249.58	8 913.47
Human resources clerks	5.00	26.00	19.23	35.94	7 188.94
Human resources related	14.00	17.00	82.35	148.99	10 641.91
Identification experts	0.00	1.00	0.00	0.00	0.00
Information technology related	1.00	4.00	25.00	11.20	11 203.50
Language practitioners interpreters & other communicators	1.00	1.00	100.00	8.67	8 665.37
Legal related	2.00	5.00	40.00	17.40	8 702.38
Library mail and related clerks	8.00	14.00	57.14	48.72	6 089.52
Light vehicle drivers	8.00	7.00	114.29	39.83	4 978.85
Logistical support personnel	2.00	4.00	50.00	17.51	8 754.00
Material-recording and transport clerks	18.00	20.00	90.00	123.67	6 870.79
Messengers porters and deliverers	18.00	29.00	62.07	74.26	4 125.60
Motor vehicle drivers	6.00	7.00	85.71	35.13	5 855.22
Other administrators & related clerks and organisers	191.00	296.00	64.53	1,134.26	5 938.54

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Other administrative policy and related officers	111.00	168.00	66.07	897.54	8 085.90
Other information technology personnel	18.00	21.00	85.71	142.06	7 892.05
Other occupations	63.00	77.00	81.82	298.38	4 736.25
Photographic lithographic and related workers	0.00	1.00	0.00	0.00	0.00
Printing and related machine operators	1.00	1.00	100.00	5.25	5 251.67
Quantity surveyors & related professions, not classed elsewhere	0.00	1.00	0.00	0.00	0.00
Road superintendents	3.00	9.00	33.33	24.91	8 303.33
Road trade workers.	15.00	15.00	100.00	94.68	6 311.95
Road workers	371.00	445.00	83.37	1 462.23	3 941.32
Secretaries & other keyboard operating clerks	29.00	53.00	54.72	195.54	6 742.73
Security guards	1.00	1.00	100.00	3.99	3 992.95
Senior managers	0.00	32.00	0.00	0.00	0.00
Statisticians and related professionals	1.00	4.00	25.00	7.97	7 968.43
Trade labourers	14.00	26.00	53.85	57.28	4 091.51
Trade related	4.00	7.00	57.14	40.96	10 241.00
Water plant and related operators	7.00	10.00	70.00	39.02	5 573.68
Total	1 244.00	1 879.00	66.21	7 548.85	6 068.21

Table 3.8.4 Performance related rewards (cash bonus), by salary band for SMS for the period 01 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	8.00	42.00	19.05	140.22	17, 527.90	40, 573.34
Band B	0.00	12.00	0.00	0.00	0.00	15, 651.33
Band C	2.00	7.00	28.57	39.66	19, 830.32	9, 362.73
Band D	0.00	2.00	0.00	0.00	0.00	3, 808.58
Total	10.00	63.00	15.87	179.88	17 988.38	69 395.98

3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 01 April 2016 and 31 March 2017

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (levels 3-5)	1	33.33	1	33.33	0	0
Highly skilled supervision (levels 9-12)	1	33.33	1	33.33	0	0
Senior management (levels 13-16)	1	33.33	1	33.33	0	0
Periodical remuneration	0	0	0	0	0	0
Total	3	100	3	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 01 April 2016 and 31 March 2017

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	1	33.33	1	33.33	0	0
Professionals and managers	2	66.67	2	66.67	0	0
Total	3	100	3	100	0	0

3.10 LEAVE UTILISATION

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

Table 3.10.1 Sick leave for the period 01 January 2016 to 31 December 2017

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	836	55.38	141	11.94	5.93	365
Skilled (levels 3-5)	3, 551	50.66	477	40.39	7.44	2, 345
Highly skilled production (levels 6-8)	3134	48.92	398	33.7	7.87	3, 745
Highly skilled supervision (levels 9-12)	897	48.72	134	11.35	6.69	1, 898
Senior management (levels 13-16)	141	43.26	30	2.54	4.7	585
Contract (levels 3-5)	31	90.32	1	0.08	31	23
Total	8 590	50.3	1 181	100	7.27	89 610

Table 3.10.2 Disability leave (temporary and permanent) for the period 01 January 2016 to 31 December 2016

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)
Skilled (levels 3-5)	630	100	21	1.11	21.27	217, 918.68
Highly skilled production (levels 6-8)	63	100	5	0.26	12.6	42, 639.89
Highly skilled supervision (levels 9-12)	106	100	1	0.05	106	177, 970.22
Senior management (levels 13-16)	0	100	0	0	0	0
Total	799	100	27	1.42	22.85	438 528.80

Table 3.10.3 Annual leave for the period 01 January 2016 to 31 December 2016

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	3, 674	216	17.01
Skilled (levels 3-5)	16, 923	834	20.29
Highly skilled production (levels 6-8)	11, 858	656	18.08
Highly skilled supervision (levels 9-12)	4, 418	235	18.8
Senior management (levels 13-16)	1, 099	64	17.17
Contract (levels 3-5)	22	1	22
Contract (levels 6-8)	46	5	9.2
Contract (levels 9-12)	19	2	9.5
Contract (levels 13-16)	33	2	16.5
Total	38 092	2 015	18.9

Table 3.10.4 Capped leave for the period 01 January 2016 to 31 December 2016

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Skilled (levels 3-5)	97.34	18	5.41	35.09
Highly skilled production (levels 6-8)	5	2	2.5	55.35
Highly skilled supervision (levels 9-12)	5	2	2.5	45.5
Senior management (levels 13-16)	0	0	0	55.83
Total	107.34	22	3.47	47.94

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

Table 3.10.5 Leave payouts for the period 01 April 2016 and 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay outs on termination of service for 2016/17	1, 759	59	29, 820
Current leave pay out on termination of service for 2016/17	135	10	13, 542
Total	1 895	69	43 362

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Road workers.	The Department has established a peer education programme to raise awareness and empower employees on HIV, AIDS, STI and TB issues. Subsequently 54 peer educators were trained.

Table 3.11.2 Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Director: HRP&A, Mr. G. Taunyane
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		EHW sub-directorate.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Voluntary Counselling and Testing (VCT).
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 its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		X	
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 VCT? If so, list the results that you have achieved.	X		
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Through EHW transversal tools.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017

Total number of disciplinary hearings finalised	9
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 01 April 2016 and 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	1	11.1
Written warning	0	0
Final written warning	0	0
Suspended without pay	2	22.2
Fine	0	0
Demotion	1	11.1
Dismissal	4	44.4
Not guilty	0	0
Case withdrawn	1	11.1
Total	9	-

Total number of disciplinary hearings finalised	9
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2016 and 31 March 2017

Type of misconduct	Number	% of total
Insubordination	1	2.2
Fraud and corruption	3	6.7
Fraud and gross dishonesty	1	2.2
Absenteeism	4	8.9
Financial misconduct	4	8.9
Misuse of State vehicle	2	4.4
Assault	1	2.2
Sexual harassment	2	4.4
Irregular appointments	3	6.7
Insult	1	2.2
Unethical behaviour	1	2.2
Fraudulent capturing of routes	2	4.4
Irregular recruitment process	1	2.2
Irregular licensing and registration of motor vehicles	19	42.2
Total	45	-

Table 3.12.4 Grievances logged for the period 01 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of grievances resolved	8	66.6
Number of grievances not resolved	4	33.3
Total number of grievances lodged	12	-

Table 3.12.5 Disputes logged with councils for the period 01 April 2016 and 31 March 2017

Disputes	Number	% of Total
Number of disputes upheld	2	18
Number of disputes dismissed	3	-
Total number of disputes lodged	11	-

Table 3.12.6 Strike actions for the period 01 April 2016 and 31 March 2017

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

Table 3.12.7 Precautionary suspensions for the period 01 April 2016 and 31 March 2017

Number of people suspended	28
Number of people whose suspension exceeded 30 days	28
Average number of days suspended	195

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 01 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 01 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	39	0	39	0	39
	Male	86	0	86	0	86
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	261	0	261	0	261
	Male	353	0	353	0	353
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	68	0	68	0	68
Sub total	Female	300	0	300	0	300
	Male	507	0	507	0	507
Total		807	0	807	0	807

Table 3.13.2 Training provided for the period 01 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	29	0	29	0	29
	Male	23	0	23	0	23
Professionals	Female	31	0	31	0	31
	Male	23	0	23	0	23
Technicians and associate professionals	Female	92	0	92	0	92
	Male	87	0	87	0	87
Clerks	Female	251	0	251	0	251
	Male	235	0	235	0	235
Service and sales workers	Female	9	0	9	0	9
	Male	6	0	6	0	6
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	13	0	13	0	13
	Male	67	0	67	0	67
Elementary occupations	Female	35	0	35	0	35
	Male	57	0	57	0	57
Sub total	Female	460	0	460	0	460
	Male	498	0	498	0	498
Total		958	0	958	0	958

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 01 April 2016 and 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	17	0.9%
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	17	0.9%

3.15 SEVERANCE PACKAGES

Table 3.15.1 Granting of employee-initiated severance packages for the period 01 April 2016 and 31 March 2017

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision(levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E

Financial Information

1. REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 9: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 160 to 230, which comprise of the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Roads and Transport as at 31 March 2017, and their financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material uncertainties

7. With reference to note 18.1 to the financial statements, the department is the defendant in various lawsuits. 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

8. As disclosed in note 33.2.1 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors discovered in the financial statements of the department at, and for the year ended 31 March 2017.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the Gauteng Department of Roads and Transport's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the department or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – Transport infrastructure	52 – 70
Programme 3 – Transport operations	71 – 77
Programme 4 – Transport regulations	78 – 84

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings in respect of the reliability of the selected programmes are as follows:

Programme 2 – Transport infrastructure

Number of construction and non-motorised transport (NMT) jobs created through the implementation of expanded public works programme (EPWP)

18. The reported achievement was misstated as the evidence provided indicated 78 and not 191 as reported.

Programme 3 – Transport operations

Number of routes subsidised, number of kilometres subsidised and number of trips subsidised

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of targets for indicators listed in the table below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Performance indicators	Reported achievement
Number of routes subsidised	3 476
Number of kilometres subsidised	95 134 951
Number of trips subsidised	1 792 002

Programme 4 – transport regulations

Number of non-minibus taxi modes registered by 2019

20. The reported achievement was misstated as the evidence provided indicated 2 947 and not 2 094 as reported.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 39 to 84 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 18, 19 and 20 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: transport infrastructure; programme 3: transport operations; and programme 4: transport regulations. As management subsequently corrected only some of the misstatements, I reported material findings on the reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Expenditure management

26. Effective steps were not taken to prevent irregular expenditure as disclosed in note 24.2 of the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation (TR) 9.1.1.

27. Payments were made before receipt of goods or services, in contravention of TR 15.10.1.2(c).

Other information

28. The Gauteng Department of Roads and Transport's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

32. The accounting officer did not exercise effective oversight of performance reporting and compliance with certain legislation. The action plan that was developed to address external and internal audit findings was not implemented effectively by management.

Financial and performance management

33. The programme directors for programmes 2, 3 and 4 did not have effective monitoring controls in place to ensure that performance reports are supported by complete, relevant and accurate information.

34. Management did not adequately review and monitor compliance with applicable legislation.

Other reports

35. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

36. The department was conducting investigations based on allegations of procurement irregularities and financial misconduct. These investigations were still in progress at the reporting date.

Auditor - General

Johannesburg

31 July 2017



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



ANNUAL FINANCIAL STATEMENTS FOR GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

For the year ended 31 March 2017

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

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GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per programme									
2016/17							2015/16		
	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
Programme									
1. Administration	297 471	-	(15 828)	281 643	262 914	18 729	93.4%	294 305	239 213
2. Transport Infrastructure	2 053 633	-	(26 743)	2 026 890	1 961 151	65 739	96.8%	2 215 605	2 177 112
3. Transport Operations	2 467 480	-	(2 573)	2 464 907	2 416 513	48 394	98.0%	2 141 482	2 019 168
4. Transport Regulation	278 774	-	45 144	323 918	319 322	4 596	98.6%	268 758	262 357
5. Gautrain	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
TOTAL	7 909 447	-	-	7 909 447	7 771 989	137 458	98.3%	6 481 601	6 259 301
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				3 477 137				3 278 227	
Actual amounts per statement of financial performance (total revenue)				11 386 584				9 759 828	
ADD									
Prior year unauthorised expenditure approved without funding					11 526				
Actual amounts per statement of financial performance (total expenditure)				7 783 515					6 259 301

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification									
	2016/17						2015/16		
	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
Economic classification									
Current payments	1 769 730	(14 132)	-	1 755 598	1 750 232	5 366	99.7%	1 419 749	1 336 094
Compensation of employees	631 320	-	(28 888)	602 432	595 813	6 619	98.9%	549 061	549 027
Salaries and wages	539 196	-	(23 675)	515 521	510 048	5 473	98.9%	471 722	471 723
Social contributions	92 124	-	(5 213)	86 911	85 765	1 146	98.7%	77 339	77 304
Goods and services	1 138 220	(14 112)	29 056	1 153 164	1 154 417	(1 253)	100.1%	869 858	786 608
Administrative fees	659	181	-	840	840	-	100.0%	1 313	1 090
Advertising	14 385	(4 863)	(1 338)	8 184	8 183	1	100.0%	12 029	10 927
Minor assets	517	1 180	-	1 697	1 698	(1)	100.1%	1 799	1 900
Audit costs: External	6 000	(1 103)	-	4 897	4 897	-	100.0%	6 274	6 273
Bursaries: Employees	2 300	(1 357)	-	943	943	-	100.0%	1 900	1 418
Catering: Departmental activities	3 775	(819)	(242)	2 714	2 712	2	99.9%	4 411	1 625
Communication	22 610	(1 225)	-	21 385	21 388	(3)	100.0%	11 625	11 611
Computer services	18 652	849	-	19 501	19 475	26	99.9%	4 751	4 517
Consultants: Business and advisory services	34 250	(551)	(1 676)	32 023	32 023	-	100.0%	29 560	22 977
Infrastructure and planning services	18 077	-	-	18 077	15 082	2 995	83.4%	18 021	13 270
Laboratory services	330	91	-	421	421	-	100.0%	407	314
Legal services	19 400	(1 787)	(207)	17 406	17 407	(1)	100.0%	15 799	11 862
Contractors	829 420	3 699	(211)	832 908	836 496	(3 588)	100.4%	607 828	576 047
Agency and support / outsourced services	2 260	(1 639)	-	621	622	(1)	100.2%	-	-
Fleet services	11 018	(5 938)	(36)	5 044	4 513	531	89.5%	13 233	8 524

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification continued									
	2016/17						2015/16		
	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
Inventory: Clothing material and supplies	5 000	(1 292)	-	3 708	3 708	-	100.0%	1 699	1 549
Inventory: Fuel, oil and gas	2 290	(1 207)	-	1 083	1 082	1	99.9%	315	-
Inventory: Materials and supplies	20 000	(7 114)	-	12 886	12 885	1	100.0%	11 063	16 933
Inventory: Other supplies	3 220	193	-	3 413	3 414	(1)	100.0%	1 800	2 708
Consumable supplies	468	5 794	(8)	6 254	6 253	1	100.0%	3 721	2 663
Consumable: Stationery, printing and office supplies	30 452	9 789	42 297	82 538	82 563	(25)	100.0%	28 928	21 858
Operating leases	22 100	(3 830)	-	18 270	19 693	(1 423)	107.8%	12 973	12 753
Property payments	38 918	(2 731)	(3 830)	32 357	32 355	2	100.0%	44 092	36 173
Transport provided: Departmental activity	620	312	(259)	673	641	32	95.2%	523	413
Travel and subsistence	15 865	(1 110)	(3 093)	11 662	11 663	(1)	100.0%	20 764	10 905
Training and development	9 223	-	(621)	8 602	8 601	1	100.0%	10 395	5 771
Operating payments	386	(41)	(2)	343	148	195	43.1%	295	295
Venues and facilities	5 325	(1 360)	(1 518)	2 447	2 444	3	99.9%	4 325	2 232
Rental and hiring	700	1 767	(200)	2 267	2 267	-	100.0%	15	-
Interest and rent on land	190	(20)	(168)	2	2	-	100.0%	830	459
Interest	190	(20)	(168)	2	2	-	100.0%	830	459
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 184 248	4 343	-	5 188 591	5 163 865	24 726	99.5%	3 593 675	3 527 500
Provinces and municipalities	1 500	82	-	1 582	1 581	1	99.9%	1 606	1 079
Municipalities	1 500	82	-	1 582	1 581	1	99.9%	1 606	1 079
Municipal bank accounts	1 500	82	-	1 582	1 581	1	99.9%	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification continued									
	2016/17						2015/16		
	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
Municipal agencies and funds	-	-	-	-	-	-	-	1 606	1 079
Departmental agencies and accounts	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Public corporations and private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Other transfers to private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 953	4 261	-	9 214	9 522	(308)	103.3%	5 857	5 360
Social benefits	1 440	314	(112)	1 642	1 604	38	97.7%	5 857	2 953
Other transfers to households	3 513	3 947	112	7 572	7 918	(346)	104.6%	-	2 407
Payments for capital assets	955 469	(1 782)	-	953 687	857 806	95 881	89.9%	1 451 137	1 378 676
Buildings and other fixed structures	869 490	(23 497)	-	845 993	759 292	86 701	89.8%	1 226 919	1 179 703
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	869 490	(23 497)	-	845 993	759 292	86 701	89.8%	1 226 919	1 179 703
Machinery and equipment	83 179	23 497	-	106 676	98 296	8 380	92.1%	221 118	198 836
Transport equipment	68 108	18 522	(350)	86 280	81 187	5 093	94.1%	190 176	185 133
Other machinery and equipment	15 071	4 975	350	20 396	17 109	3 287	83.9%	30 942	13 703
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	2 800	(1 782)	-	1 018	218	800	21.4%	3 100	137
Payments for financial assets	-	11 571	-	11 571	86	11 485	0.7%	17 040	17 031
Total	7 909 447	-	-	7 909 447	7 771 989	137 458	98.3%	6 481 601	6 259 301

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 1: ADMINISTRATION									
2016/17							2015/16		
	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
Sub programme									
1.1. OFFICE OF THE MEC	10 163	(946)	(1 439)	7 778	7 778	-	100.0%	8 900	6 626
1.2. MANAGEMENT OF THE DEPARTMENT	20 211	8 334	(1 837)	26 708	15 078	11 630	56.5%	18 450	15 918
1.3. CORPORATE SUPPORT	262 004	(7 408)	(10 991)	243 605	238 041	5 564	97.7%	266 208	216 150
1.4. DEPARTMENTAL STRATEGY	5 093	20	(1 561)	3 552	2 017	1 535	56.8%	747	519
Total for sub programmes	297 471	-	(15 828)	281 643	262 914	18 729	93.4%	294 305	239 213
Economic classification									
Current payments	289 621	(11 867)	(15 056)	262 698	258 195	4 503	98.3%	268 075	232 137
Compensation of employees	168 042	-	(4 691)	163 351	158 479	4 872	97.0%	145 123	145 121
Salaries and wages	146 139	-	(3 510)	142 629	138 042	4 587	96.8%	127 444	127 451
Social contributions	21 903	-	(1 181)	20 722	20 437	285	98.6%	17 679	17 670
Goods and services	121 479	(11 867)	(10 265)	99 347	99 716	(369)	100.4%	122 492	86 558
Administrative fees	459	58	-	517	518	(1)	100.2%	635	634
Advertising	6 535	(2 491)	(144)	3 900	3 900	-	100.0%	5 645	5 416
Minor assets	267	(73)	-	194	194	-	100.0%	843	778
Audit costs: External	6 000	(1 103)	-	4 897	4 897	-	100.0%	6 274	6 273
Bursaries: Employees	2 300	(1 357)	-	943	943	-	100.0%	1 900	1 418
Catering: Departmental activities	3 390	(959)	(13)	2 418	2 418	-	100.0%	3 397	956
Communication	19 240	(802)	-	18 438	18 439	(1)	100.0%	11 546	11 542
Computer services	18 252	(637)	-	17 615	17 589	26	99.9%	4 400	4 160

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 1: ADMINISTRATION continued									
	Adjusted Appropriation	Shifting of Funds	Virement	2016/17				2015/16	
				R'000	R'000	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Consultants: Business and advisory services	5 400	(2 382)	(2 055)	963	964	(1)	4 317	1 665	100.1%
Infrastructure and planning services	-	-	-	-	-	-	466	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	6 000	561	-	6 561	6 562	(1)	4 534	4 362	100.0%
Contractors	700	(218)	(211)	271	272	(1)	7 846	6 660	100.4%
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3 260	(1 124)	(20)	2 116	2 116	-	7 847	3 896	100.0%
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	150	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	2 000	-	-
Inventory: Other supplies	-	-	-	-	-	-	1 800	-	-
Consumable supplies	208	213	-	421	421	-	2 585	1 599	100.0%
Consumable: Stationery, printing and office supplies	4 695	(297)	(710)	3 688	3 715	(27)	6 688	2 565	100.7%
Operating leases	1 030	611	-	1 641	2 041	(400)	857	637	124.4%
Property payments	25 000	-	(3 830)	21 170	21 168	2	27 000	23 641	100.0%
Transport provided: Departmental activity	620	174	(121)	673	641	32	523	413	95.2%
Travel and subsistence	4 620	(711)	(1 263)	2 646	2 646	-	7 016	2 353	100.0%
Training and development	9 223	-	(621)	8 602	8 601	1	10 395	5 771	100.0%
Operating payments	30	(1)	(2)	27	27	-	239	239	100.0%

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 1: ADMINISTRATION continued									
	2016/17						2015/16		
	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
Venues and facilities	4 050	(1 329)	(1 075)	1 646	1 644	2	99.9%	3 574	1 580
Rental and hiring	200	-	(200)	-	-	-	-	15	-
Interest and rent on land	100	-	(100)	-	-	-	-	460	458
Interest	100	-	(100)	-	-	-	-	460	458
Transfers and subsidies	500	339	108	947	948	(1)	100.1%	500	169
Households	500	339	108	947	948	(1)	100.1%	500	169
Social benefits	200	154	-	354	9	345	2.5%	500	169
Other transfers to households	300	185	108	593	939	(346)	158.3%	-	-
Payments for capital assets	7 350	-	(880)	6 470	3 768	2 702	58.2%	25 691	6 870
Buildings and other fixed structures	1 034	-	-	1 034	-	1 034	-	3 000	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1 034	-	-	1 034	-	1 034	-	3 000	-
Machinery and equipment	5 316	-	(880)	4 436	3 568	868	80.4%	21 691	6 870
Transport equipment	3 300	(400)	(558)	2 342	617	1 725	26.3%	-	679
Other machinery and equipment	2 016	400	(322)	2 094	2 951	(857)	140.9%	21 691	6 191
Intangible assets	1 000	-	-	1 000	200	800	20.0%	1 000	-
Payments for financial assets	-	11 528	-	11 528	3	11 525	0.0%	39	37
Total	297 471	-	(15 828)	281 643	262 914	18 729	93.4%	294 305	239 213

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 1.1: OFFICE OF THE MEC									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 772	(1 288)	(1 233)	7 251	7 251	-	100.0%	8 669	6 534
Compensation of employees	6 100	-	(931)	5 169	5 169	-	100.0%	4 894	4 882
Goods and services	3 672	(1 288)	(302)	2 082	2 082	-	100.0%	3 775	1 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	342	108	450	450	-	100.0%	-	-
Households	-	342	108	450	450	-	100.0%	-	-
Payments for capital assets	391	-	(314)	77	77	-	100.0%	214	76
Machinery and equipment	391	-	(314)	77	77	-	100.0%	214	76
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	17	16
Total	10 163	(946)	(1 439)	7 778	7 778	-	100.0%	8 900	6 626

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 1.2: MANAGEMENT OF THE DEPARTMENT									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 691	(3 180)	(1 725)	14 786	14 811	(25)	100.2%	17 478	15 223
Compensation of employees	14 584	-	(1 725)	12 859	12 859	-	100.0%	12 946	12 939
Goods and services	5 107	(3 180)	-	1 927	1 952	(25)	101.3%	4 532	2 284
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	9	-	9	9	-	100.0%	-	-
Households	-	9	-	9	9	-	100.0%	-	-
Payments for capital assets	520	(20)	(112)	388	258	130	66.5%	952	675
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	520	(20)	(112)	388	258	130	66.5%	952	675
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	11 525	-	11 525	-	11 525	-	20	20
Total	20 211	8 334	(1 837)	26 708	15 078	11 630	56.5%	18 450	15 918

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 1.3: CORPORATE SUPPORT									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	255 155	(7 399)	(10 537)	237 219	234 226	2 993	98.7%	241 400	210 018
Compensation of employees	142 698	-	(762)	141 936	138 599	3 337	97.6%	127 048	127 072
Goods and services	112 357	(7 399)	(9 675)	95 283	95 627	(344)	100.4%	113 892	82 488
Interest and rent on land	100	-	(100)	-	-	-	-	460	458
Transfers and subsidies	500	(12)	-	488	489	(1)	100.2%	500	169
Households	500	(12)	-	488	489	(1)	100.2%	500	169
Payments for capital assets	6 349	-	(454)	5 895	3 323	2 572	56.4%	24 306	5 962
Buildings and other fixed structures	1 034	-	-	1 034	-	1 034	-	3 000	-
Machinery and equipment	4 315	-	(454)	3 861	3 123	738	80.9%	20 306	5 962
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 000	-	-	1 000	200	800	20.0%	1 000	-
Payments for financial assets	-	3	-	3	3	-	100.0%	2	1
Total	262 004	(7 408)	(10 991)	243 605	238 041	5 564	97.7%	266 208	216 150

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 1.4: DEPARTMENTAL STRATEGY									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 003	-	(1 561)	3 442	1 907	1 535	55.4%	528	362
Compensation of employees	4 660	-	(1 273)	3 387	1 852	1 535	54.7%	235	228
Goods and services	343	-	(288)	55	55	-	100.0%	293	134
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Payments for capital assets	90	20	-	110	110	-	100.0%	219	157
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	90	20	-	110	110	-	100.0%	219	157
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 093	20	(1 561)	3 552	2 017	1 535	56.8%	747	519

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
2016/17							2015/16		
	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
Sub programme									
2.1. INFRASTRUCTURE PLANNING	52 715	(68)	(7 247)	45 400	42 404	2 996	93.4%	42 911	38 079
2.2. INFRASTRUCTURE DESIGN	212 458	(3 218)	(6 704)	202 536	153 122	49 414	75.6%	143 655	142 111
2.3. CONSTRUCTION	676 424	(23 494)	(3 291)	649 639	637 333	12 306	98.1%	1 042 568	1 042 527
2.4. MAINTENANCE	1 064 962	26 921	(7 796)	1 084 087	1 088 130	(4 043)	100.4%	925 140	912 344
2.5. PROGRAMME SUPPORT INFRASTRUCTURE	47 074	(141)	(1 705)	45 228	40 162	5 066	88.8%	61 331	42 051
Total for sub programmes	2 053 633	-	(26 743)	2 026 890	1 961 151	65 739	96.8%	2 215 605	2 177 112
Economic classification									
Current payments	1 200 887	(4 041)	(26 759)	1 170 087	1 169 343	744	99.9%	908 280	870 171
Compensation of employees	282 918	-	(20 375)	262 543	261 529	1 014	99.6%	242 340	242 315
Salaries and wages	238 730	-	(16 407)	222 323	221 447	876	99.6%	205 194	205 189
Social contributions	44 188	-	(3 968)	40 220	40 082	138	99.7%	37 146	37 126
Goods and services	917 899	(4 041)	(6 316)	907 542	907 812	(270)	100.0%	665 860	627 855
Administrative fees	200	104	-	304	303	1	99.7%	661	439
Advertising	6 050	(731)	(1 194)	4 125	4 124	1	100.0%	5 294	4 980
Minor assets	50	559	-	609	610	(1)	100.2%	320	178
Catering: Departmental activities	185	9	(30)	164	164	-	100.0%	234	77
Communication	1 400	121	-	1 521	1 521	-	100.0%	19	9
Computer services	-	-	-	-	-	-	-	-	6
Consultants: Business and advisory services	2 850	-	(2 850)	-	-	-	-	276	-
Infrastructure and planning services	18 077	-	-	18 077	15 082	2 995	83.4%	17 555	13 270

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 2: TRANSPORT INFRASTRUCTURE continued									
	2016/17					2015/16			
	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
Laboratory services	330	91	-	421	421	-	100.0%	407	314
Legal services	8 400	(424)	(207)	7 769	7 768	1	100.0%	6 050	5 278
Contractors	826 202	4 144	-	830 346	833 933	(3 587)	100.4%	599 068	568 473
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	4 288	(2 975)	(16)	1 297	769	528	59.3%	866	858
Inventory: Clothing material and supplies	5 000	(1 292)	-	3 708	3 708	-	100.0%	1 549	1 549
Inventory: Fuel, oil and gas	2 290	(1 207)	-	1 083	1 082	1	99.9%	315	-
Inventory: Materials and supplies	20 000	(7 114)	-	12 886	12 885	1	100.0%	9 063	16 933
Consumable supplies	110	5 621	(8)	5 723	5 723	-	100.0%	1 000	923
Consumable: Stationery, printing and office supplies	797	1 048	-	1 845	1 845	-	100.0%	1 229	1 183
Operating leases	520	427	-	947	1 157	(210)	122.2%	-	-
Property payments	9 900	(3 525)	-	6 375	6 376	(1)	100.0%	10 818	6 258
Travel and subsistence	9 715	(582)	(1 671)	7 462	7 460	2	100.0%	10 719	6 710
Operating payments	160	(81)	-	79	80	(1)	101.3%	-	-
Venues and facilities	875	(1)	(340)	534	534	-	100.0%	417	417
Rental and hiring	500	1 767	-	2 267	2 267	-	100.0%	-	-
Interest and rent on land	70	-	(68)	2	2	-	100.0%	80	1
Interest	70	-	(68)	2	2	-	100.0%	80	1
Transfers and subsidies	5 701	4 004	16	9 721	10 027	(306)	103.1%	6 180	5 625
Provinces and municipalities	1 500	82	-	1 582	1 581	1	99.9%	1 606	1 079
Municipalities	1 500	82	-	1 582	1 581	1	99.9%	1 606	1 079

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 2: TRANSPORT INFRASTRUCTURE continued									
	2016/17					2015/16			
	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
Municipal bank accounts	1 500	82	-	1 582	1 581	1	99.9%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	1 606	1 079
Households	4 201	3 922	16	8 139	8 446	(307)	103.8%	4 574	4 546
Social benefits	1 000	160	-	1 160	1 467	(307)	126.5%	4 574	2 235
Other transfers to households	3 201	3 762	16	6 979	6 979	-	100.0%	-	2 311
Payments for capital assets	847 045	-	-	847 045	781 705	65 340	92.3%	1 284 149	1 284 326
Buildings and other fixed structures	777 888	(23 497)	-	754 391	692 676	61 715	91.8%	1 096 404	1 096 261
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	777 888	(23 497)	-	754 391	692 676	61 715	91.8%	1 096 404	1 096 261
Machinery and equipment	69 157	23 497	-	92 654	89 029	3 625	96.1%	187 745	187 928
Transport equipment	62 928	18 970	-	81 898	79 355	2 543	96.9%	182 894	182 153
Other machinery and equipment	6 229	4 527	-	10 756	9 674	1 082	89.9%	4 851	5 775
Intangible assets	-	-	-	-	-	-	-	-	137
Payments for financial assets	-	37	-	37	76	(39)	205.4%	16 996	16 990
Total	2 053 633	-	(26 743)	2 026 890	1 961 151	65 739	96.8%	2 215 605	2 177 112

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 2.1: INFRASTRUCTURE PLANNING							2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement 8ui	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
Economic classification									
Current payments	52 449	(61)	(7 247)	45 141	42 253	2 888	93.6%	42 388	37 591
Compensation of employees	26 802	-	(2 590)	24 212	24 210	2	100.0%	20 513	20 513
Goods and services	25 647	(61)	(4 657)	20 929	18 043	2 886	86.2%	21 875	17 078
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	24	(24)	-	-	-	-	-	23	-
Households	24	(24)	-	-	-	-	-	23	-
Payments for capital assets	242	17	-	259	151	108	58.3%	500	488
Machinery and equipment	242	17	-	259	151	108	58.3%	500	488
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	52 715	(68)	(7 247)	45 400	42 404	2 996	93.4%	42 911	38 079

SUBPROGRAMME: 2.2: INFRASTRUCTURE DESIGN							2015/16		
	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
Economic classification									
Current payments	67 308	(3 364)	(6 704)	57 240	57 235	5	100.0%	54 959	53 470
Compensation of employees	42 981	-	(6 704)	36 277	36 276	1	100.0%	31 802	31 794
Goods and services	24 327	(3 364)	-	20 963	20 959	4	100.0%	23 157	21 676
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	145	-	145	146	(1)	100.7%	43	43
Households	-	145	-	145	146	(1)	100.7%	43	43
Payments for capital assets	145 150	-	-	145 150	95 740	49 410	66.0%	88 653	88 598
Buildings and other fixed structures	145 150	-	-	145 150	95 740	49 410	66.0%	88 653	88 598
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1	-	1	1	-	100.0%	-	-
Total	212 458	(3 218)	(6 704)	202 536	153 122	49 414	75.6%	143 655	142 111

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 2.3: CONSTRUCTION									
2016/17							2015/16		
	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
Economic classification									
Current payments	43 686	(14)	(3 291)	40 381	40 380	1	100.0%	38 653	38 648
Compensation of employees	40 086	-	(3 285)	36 801	36 801	-	100.0%	35 194	35 189
Goods and services	3 600	(14)	(6)	3 580	3 579	1	100.0%	3 459	3 459
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	3	-	3	3	-	100.0%	508	508
Households	-	3	-	3	3	-	100.0%	508	508
Payments for capital assets	632 738	(23 497)	-	609 241	596 936	12 305	98.0%	1 003 251	1 003 215
Buildings and other fixed structures	632 738	(23 497)	-	609 241	596 936	12 305	98.0%	1 003 251	1 003 215
Payments for financial assets	-	14	-	14	14	-	100.0%	156	156
Total	676 424	(23 494)	(3 291)	649 639	637 333	12 306	98.1%	1 042 568	1 042 527

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 2.4: MAINTENANCE									
2016/17							2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 002 462	3 342	(7 796)	998 008	1 001 707	(3 699)	100.4%	733 795	720 514
Compensation of employees	170 237	-	(7 796)	162 441	162 442	(1)	100.0%	153 122	153 120
Goods and services	832 225	3 342	-	835 567	839 265	(3 698)	100.4%	580 673	567 394
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 500	82	-	2 582	2 887	(305)	111.8%	3 200	2 668
Provinces and municipalities	1 500	82	-	1 582	1 581	1	99.9%	1 606	1 079
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 000	-	-	1 000	1 306	(306)	130.6%	1 594	1 589
Payments for capital assets	60 000	23 497	-	83 497	83 497	-	100.0%	188 145	189 162
Buildings and other fixed structures	-	-	-	-	-	-	-	4 500	4 448
Machinery and equipment	60 000	23 497	-	83 497	83 497	-	100.0%	183 645	184 577
Intangible assets	-	-	-	-	-	-	-	-	137
Payments for financial assets	-	-	-	-	39	(39)	-	-	-
Total	1 064 962	26 921	(7 796)	1 084 087	1 088 130	(4 043)	100.4%	925 140	912 344

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 2.5: PROGRAMME SUPPORT INFRASTRUCTURE									
2016/17							2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	34 982	(3 944)	(1 721)	29 317	27 768	1 549	94.7%	38 485	19 948
Compensation of employees	2 812	-	-	2 812	1 800	1 012	64.0%	1 709	1 699
Goods and services	32 100	(3 944)	(1 653)	26 503	25 966	537	98.0%	36 696	18 248
Interest and rent on land	70	-	(68)	2	2	-	100.0%	80	1
Transfers and subsidies	3 177	3 798	16	6 991	6 991	-	100.0%	2 406	2 406
Households	3 177	3 798	16	6 991	6 991	-	100.0%	2 406	2 406
Payments for capital assets	8 915	(17)	-	8 898	5 381	3 517	60.5%	3 600	2 863
Machinery and equipment	8 915	(17)	-	8 898	5 381	3 517	60.5%	3 600	2 863
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	22	-	22	22	-	100.0%	16 840	16 834
Total	47 074	(141)	(1 705)	45 228	40 162	5 066	88.8%	61 331	42 051

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 3: TRANSPORT OPERATIONS									
2016/17							2015/16		
	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
Sub programme									
3.1.PUBLIC TRANSPORT SERVICES	2 456 590	2 174	(303)	2 458 461	2 410 921	47 540	98.1%	2 129 026	2 012 968
3.2.PROGRAMME SUPPORT OPERATIONS	10 890	(2 174)	(2 270)	6 446	5 592	854	86.8%	12 456	6 200
Total for sub programmes	2 467 480	-	(2 573)	2 464 907	2 416 513	48 394	98.0%	2 141 482	2 019 168
Economic classification									
Current payments	61 585	-	(2 465)	59 120	58 763	357	99.4%	50 731	41 039
Compensation of employees	28 575	-	(5 095)	23 480	22 934	546	97.7%	23 789	23 783
Salaries and wages	24 621	-	(4 956)	19 665	19 485	180	99.1%	20 418	20 416
Social contributions	3 954	-	(139)	3 815	3 449	366	90.4%	3 371	3 367
Goods and services	33 010	-	2 630	35 640	35 829	(189)	100.5%	26 942	17 256
Advertising	100	(100)	-	-	-	-	-	800	241
Minor assets	-	5	-	5	4	1	80.0%	80	13
Catering: Departmental activities	50	196	(199)	47	46	1	97.9%	540	352
Communication	1 200	(453)	-	747	749	(2)	100.3%	-	-
Consultants: Business and advisory services	26 000	1 831	3 229	31 060	31 059	1	100.0%	17 536	13 880
Legal services	4 000	(1 772)	-	2 228	2 229	(1)	100.0%	4 500	1 507
Agency and support / outsourced services	-	290	-	290	290	-	100.0%	-	-
Fleet services	560	(132)	-	428	427	1	99.8%	1 100	349
Consumable supplies	-	3	-	3	2	1	66.7%	-	5
Consumable: Stationery, printing and office supplies	100	(82)	-	18	18	-	100.0%	400	209
Operating leases	100	(17)	-	83	271	(188)	326.5%	-	-

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 3: TRANSPORT OPERATIONS continued									
	2016/17						2015/16		
	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
Transport provided: Departmental activity	-	138	(138)	-	-	-	-	-	-
Travel and subsistence	750	86	(159)	677	681	(4)	100.6%	1 856	669
Venues and facilities	150	7	(103)	54	53	1	98.1%	130	31
Transfers and subsidies	2 365 836	-	(108)	2 365 728	2 340 695	25 033	98.9%	2 024 964	1 959 692
Public corporations and private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Other transfers to private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Households	130	-	(108)	22	22	-	100.0%	203	82
Social benefits	130	-	(108)	22	22	-	100.0%	203	-
Other transfers to households	-	-	-	-	-	-	-	-	82
Payments for capital assets	40 059	-	-	40 059	17 055	23 004	42.6%	65 787	18 437
Buildings and other fixed structures	39 109	-	-	39 109	16 599	22 510	42.4%	65 067	17 826
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	39 109	-	-	39 109	16 599	22 510	42.4%	65 067	17 826
Machinery and equipment	950	-	-	950	456	494	48.0%	720	611
Transport equipment	640	-	-	640	315	325	49.2%	440	433
Other machinery and equipment	310	-	-	310	141	169	45.5%	280	178
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 467 480	-	(2 573)	2 464 907	2 416 513	48 394	98.0%	2 141 482	2 019 168

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 3.1: PUBLIC TRANSPORT SERVICES									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	51 775	2 152	(303)	53 624	53 627	(3)	100.0%	39 115	35 450
Compensation of employees	25 675	-	(3 532)	22 143	22 143	-	100.0%	21 523	21 516
Goods and services	26 100	2 152	3 229	31 481	31 484	(3)	100.0%	17 592	13 934
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 365 706	22	-	2 365 728	2 340 695	25 033	98.9%	2 024 844	1 959 692
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 365 706	-	-	2 365 706	2 340 673	25 033	98.9%	2 024 761	1 959 610
Households	-	22	-	22	22	-	100.0%	83	82
Payments for capital assets	39 109	-	-	39 109	16 599	22 510	42.4%	65 067	17 826
Buildings and other fixed structures	39 109	-	-	39 109	16 599	22 510	42.4%	65 067	17 826
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 456 590	2 174	(303)	2 458 461	2 410 921	47 540	98.1%	2 129 026	2 012 968

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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 3.2: PROGRAMME SUPPORT OPERATIONS									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 810	(2 152)	(2 162)	5 496	5 136	360	93.4%	11 616	5 589
Compensation of employees	2 900	-	(1 563)	1 337	791	546	59.2%	2 266	2 267
Goods and services	6 910	(2 152)	(599)	4 159	4 345	(186)	104.5%	9 350	3 322
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	130	(22)	(108)	-	-	-	-	120	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	130	(22)	(108)	-	-	-	-	120	-
Payments for capital assets	950	-	-	950	456	494	48.0%	720	611
Machinery and equipment	950	-	-	950	456	494	48.0%	720	611
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 890	(2 174)	(2 270)	6 446	5 592	854	86.8%	12 456	6 200

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 4: TRANSPORT REGULATION									
2016/17							2015/16		
	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
Sub programme									
4.1. TRANSPORT ADMINISTRATION AND LICENCING	202 797	(9 196)	426	194 027	191 962	2 065	98.9%	202 229	196 377
4.2. OPERATOR LICENCE AND PERMITS	75 977	9 196	44 718	129 891	127 360	2 531	98.1%	66 529	65 980
Total for sub programmes	278 774	-	45 144	323 918	319 322	4 596	98.6%	268 758	262 357
Economic classification									
Current payments	217 637	1 776	44 280	263 693	263 931	(238)	100.1%	192 663	192 747
Compensation of employees	151 785	-	1 273	153 058	152 871	187	99.9%	137 809	137 808
Salaries and wages	129 706	-	1 198	130 904	131 074	(170)	100.1%	118 666	118 667
Social contributions	22 079	-	75	22 154	21 797	357	98.4%	19 143	19 141
Goods and services	65 832	1 796	43 007	110 635	111 060	(425)	100.4%	54 564	54 939
Administrative fees	-	19	-	19	19	-	100.0%	17	17
Advertising	1 700	(1 541)	-	159	159	-	100.0%	290	290
Minor assets	200	689	-	889	890	(1)	100.1%	556	931
Catering: Departmental activities	150	(65)	-	85	84	1	98.8%	240	240
Communication	770	(91)	-	679	679	-	100.0%	60	60
Computer services	400	1 486	-	1 886	1 886	-	100.0%	351	351
Consultants: Business and advisory services	-	-	-	-	-	-	-	7 431	7 432
Legal services	1 000	(152)	-	848	848	-	100.0%	715	715
Contractors	2 518	(227)	-	2 291	2 291	-	100.0%	914	914
Agency and support / outsourced services	2 260	(1 929)	-	331	332	(1)	100.3%	-	-
Entertainment	-	-	-	-	-	-	-	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 4: TRANSPORT REGULATION									
	2016/17					2015/16			
	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
Fleet services	2 910	(1 707)	-	1 203	1 201	2	99.8%	3 420	3 421
Inventory: Other supplies	3 220	193	-	3 413	3 414	(1)	100.0%	-	2 708
Consumable supplies	150	(43)	-	107	107	-	100.0%	136	136
Consumable: Stationery, printing and office supplies	24 860	9 120	43 007	76 987	76 985	2	100.0%	20 611	17 901
Operating leases	20 450	(4 851)	-	15 599	16 224	(625)	104.0%	12 116	12 116
Property payments	4 018	794	-	4 812	4 811	1	100.0%	6 274	6 274
Travel and subsistence	780	97	-	877	876	1	99.9%	1 173	1 173
Operating payments	196	41	-	237	41	196	17.3%	56	56
Venues and facilities	250	(37)	-	213	213	-	100.0%	204	204
Interest and rent on land	20	(20)	-	-	-	-	-	290	-
Interest	20	(20)	-	-	-	-	-	290	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	122	-	(16)	106	106	-	100.0%	580	563
Households	122	-	(16)	106	106	-	100.0%	580	563
Social benefits	110	-	(4)	106	106	-	100.0%	580	549
Other transfers to households	12	-	(12)	-	-	-	-	-	14

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 4: TRANSPORT REGULATION									
2016/17							2015/16		
	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
Payments for capital assets	61 015	(1 782)	880	60 113	55 278	4 835	92.0%	75 510	69 043
Buildings and other fixed structures	51 459	-	-	51 459	50 017	1 442	97.2%	62 448	65 616
Other fixed structures	51 459	-	-	51 459	50 017	1 442	97.2%	62 448	65 616
Machinery and equipment	7 756	-	880	8 636	5 243	3 393	60.7%	10 962	3 427
Transport equipment	1 240	(48)	208	1 400	900	500	64.3%	6 842	1 868
Other machinery and equipment	6 516	48	672	7 236	4 343	2 893	60.0%	4 120	1 559
Intangible assets	1 800	(1 782)	-	18	18	-	100.0%	2 100	-
Payments for financial assets	-	6	-	6	7	(1)	116.7%	5	4
Total	278 774	-	45 144	323 918	319 322	4 596	98.6%	268 758	262 357

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME 4.1: TRANSPORT ADMINISTRATION AND LICENCING									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	148 212	(7 420)	-	140 792	140 542	250	99.8%	136 154	136 530
Compensation of employees	108 206	(1 946)	-	106 260	105 976	284	99.7%	98 747	98 749
Goods and services	40 006	(5 474)	-	34 532	34 566	(34)	100.1%	37 407	37 781
Transfers and subsidies	60	1	-	61	61	-	100.0%	520	520
Households	60	1	-	61	61	-	100.0%	520	520
Payments for capital assets	54 525	(1 782)	426	53 169	51 353	1 816	96.6%	65 550	59 323
Buildings and other fixed structures	47 459	-	-	47 459	48 642	(1 183)	102.5%	53 968	57 143
Machinery and equipment	5 266	-	426	5 692	2 693	2 999	47.3%	9 482	2 180
Intangible assets	1 800	(1 782)	-	18	18	-	100.0%	2 100	-
Payments for financial assets	-	5	-	5	6	(1)	120.0%	5	4
Total	202 797	(9 196)	426	194 027	191 962	2 065	98.9%	202 229	196 377

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

SUBPROGRAMME: 4.2: OPERATOR LICENCE AND PERMITS									
	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	69 425	9 196	44 280	122 901	123 389	(488)	100.4%	56 509	56 217
Compensation of employees	43 579	1 946	1 273	46 798	46 895	(97)	100.2%	39 062	39 059
Goods and services	25 826	7 270	43 007	76 103	76 494	(391)	100.5%	17 157	17 158
Interest and rent on land	20	(20)	-	-	-	-	-	290	-
Transfers and subsidies	62	(1)	(16)	45	45	-	100.0%	60	43
Households	62	(1)	(16)	45	45	-	100.0%	60	43
Payments for capital assets	6 490	-	454	6 944	3 925	3 019	56.5%	9 960	9 720
Buildings and other fixed structures	4 000	-	-	4 000	1 375	2 625	34.4%	8 480	8 473
Machinery and equipment	2 490	-	454	2 944	2 550	394	86.6%	1 480	1 247
Payments for financial assets	-	1	-	1	1	-	100.0%	-	-
Total	75 977	9 196	44 718	129 891	127 360	2 531	98.1%	66 529	65 980

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 5: GAUTRAIN									
2016/17							2015/16		
	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
Sub programme									
5.1.GAUTRAIN RAPID LINK	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Total for sub programmes	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Economic classification									
Transfers and subsidies	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Departmental agencies	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Total	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451

SUBPROGRAMME 5.1: GAUTRAIN RAPID LINK									
2016/17							2015/16		
	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
Economic classification									
Transfers and subsidies	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Departmental agencies and accounts	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451
Total	2 812 089	-	-	2 812 089	2 812 089	-	100.0%	1 561 451	1 561 451

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

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

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

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

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

3. Detail on 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	281 643	262 914	18 729	7%
	Transport infrastructure	2 026 890	1 961 151	65 739	3%
	Transport operations	2 464 907	2 416 513	48 394	2%
	Transport regulation	323 918	319 322	4 596	1%
	Gautrain	2 812 089	2 812 089	0	0%
4.2	Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Current payments	1 755 598	1 750 232	5 366	0%
	Compensation of employees	602 432	595 813	6 619	1%
	Goods and services	1 153 164	1 154 417	(1 253)	0%
	Interest and rent on land	2	2	0	0%
	Transfers and subsidies	5 188 591	5 163 865	24 726	0%
	Provinces and municipalities	1 582	1 581	1	0%
	Departmental agencies and accounts	2 812 089	2 812 089	0	0%
	Public corporations and private enterprises	2 365 706	2 340 673	25 033	1%
	Households	9 214	9 522	(308)	-3%
	Payments for capital assets	953 687	857 806	95 881	10%
	Buildings and other fixed structures	845 993	759 292	86 701	10%
	Machinery and equipment	106 676	98 296	8 380	8%
	Land and subsoil assets	-	-	-	-
	Intangible assets	1 018	218	800	79%
	Payments for financial assets	11 571	86	11 485	99%

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2017

The Department incurred total under spending of R136 458 million for the 2016/17 financial year. The breakdown of the under spending per programme is as follows:

1. Administration – R18 729 million

Over the past few financial years, the Department has been extremely effective in managing its administration budget in line with cost containment measures as issued by National Treasury. The implementation of these strict measures has played a pivotal role in arriving at the recorded underspending within this programme.

2. Transport infrastructure – R65 739 million

The programme of transport infrastructure remains a critical programme for the Department. In the main, the recorded underspending occurred due to:

- Unforeseen delays in the procurement processes relating to key infrastructure projects as a result of the implementation of the new standard for infrastructure procurement which came into effective from 01 July 2016;
- Unforeseen challenges within key projects emanating from community unrests resulting in work stoppages;
- Delays in the filling of vacant engineering position within the Department.

3. Transport operations – R48 394 million

The underspending/savings within this programme occurred mainly due to the prolonged challenges around bus operators not operating within the required operating time table due to mechanical breakdowns. A bus operator's failure to operate as required results in the Department levying financial penalties against the affected bus operator.

In addition, some of the special infrastructure projects located within this programme experienced poor contractor performance which added to the overall underspending/savings within this programme.

4. Transport regulation – R4 596

This programme experienced contractor delays within its infrastructure projects emanating from on-site challenges relating to soil conditions and community unrests.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Provincial Roads Maintenance Grant	501 784	501 196	588	0%
Public Transport Operations Grant	2 063 333	2 035 389	27 944	1%
Expanded Public Works Programme	2 449	2 449	-	0%

The PTOG allocation was not fully spent for the current financial year as a result of penalties levied by the department against the bus operators.

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	7 909 447	6 481 601
Departmental revenue	2	3 477 137	3 278 227
TOTAL REVENUE		11 386 584	9 759 828
EXPENDITURE			
Current expenditure			
Compensation of employees	3	595 813	549 027
Goods and services	4	1 154 417	786 608
Interest and rent on land	5	2	459
Total current expenditure		1 750 232	1 336 094
Transfers and subsidies			
Transfers and subsidies	7	5 163 865	3 527 500
Total transfers and subsidies		5 163 865	3 527 500
Expenditure for capital assets			
Tangible assets	8	857 588	1 378 539
Intangible assets	8	218	137
Total expenditure for capital assets		857 806	1 378 676
Unauthorised expenditure approved without funding	9	11 526	-
Payments for financial assets	6	86	17 031
TOTAL EXPENDITURE		7 783 515	6 259 301
SURPLUS/(DEFICIT) FOR THE YEAR		3 603 069	3 500 527
Net Surplus/(Deficit) for the year			
Voted funds		125 932	222 300
Annual appropriation		97 400	191 824
Conditional grants		28 532	30 476
Departmental revenue and NRF Receipts	14	3 477 137	3 278 227
SURPLUS/(DEFICIT) FOR THE YEAR		3 603 069	3 500 527

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		524 327	503 682
Unauthorised expenditure	9	-	195 457
Cash and cash equivalents	10	521 845	307 617
Receivables	12	2 482	608
Non-current assets		786	1 631
Receivables	12	786	1 631
TOTAL ASSETS		525 113	505 313
LIABILITIES			
Current liabilities		524 544	505 082
Voted funds to be surrendered to the Revenue Fund	13	137 457	233 825
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	278 132	271 106
Payables	15	108 955	151
TOTAL LIABILITIES		524 544	505 082
NET ASSETS		569	231
Represented by:			
Recoverable revenue		569	231
TOTAL		569	231

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Recoverable revenue			
Opening balance		231	384
Transfers:		338	(153)
Irrecoverable amounts written off	6.1	(15)	(368)
Debts revised		-	-
Debts recovered (included in departmental receipts)		(167)	-
Debts raised		520	215
Closing balance		569	231
TOTAL		569	231

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		11 373 879	9 755 337
Annual appropriated funds received	1.1	7 909 447	6 481 601
Departmental revenue received	2	3 464 417	3 273 675
Interest received	2.3	15	61
NRF Receipts		-	-
Aid assistance received		-	-
Net increase/decrease in working capital		303 232	16 871
Surrendered to Revenue Fund		(3 692 411)	(3 431 154)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 761 756)	(1 335 635)
Interest paid	5	(2)	(459)
Payments for financial assets		(86)	(17 031)
Transfers and subsidies paid		(5 163 865)	(3 527 500)
Net cash flow available from operating activities	16	1 058 991	1 460 429
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(857 806)	(1 378 676)
Proceeds from sale of capital assets	2.4	12 705	4 491
Increase/decrease in loans		-	-
Increase/decrease in investments		-	-
Increase/decrease in other financial assets		-	-
Net cash flows from investing activities		(845 101)	(1 374 185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/decrease in net assets		338	(153)
Increase/decrease in non-current payables		-	-
Net cash flows from financing activities		338	(153)
Net increase/decrease in cash and cash equivalents		214 228	86 091
Cash and cash equivalents at beginning of period		307 617	221 526
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	10	521 845	307 617

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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ACCOUNTING POLICIES
for the year ended 31 March 2017

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	Comparative information
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations.</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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ACCOUNTING POLICIES
for the year ended 31 March 2017

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accruals and payables not recognised are measured at cost.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

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8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

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14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements 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 or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>

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17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>

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22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>Agent-Principal arrangements are governed by the signed service level agreement and /or contracts of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>The Department has complied with the provision of Modified Cash Standards.</p>
25	<p>Capitalisation reserve</p> <p>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 underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>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.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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1. ANNUAL APPROPRIATION

1.1 ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Department (Voted funds).

	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	281 643	281 643	-	294 305	294 305
TRANSPORT INFRASTRUCTURE	2 026 890	2 026 890	-	2 215 605	2 215 605
TRANSPORT OPERATIONS	2 464 907	2 464 907	-	2 141 482	2 141 482
TRANSPORT REGULATION	323 918	323 918	-	268 758	268 758
GAUTRAIN	2 812 089	2 812 089	-	1 561 451	1 561 451
Total	7 909 447	7 909 447	-	6 481 601	6 481 601

1.2 CONDITIONAL GRANTS

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Total grants received	35	2 567 566	2 338 101
Provincial grants included in Total Grants received		-	-

2. DEPARTMENTAL REVENUE

Tax revenue		3 404 962	3 217 032
Sales of goods and services other than capital assets	2.1	58 918	54 970
Fines, penalties and forfeits	2.2	-	-
Interest, dividends and rent on land	2.3	15	61
Sales of capital assets	2.4	12 705	4 491
Transactions in financial assets and liabilities	2.5	537	1 673
Transfer received		-	-
Total revenue collected		3 477 137	3 278 227
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		3 477 137	3 278 227

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

Sales of goods and services produced by the department	58 918	54 567
Sales by market establishment	203	180
Administrative fees	51 804	50 082
Other sales	6 911	4 305
Sales of scrap, waste and other used current goods #	-	403
Total	58 918	54 970

#The prior year figure was broken-down into sub categories to ensure fair presentation in line with the requirements of the Standard Chart of Accounts (SCoA), the overall figure remains unchanged.

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	Note	2016/17 R'000	2015/16 R'000
2.2 FINES, PENALTIES AND FORFEITS			
Forfeits		-	-
Total		-	-
2.3 INTEREST, DIVIDENDS AND RENT ON LAND			
Interest		15	61
Total		15	61
2.4 SALE OF CAPITAL ASSETS			
Tangible assets		12 705	4 491
Machinery and equipment	31.2	12 705	4 491
Total		12 705	4 491
2.5 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES			
Receivables		241	387
Other Receipts including Recoverable Revenue		296	1 286
Total		537	1 673
3. COMPENSATION OF EMPLOYEES			
3.1 SALARIES AND WAGES			
Basic salary		400 005	367 433
Performance award		7 635	8 916
Service Based		2 309	904
Compensative/circumstantial		19 236	9 887
Periodic payments		4 029	13 131
Other non-pensionable allowances		76 832	71 450
Total		510 046	471 721
3.2 SOCIAL CONTRIBUTIONS			
Employer contributions			
Pension		51 820	47 210
Medical		33 805	29 963
Bargaining council		142	133
Total		85 767	77 306
Total compensation of employees		595 813	549 027
Average number of employees		1 884	1 912

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	<i>Note</i>	2016/17 R'000	2015/16 R'000
4. GOODS AND SERVICES			
Administrative fees		838	1 090
Advertising		8 185	10 928
Minor assets	4.1	1 700	1 900
Bursaries (employees)		943	1 418
Catering		2 713	1 625
Communication		21 387	11 611
Computer services	4.2	19 475	4 518
Consultants: Business and advisory services		32 022	22 977
Infrastructure and planning services		15 082	13 270
Laboratory services		421	314
Legal services		17 407	11 861
Contractors		836 495	576 048
Agency and support / outsourced services		622	-
Entertainment		-	-
Audit cost – external	4.3	4 897	6 272
Fleet services		4 511	8 525
Inventory	4.4	21 091	21 190
Consumables	4.5	88 816	24 520
Housing		-	-
Operating leases		19 693	12 753
Property payments	4.6	32 355	36 173
Rental and hiring		2 267	-
Transport provided as part of the departmental activities		641	412
Travel and subsistence	4.7	11 663	10 906
Venues and facilities		2 445	2 231
Training and development		8 601	5 771
Other operating expenditure	4.8	147	295
Total		1 154 417	786 608
4.1 MINOR ASSETS			
Tangible assets		1 700	1 900
Machinery and equipment		1 700	1 900
Intangible assets		-	-
Total		1 700	1 900

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	Note	2016/17 R'000	2015/16 R'000
4.2 COMPUTER SERVICES			
External computer service providers		19 475	4 518
Total		19 475	4 518
4.3 AUDIT COST – EXTERNAL			
Regularity audits		4 700	5 750
Computer audits		197	522
Total		4 897	6 272
4.4 INVENTORY			
Clothing material and accessories		3 708	1 549
Fuel, oil and gas		1 083	-
Materials and supplies		12 886	16 933
Other supplies	4.4.1	3 414	2 708
Total		21 091	21 190
4.4.1 OTHER SUPPLIES			
*Other		3 414	2 708
Total		3 414	2 708

*The expenditure relates to the purchase of Departmental "Face Value" forms from Government Printing Works for the printing of vehicle licences.

4.5 CONSUMABLES

Consumable supplies	6 253	2 662
Uniform and clothing	48	107
Household supplies	1 839	365
Building material and supplies	3 916	1 589
IT consumables	226	594
Other consumables	224	7
*Stationery, printing and office supplies	82 563	21 858
Total	88 816	24 520

*The expenditure in the main relates to the legislative requirement of the Department to advertise all new applications for public transport operating licenses in the government gazette. The advertising thereof is performed through the Government Printing Works. The significant variance between 2015/2016 and 2016/2017 financial years is largely due to the significant increase in the tariff charged by the Government Printing Works for the gazetting of these public transport operating licenses.

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	Note	2016/17 R'000	2015/16 R'000
4.6 PROPERTY PAYMENTS			
Municipal services		14 111	16 407
Other*		18 244	19 766
Total		32 355	36 173
*Included in other property payments is expenditure relating to Security, Cleaning and Gardening services.			
4.7 TRAVEL AND SUBSISTENCE			
Local		10 884	10 426
Foreign		779	480
Total		11 663	10 906
4.8 OTHER OPERATING EXPENDITURE			
Resettlement costs		106	239
Other		41	56
Total		147	295
5. INTEREST AND RENT ON LAND			
Interest paid		2	459
Total		2	459
6. PAYMENTS FOR FINANCIAL ASSETS			
Debts written off	6.1	86	17 031
Total		86	17 031
6.1 DEBTS WRITTEN OFF			
Nature of debts written off			
Employee		-	14
Ex-employees		86	372
Other		-	16 476
Supplier		-	169
Total		86	17 031
Total debt written off		86	17 031

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	<i>Note</i>	2016/17 R'000	2015/16 R'000
7. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	<i>36, Annexure 1A</i>	1 581	1 079
Departmental agencies and accounts	<i>Annex 1B</i>	2 812 089	1 561 451
Public corporations and private enterprises	<i>Annex 1C</i>	2 340 673	1 959 611
Households	<i>Annex 1D</i>	9 522	5 359
Total		5 163 865	3 527 500

8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		857 588	1 378 539
Buildings and other fixed structures	33	759 293	1 179 703
Machinery and equipment	31	98 295	198 836
Intangible assets		218	137
Software	32	218	137
Total		857 806	1 378 676

8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	857 588	-	857 588
Buildings and other fixed structures	759 293	-	759 293
Machinery and equipment	98 295	-	98 295
Intangible assets	218	-	218
Software	218	-	218
Total	857 806	-	857 806

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8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1 378 539	-	1 378 539
Buildings and other fixed structures	1 179 703	-	1 179 703
Machinery and equipment	198 836	-	198 836
Intangible assets	137	-	137
Software	137	-	137
Total	1 378 676	-	1 378 676

8.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS

	2016/17 R'000	2015/16 R'000
Tangible assets		
Machinery and equipment	2 435	6 727
Total	2 435	6 727

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9. UNAUTHORISED EXPENDITURE

9.1 RECONCILIATION OF UNAUTHORISED EXPENDITURE

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Opening balance		195 457	195 457
Prior period error		-	-
As restated		195 457	195 457
Unauthorised expenditure – discovered in current year (as restated)			-
Less: Amounts approved by Parliament/Legislature with funding		(183 931)	-
Less: Amounts approved by Parliament/Legislature without funding		(11 526)	-
Capital		(11 526)	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		-	195 457

Analysis of awaiting authorisation per economic classification

Current	-	11 526
Capital	-	183 931
Transfers and subsidies	-	-
Total	-	195 457

9.2 ANALYSIS OF UNAUTHORISED EXPENDITURE AWAITING AUTHORISATION PER ECONOMIC CLASSIFICATION

Current	-	11 526
Capital	-	183 931
Transfers and subsidies	-	-
Total	-	195 457

9.3 ANALYSIS OF UNAUTHORISED EXPENDITURE AWAITING AUTHORISATION PER TYPE

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	195 457
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	-	195 457

9.4 DETAILS OF UNAUTHORISED EXPENDITURE – CURRENT YEAR

Incident	2016/17
	R'000
None	-
Total	-

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10. CASH AND CASH EQUIVALENTS

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Consolidated Paymaster General Account		521 763	307 535
Cash on hand		82	82
Total		521 845	307 617

11. PREPAYMENTS AND ADVANCES

Travel and subsistence	-	-
Total	-	-

11.1 PREPAYMENTS (EXPENSED)

Goods and services	882	803
Total	882	803

12. RECEIVABLES

		2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	1 206	-	1 206	-	-	-
Recoverable expenditure	12.2	62	-	62	43	-	43
Staff debt	12.3	1 214	-	1 214	565	-	565
Other debtors	12.4	-	786	786	-	1 631	1 631
Total		2 482	786	3 268	608	1 631	2 239

The amount of R436 700 is disclosed on this note as will be a recoverable expenditure and has been formally transferred to receivables account in 2017/18.

12.1 CLAIMS RECOVERABLE

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Provincial departments	12 and Annex 3	3	-
Public entities		1 203	-
Total		1 206	-

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12.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Sal: Deduction disall Acc: CA		-	1
Sal: Reversal Control		-	41
Sal: Tax Debt		-	1
Deposit Account		62	-
Total		62	43

12.3 STAFF DEBT

Breach of Contract Ex-employee		115	118
Employee		327	37
Ex-employee		691	410
Supplier		81	-
Total		1 214	565

12.4 OTHER DEBTORS

Other		786	1 631
Total		786	1 631

**Included in other debtors is amount that relates to security deposit for the building leased for the Xavier DLTC.*

12.5 IMPAIRMENT OF RECEIVABLES

Estimate of impairment of receivables		111	52
Total		111	52

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		233 825	172 857
Prior period error		-	-
As restated		233 825	172 857
Transfer from statement of financial performance (as restated)		125 932	222 300
Add: Unauthorised expenditure for current year	9	-	-
Voted funds not requested/not received	1.1	-	-
Paid during the year		(222 300)	(161 332)
Closing balance		137 457	233 825

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14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Opening balance		271 106	262 701
Prior period error		-	-
As restated		271 106	262 701
Transfer from Statement of Financial Performance (as restated)		3 477 137	3 278 227
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Paid during the year		(3 470 111)	(3 269 822)
Closing balance		278 132	271 106

15. PAYABLES – CURRENT

Amounts owing to other entities		1 318	-
Other payables	<i>15.1</i>	107 637	151
Total		108 955	151

15.1 OTHER PAYABLES

Sal: ACB Recalls: CA		66	49
Sal: Pension Fund: CL		2	6
Sal: Bargaining Councils: CL		-	1
Sal: Income Tax: CL		28	95
Sal: Reversal Control: Acc		3	-
Outstanding Payments: Dom		107 249	-
Sal: Persal EBT Control Acc: Dom		276	-
Bank Adjustment Acc: Dom		13	-
Total		107 637	151

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16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2016/17 R'000	2015/16 R'000
Net surplus/deficit as per Statement of Financial Performance		3 603 069	3 500 527
Add back non cash/cash movements not deemed operating activities		(2 544 078)	(2 040 098)
Increase/decrease in receivables – current		(1 029)	18 748
Increase/decrease in prepayments and advances		-	-
Increase/decrease in other current assets		195 457	-
Increase/decrease in payables – current		108 804	(1 877)
Proceeds from sale of capital assets		(12 705)	(4 491)
Proceeds from sale of investments		-	-
Increase/decrease in other financial assets		-	-
Expenditure on capital assets		857 806	1 378 676
Surrenders to Revenue Fund		(3 692 411)	(3 431 154)
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		1 058 991	1 460 429

17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account	521 763	307 535
Cash on hand	82	82
Total	521 845	307 617

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

18.1 CONTINGENT LIABILITIES

Claims against the department	Annex 2A	877 398	1 355 211
Intergovernmental payables (unconfirmed balances)	Annex 4	299	421
Total		877 697	1 355 632

Patronage Guarantee is paid to the Concessionaire if after OCD 2 the actual passenger kilometres are less than the minimum required passenger kilometres. The amount paid is the difference between Minimum Required Total Revenue and the Actual Total Revenue as defined in the Concession Agreement. It is foreseen that the Patronage Guarantee will be paid for the next 12 months. Reference is made the notes under Contingent Liabilities and Commitments as contained in the Annual Report of the Gautrain Management Agency for additional information and disclosure on the Patronage guarantee.

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18.2 CONTINGENT ASSETS

	Note	2016/17 R'000	2015/16 R'000
Nature of contingent asset			
Construction of Road K54		-	55 154
Construction of Road K174 interchange (R42) with R59 (P156-2)		82 822	-
Design and review of various intersections within Allandale and Woodmead Road		97 410	-
Construction for the upgrade of provincial road 374 (Beyers Naude Avenue) between Peter Road and the N14		10 000	-
Total		190 232	55 154

The design and construction of dual carriageway road of the section of K54 between D2561 and K69 in Mamelodi was completed during the current financial period. Subsequently the R55.154 million as recorded for the 2015/2016 has been included as part of the total cost of the project which has been included as part of the departments immovable assets as reflected in Note 32 to the Annual Financial Statements

The following new projects are ongoing and are therefore disclosed as contingent assets during the year under review:

Road K174- The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSA registered).

Allandale and Woodmead road- The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSA registered).

Road 374- The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSA registered).

19. COMMITMENTS

Current expenditure

Approved and contracted	2 341 672	2 147 244
Approved but not yet contracted	-	-
	2 341 672	2 147 244

Capital expenditure

Approved and contracted	3 636 405	4 002 332
Approved but not yet contracted	-	-
	3 636 405	4 002 332
Total Commitments	5 978 077	6 149 576

*Commitment less than 1 year - **R3 694 575*****

*Commitment more than 1 year - **R2 283 502***

***Included in the year end commitment balance for 2016/2017 are commitments totalling R26.832 million that relate to projects which are being implemented on behalf of the department by the Gauteng Department of Infrastructure Development (DID). DID serves as an infrastructure implementing agent for the department.*

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20. ACCRUALS AND PAYABLES NOT RECOGNISED

20.1 ACCRUALS

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	25 054	-	25 054	13 426
Interest and rent on land	-	-	-	-
Transfers and subsidies	20 124	-	20 124	18 009
Capital assets	25 477	-	25 477	54 890
Other	17 156	-	17 156	-
Total	87 811	-	87 811	86 325
Listed by programme level				
Administration			4 160	4 655
Transport Infrastructure			29 350	54 148
Transport Operations			20 000	24 096
Transport Regulations			34 301	3 426
Total			87 811	86 325

20.2 PAYABLES NOT RECOGNISED

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	67	-	67	5 427
Interest and rent on land	-	-	-	-
Transfers and subsidies	41 356	-	41 356	-
Capital assets	35	-	35	447
Other	-	-	-	26 112
Total	41 458	-	41 458	31 986
Listed by programme level				
Administration			-	1 715
Transport Infrastructure			41 458	1 987
Transport Operations			-	869
Transport Regulations			-	27 415
Total			41 458	31 986

Included in the above totals are the following:

Confirmed balances with other departments	Annex 4	9 811	8 719
Confirmed balances with other government entities	Annex 4	19 721	23 267
Total		29 532	31 986

Included in the year end accrual balance for 2016/2017 as accruals totalling R1.025 million that relate to projects which are being implemented on behalf of the department by the Gauteng Department of Infrastructure Development (DID). DID serves as an infrastructure implementing agent for the department.

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21. EMPLOYEE BENEFITS

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement**		32 034	28 378
Service bonus (Thirteenth cheque)		17 740	16 455
Performance awards		8 084	9 498
Capped leave commitments		24 437	23 495
Other		1 447	2 186
Total		83 742	80 012

**Included herein is negative leave entitlement to the value of R 298,863.91 which occurred as a result of the pro-rata calculation of leave taken as at 31 March 2017.*

22. LEASE COMMITMENTS

22.1 OPERATING LEASES EXPENDITURE

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	10 798	4 082	14 880
Later than 1 year and not later than 5 years	-	-	11 620	5 270	16 890
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	22 418	9 352	31 770

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	9 860	3 041	12 901
Later than 1 year and not later than 5 years	-	-	23 300	4 701	28 001
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	33 160	7 742	40 902

Included in the operating lease commitments is the lease agreement relating to the leased facilities at the Driving Licence Testing Centre (Xavier Junction Premises) which expires in 2019. The future minimum lease payments expected to be made for the next twelve month and not later than five years is R9.875 million and R8.904 million respectively. These figures include an annual escalation of 10%.

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22.2 FINANCE LEASES EXPENDITURE**

2016/17	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	-	-	-	712	712
Later than 1 year and not later than 5 years	-	-	-	1 291	1 291
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	2 003	2 003

2015/16	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	-	-	-	1 089	1 089
Later than 1 year and not later than 5 years	-	-	-	50	50
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	1 139	1 139

****The Department did not enter into any material finance leasing during the year under review.**

23. ACCRUED DEPARTMENTAL REVENUE

	2016/17 R'000	2015/16 R'000
Tax revenue	362 869	301 212
Total	362 869	301 212

23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

Opening balance	301 212	276 471
Less: amounts received	(3 404 962)	(3 217 032)
Add: amounts recognised	3 482 229	3 241 773
Less: amounts written-off/reversed as irrecoverable	(15 610)	-
Closing balance	362 869	301 212

23.2 ACCRUED DEPARTMENT REVENUE WRITTEN OFF

Nature of losses

Writing off of interest in relation to outstanding road traffic act fees	15 610	-
Total	15 610	-

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24. IRREGULAR EXPENDITURE

24.1 RECONCILIATION OF IRREGULAR EXPENDITURE

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Opening balance		2 821 465	789 673
Prior period error		-	-
As restated		2 821 465	789 673
Add: Irregular expenditure – relating to prior year		641	-
Add: Irregular expenditure – relating to current year		2 379 460	2 031 792
Less: Prior year amounts condoned		(775 989)	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		(19)	-
Closing balance		4 425 558	2 821 465

Analysis of awaiting condonation per age classification

Current year	2 379 460	2 031 792
Prior years	2 046 098	789 673
Total	4 425 558	2 821 465

24.2 DETAILS OF IRREGULAR EXPENDITURE – ADDED CURRENT YEAR (RELATING TO CURRENT AND PRIOR YEARS)

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Extension of Bus subsidy contracts, devolved from the National Department of Transport.	The department has referred the irregular expenditure to the National Treasury for condonation.	2 340 673
Extension of security and cleaning service contracts due to an on-going litigation process.	The department has referred the irregular expenditure to the National Treasury for condonation.	17 128
IPW 's for design and supervision of construction on road R25 and R82	The department has referred the irregular expenditure to the National Treasury for condonation.	8 700
Construction of intermodal public transport facilities at the station precincts of Vereeniging.	The department has referred the irregular expenditure to the National Treasury for condonation.	12 041
Payments in relation to Disciplinary Inquiry	Under Investigation	918
Total		2 379 460

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24.3 DETAILS OF IRREGULAR EXPENDITURE CONDONED

Incident	Condoned by (condoning authority)	2016/17 R'000
Bus subsidy contracts	National Treasury	656 777
Security services contracts	National Treasury	3 692
Appointment of consultant	National Treasury	27 942
Routine maintenance contracts	National Treasury	35 123
Expanded Public Work Programme	National Treasury	45 899
Construction of Intermodal Transport Facility	Accounting Officer	6 556
Total		775 989

24.4 DETAILS OF IRREGULAR EXPENDITURE NOT RECOVERABLE (NOT CONDONED)

Incident	Not condoned by (condoning authority)	2016/17 R'000
Provision of legal resources by LexisNexis	Accounting Officer-Resolved	19
Total		19

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening balance		935	404 007
Prior period error		-	-
As restated		935	404 007
Fruitless and wasteful expenditure – relating to prior year			-
Fruitless and wasteful expenditure – relating to current year		2	498
Less: Amounts resolved		(500)	(403 570)
Closing balance		437	935

25.2 ANALYSIS OF AWAITING RESOLUTION PER ECONOMIC CLASSIFICATION

Current	437	935
Capital	-	-
Transfers and subsidies	-	-
Total	437	935

25.3 ANALYSIS OF CURRENT YEAR'S FRUITLESS AND WASTEFUL EXPENDITURE

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Court order payment	Resolved	2
Total		2

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26. RELATED PARTY TRANSACTIONS

Revenue received	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Total		-	-
Payments made		-	-
Goods and services		-	-
Interest and rent on land		-	-
Total		-	-
Year end balances arising from revenue/payments		-	-
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-
Other		-	-
Guarantees issued/received		-	-
List other contingent liabilities between department and related party		-	-
Total		-	-
In kind goods and services provided/received		-	-
List in kind goods and services between the department and the related party		-	-
Total		-	-

The Gauteng Department of Roads and Transport is related to all Gauteng Provincial Government Departments and entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature. The department has two (2) entities under the control of the MEC; g-Fleet Management and Gautrain Management Agency (GMA). Below are transactions made to both entities during the financial year (2016/17): g-Fleet Management R11.546 and R3.750 million which are payments made for fleet services and salaries respectively, these transactions were at arm's length. Gautrain Management Agency (GMA) R2.812 billion (Total value of transfer payments made during the year).

Key Management Personnel are deemed to be related parties, for 2016/17 financial year a total amount of R25.184 million was paid as compensation to Key Management Personnel. Please refer to note 34 for a detailed breakdown of payments made in 2016/17 financial year as compensation to Key Management Personnel.

27. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers (provide detail below)	1	1 902	1 902
Officials:			
Level 15 to 16	6	8 922	7 988
Level 14 (incl. CFO if at a lower level)	12	14 360	10 711
Total		25 184	20 601

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28. PUBLIC PRIVATE PARTNERSHIP

Concession fee received	2 812 089	1 561 451
Base fee received	-	-
Variable fee received	-	-
Other fees received (Specify)	-	-
MTEF	2 812 089	1 561 451
Unitary fee paid	-	-
Fixed component	-	-
Indexed component	-	-
Analysis of indexed component	-	-
Compensation of employees	-	-
Goods and services (excluding lease payments)	-	-
Operating leases	-	-
Interest	-	-
Capital / (Liabilities)	-	-
Tangible rights	-	-
Intangible rights	-	-
Property	-	-
Plant and equipment	-	-
Loans	-	-
Other	-	-
Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-
	-	-

The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. The management and oversight of the of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

During 2016/17 financial year, the Department transferred R 2.812 billion to ensure business continuity and service delivery, this transfer includes settlement of court order between GMA and Bombela Consortium. For additional information pertaining to Gautrain asset please refer to GMA Annual Financial Statements.

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29. PROVISIONS

	<i>Note</i>	2016/17	2015/16
		R'000	R'000
Retentions		31 869	47 060
License fees		-	5 884
Sebokeng DLTC		-	1 720
Total		31 869	54 664

29.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	54 664	-	-	54 664
Increase in provision	21 195	-	-	21 195
Settlement of provision	(40 784)	-	-	(40 784)
Unused amount reversed	(3 206)	-	-	(3 206)
Closing balance	31 869	-	-	31 869

Reconciliation of movement in provisions – 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Increase in provision	54 664	-	-	54 664
Closing balance	54 664	-	-	54 664

30. NON-ADJUSTING EVENTS AFTER REPORTING DATE

	2016/17
Nature of event	R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
Total	-

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31. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	406 961	-	86 788	20 982	472 767
Transport assets	313 068	-	69 870	20 852	362 086
Computer equipment	50 069	-	6 204	130	56 143
Furniture and office equipment	13 828	-	3 218	-	17 046
Other machinery and equipment	29 996	-	7 496	-	37 492
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	406 961	-	86 788	20 982	472 767

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 673	64 545

Included in the asset register is a total amount of R64,545 million relating to assets that could not be verified at year-end. These assets are incorporated in the loss control register, appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2017/18 financial year. Please refer to the above table.

31.1 ADDITIONS

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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	98 295	-	(2 435)	(9 072)	86 788
Transport assets	79 964	-	(995)	(9 099)	69 870
Computer equipment	6 322	-	-	(118)	6 204
Furniture and office equipment	3 218	-	-	-	3 218
Other machinery and equipment	8 791	-	(1 440)	145	7 496
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	98 295	-	(2 435)	(9 072)	86 788

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31.2 DISPOSALS

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	20 852	130	20 982	12 705
Transport assets	20 852	-	20 852	12 705
Computer equipment	-	130	130	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	20 852	130	20 982	12 705

The above proceeds (R12.705 million) were received in relation to sale of obsolete and redundant assets through public auction held by the Department during the 2016/17 financial year.

31.3 MOVEMENT FOR 2015/16

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	213 819	254	202 267	9 379	406 961
Transport assets	127 874	-	191 707	6 513	313 068
Computer equipment	46 453	-	5 617	2 001	50 069
Furniture and office equipment	12 989	254	695	110	13 828
Other machinery and equipment	26 503	-	4 248	755	29 996
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	213 819	254	202 267	9 379	406 961

31.3.1 PRIOR PERIOD ERROR

	2015/16 R'000
Nature of prior period error	
Relating to 2015/16 <i>[affecting the opening balance]</i>	254
Adjustment relating to office furniture	254
Relating to 2016/17	-
Total prior period errors	254

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31.4 MINOR ASSETS

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	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	-	102	-	31 618	-	31 720
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 700	-	1 700
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	102	-	33 318	-	33 420

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1 098	-	1 098
Number of minor assets at cost	-	-	-	26 171	-	26 171
TOTAL NUMBER OF MINOR ASSETS	-	-	-	27 269	-	27 269

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	5 721	7 824

Included in the asset register is a total amount of R7.824 million relating to assets that could not be verified at year-end. These assets are incorporated in the loss control register, appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2017/18 financial year. Please refer to the above table.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	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	-	102	-	30 511	-	30 613
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 900	-	1 900
Disposals	-	-	-	(793)	-	(793)
TOTAL MINOR ASSETS	-	102	-	31 618	-	31 720

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	413	-	413
Number of minor assets at cost	-	-	-	25 181	-	25 181
TOTAL NUMBER OF MINOR ASSETS	-	-	-	25 594	-	25 594

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32. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening Balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	25 371	-	218	-	25 589
TOTAL INTANGIBLE CAPITAL ASSETS	25 371	-	218	-	25 589

32.1 ADDITIONS

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2017**

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	218	-	-	-	218
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	218	-	-	-	218

32.2 MOVEMENT FOR 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening Balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	25 234	-	137	-	25 371
TOTAL INTANGIBLE CAPITAL ASSETS	25 234	-	137	-	25 371

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33. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening Balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	28 962 619	9 212 270	966 313	-	39 141 202
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	28 962 619	9 212 270	966 313	-	39 141 202
LAND AND SUBSOIL ASSETS	185 635	-	49 984	-	235 619
Land	185 635	-	49 984	-	235 619
Capital Work-in-progress	1 093 635	-	709 309	(911 159)	891 785
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	30 367 404	9 212 270	1 600 091	(911 159)	40 268 606

33.1 ADDITIONS

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	709 309	966 313	(709 309)	-	966 313
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	709 309	966 313	(709 309)	-	966 313
LAND AND SUBSOIL ASSETS	49 984	-	-	-	49 984
Land	49 984	-	-	-	49 984
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	759 293	966 313	(709 309)	-	1 016 297

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33.2 MOVEMENT FOR 2015/16

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening Balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	26 917 772	220 962	1 970 397	(146 512)	28 962 619
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	26 917 772	220 962	1 970 397	(146 512)	28 962 619
LAND AND SUBSOIL ASSETS	142 094	-	43 541	-	185 635
Land	142 094	-	43 541	-	185 635
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	27 059 866	220 962	2 013 938	(146 512)	29 148 254

33.2.1 PRIOR PERIOD ERROR

	2015/16 R'000
Nature of prior period error	
Relating to 2015/16 [affecting the opening balance]	220 962
Adjustment relating Roads	534 157
Adjustment relating Bridges	(314 466)
Adjustment relating to Intermordal-Bophelong	1 271
Relating to 2016/17	
	-
	-
Total prior period errors	220 962

Consulting and Supervision fees for the upgrade and rehabilitation of provincial road P6/1 (R25) were erroneously double counted, the error was discovered and corrected in the current year. In addition during the inspection of some of the bridge structures, it was discovered that some bridges were de-proclaimed to Municipalities while others were within SANRAL reserves.

33.3 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2017

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	-	-	-	-
TOTAL	-	-	-	-

The Department has obtained the fair values and or replacement costs respectively on structures which were previously valued at R1 in line with the requirements of the Modified Cash Standard.

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IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2016

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
R1 Immovable assets	632	-	-	632
TOTAL	632	-	-	632

34. PRINCIPAL-AGENT ARRANGEMENTS

34.1 DEPARTMENT ACTING AS THE PRINCIPAL

	Fee paid	
	2016/17	2015/16
	R'000	R'000
Ekurhuleni Metropolitan Municipality	315 939	305 944
Mogale City	28 975	30 846
Sedibeng Municipality	65 753	65 784
Randfontein Municipality	16 177	15 748
Westonaira Municipality	7 960	7 687
City of Johannesburg	262 788	231 573
Tshwane Metropolitan Municipality	159 040	140 706
South African Post Services	140 392	136 990
Merafong District Municipality	12 728	12 846
Total	1 009 750	948 124

The above municipalities are collecting revenue on behalf of the Department in terms of the Road Traffic Act. For the service they render on behalf of the Department they are entitled to a range between 20% and 100% agency fee (commission) as per signed service level agreement.

The Department of Infrastructure Development (DID) is facilitating the projects of rehabilitation maintenance and construction of DLTCs on behalf of the Department. No agency fees were paid to DID in the current financial year.

GMA was established to co-ordinate, manage and play an oversight role in terms of the implementation and operational side of Gautrain Rapid Rail Link Project. For additional information pertaining to transfers to GMA please refer to Note 8 and 27.

34.2 DEPARTMENT ACTING AS THE AGENT

34.2.1 REVENUE RECEIVED FOR AGENCY ACTIVITIES

	2016/17	2015/16
	R'000	R'000
	-	-
Total	-	-

The Department is collecting Pay As You Earn (PAYE) on behalf of South African Revenue Services (SARS) as required by Income Tax Act, no agency fees have been received in this regard.

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35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2015/16		
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Over-spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public Transport Operation Grant	2 033 590	29 743	-	-	2 063 333	2 063 333	2 035 389	27 944	99%	1 879 761	1 850 018
Provincial Roads Maintenance Grant	501 784	-	-	-	501 784	501 784	501 196	588	100%	455 821	455 091
EPWP Intergrated Grant for Prov	2 449	-	-	-	2 449	2 449	2 449	-	100%	2 519	2 516
	2 537 823	29 743	-	-	2 567 566	2 567 566	2 539 034	28 532		2 338 101	2 307 625

36. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAMES OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	%
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
Mun B/Acc:Vehicle Licenses Mun	1 500	-	-	1 500	1 581	-	-	-
TOTAL	1 500	-	-	1 500	1 581	-	-	-

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES (UNAUDITED SUPPLEMENTARY SCHEDULE)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2015/16
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Mun B/Acc:Vehicle Licenses Mun	1 500	-	-	1 500	1 581	-	-	-	-	1 606
TOTAL	1 500	-	-	1 500	1 581	-	-	-	-	1 606

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS (UNAUDITED SUPPLEMENTARY SCHEDULE)

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
Prov DA:Gautrain Man Agency	2 812 089	-	-	2 812 089	2 812 089	100%	1 561 451
TOTAL	2 812 089	-	-	2 812 089	2 812 089		1 561 451

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ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES (UNAUDITED SUPPLEMENTARY SCHEDULE)

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2015/16	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital		Current
	R'000	R'000	R'000	R'000	R'000	%	R'000		R'000
Public Corporations									
Subsidies	2 335 963	29 743	-	2 365 706	2 340 673	98.9%	-	2 340 673	1 927 854
Public Transport Operation Grant	2 183 133	29 743	-	2 212 876	2 215 389	100.1%	-	2 215 389	1 819 854
Northwest Star Demarcation	152 830	-	-	152 830	125 284	82.0%	-	125 284	108 000
TOTAL	2 335 963	29 743	-	2 365 706	2 340 673	98.9%	-	2 340 673	1 927 854

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS (UNAUDITED SUPPLEMENTARY SCHEDULE)

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H:Empl S/Ben:Injury on duty	110	-	-	110	244	222%	135
H/H:Empl S/Ben:Leave gratuity	1 330	-	-	1 330	1 849	139%	963
H/H:Claims Against State (Cash)	3 513	-	-	3 513	6 979	199%	3 005
H/H:Donations&Gifts (Cash)	-	-	-	-	450	-	-
TOTAL	4 953	-	-	4 953	9 522		4 103

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ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED (UNAUDITED SUPPLEMENTARY SCHEDULE)

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in kind			
WSP Group Africa	15xGlass & Jar at a value of R72.00 each	-	2
Worlds View Academy	Training Programme	-	2
Steyn City Properties	Contribution towards construction of Road K46 (William Nicol) Phase 1	-	137 324
Steyn City Properties	Contribution towards rehabilitation of Cedar Road	-	9 023
Directorate: Communications and Media Liaison	Birchwood Hotel (Jazz Tickets)	3	-
New Africa Development (NAD)	Construction of Road K54	55 154	-
TOTAL		55 157	146 350

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE (UNAUDITED SUPPLEMENTARY SCHEDULE)

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17	2015/16
	R'000	R'000
Made in kind		
Sponsorship for the UATPI Transport Conference and Exhibition made to Intelligent Transport Society South Africa	450	-
TOTAL	450	-

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ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017 (UNAUDITED SUPPLEMENTARY SCHEDULE)

Nature of Liability	Opening Balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department	1 355 211	69 393	506 239	-	918 365
TOTAL	1 355 211	69 393	506 239	-	918 365

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ANNEXURE 3

CLAIMS RECOVERABLE (UNAUDITED SUPPLEMENTARY SCHEDULE)

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Gauteng Department of Health	3	-	-	-	3	-		
	3	-	-	-	3	-		-
Other Government Entities								
g-Fleet Management	1 203	-	-	-	1 203	-		
	1 203	-	-	-	1 203	-		
TOTAL	1 206	-	-	-	1 206	-		

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ANNEXURE 4

INTER-GOVERNMENT PAYABLES (UNAUDITED SUPPLEMENTARY SCHEDULE)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
National Department of Justice and Constitution Development	1 311	2 852	299	421	1 610	3 273	-	-
Government Printing Works	16 295	738	-	-	16 295	738	-	-
Gauteng Department of Correctional Services	-	18	-	-	-	18	-	-
Gauteng Department of Agriculture and Rural Development	-	62	-	-	-	62	-	-
Northwest Department of Community Safety and Transport Management	-	4 478	-	-	-	4 478	-	-
Department of Public Service and Administration	403	571	-	-	403	571	-	-
TOTAL DEPARTMENTS	18 009	8 719	299	421	18 308	9 140	-	-
OTHER GOVERNMENT ENTITY								
Current								
g-Fleet Management	2 566	1 632	-	-	2 566	1 632	-	-
Road Traffic Management Corporation (RTMC)	17 156	13 917	-	-	17 156	13 917	-	-
Driving Licence Card Account (DLCA)	-	7 718	-	-	-	7 718	-	-
Total Other Government Entities	19 722	23 267	-	-	19 722	23 267	-	-
TOTAL INTERGOVERNMENTAL	37 731	31 986	299	421	38 030	32 407	-	-

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ANNEXURE 5

INVENTORIES (UNAUDITED SUPPLEMENTARY SCHEDULE)

Inventory [Per major category]	Note	Quantity	2016/17 R'000	Quantity	2015/16 R'000
Opening balance		-	53 780		24 935
Add/(Less): Adjustments to prior year balance		-	(2 015)		13 350
Add: Additions/Purchases - Cash		-	21 091		21 190
Add: Additions - Non-cash		-	-		-
(Less): Disposals		-	-		(54)
(Less): Issues		-	(46 442)		(5 641)
Add/(Less): Adjustments		-	-		-
Closing balance		-	26 414	-	53 780

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ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS (UNAUDITED SUPPLEMENTARY SCHEDULE)

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

BUILDINGS AND OTHER FIXED STRUCTURES

Other fixed structures

Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
1 093 635	709 309	(785 644)	1 017 300
1 093 635	709 309	(785 644)	1 017 300
1 093 635	709 309	(785 644)	1 017 300

TOTAL

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

BUILDINGS AND OTHER FIXED STRUCTURES

Other fixed structures

Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
2 699 087	(771 217)	1 136 162	(1 970 397)	1 093 635
2 699 087	(771 217)	1 136 162	(1 970 397)	1 093 635
2 699 087	(771 217)	1 136 162	(1 970 397)	1 093 635

TOTAL

Consulting and Supervision fees for the upgrade and rehabilitation of provincial road P6/1 (R25) were erroneously double counted, the error was discovered and corrected in the current year.



GAUTENG PROVINCE

ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA



g-FleetT MANAGEMENT ANNUAL REPORT

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PART A

2.3 General Information

2.3.1 TRADING ENTITY GENERAL INFORMATION

NAME OF TRADING ENTITY: g-FleeT Management

PHYSICAL ADDRESS: 76 Boeing Road East
Bedfordview
2008

POSTAL ADDRESS: Private Bag X1
Bedfordview
2008

TELEPHONE NUMBER: +27 11 372 8600

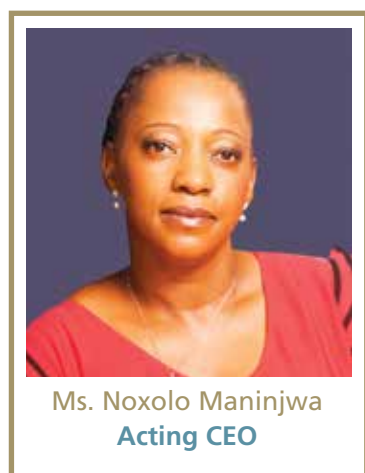
FAX NUMBER: +27 086 669 6926

WEBSITE ADDRESS: www.gfleet.gov.za

2.3.2. LIST OF ABBREVIATIONS/ACRONYMS

AARTO Act	Adjudication of Road Traffic Offences Act
AGSA	Auditor-General of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
BAC	Bid Adjudication Committee
BAS	Basic Accounting System
CSD	Central Supplier Database
DAC	Departmental Adjudication Committee
DoT	Department of Transport
DPSA	Department of Public Service and Administration
FIS	Fleet Information System
FML	Fleet Maintenance Lease
FMS	Fleet Management System
HDIs	Historically Disadvantaged Individuals
HoD	Head of Department
HR	Human Resources
ICT	Information and Communication Technology
KPI	Key Performance Indicator
MEC	Member of Executive Council
MTEF	Medium-Term Expenditure Framework
NT	National Treasury
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PWDs	People with Disabilities
SCM	Supply Chain Management
SETAs	Skills Education Training Authorities
SLA	Service Level Agreement
SMS	Senior Management Services
SMME	Small, Medium and Micro Enterprises

2.3.3 OVERVIEW BY THE CHIEF EXECUTIVE OFFICER (CEO)



OVERVIEW OF FINANCIAL YEAR

In the 2016/17 financial year, g-FleeT Management managed to retain the unqualified audit opinion that was achieved last year. This achievement effectively served as a demonstration of the positive impact of the noble turnaround strategy, which is an innovative tool that management used to implement and enhance the overall performance of the entity.

During the financial year in question, we continued with the implementation of the turnaround strategy to ensure there is shared value of services between staff and clients, and this meticulously triggered a continuous improvement in performance. It therefore becomes imperative to reflect on the progress made thus far and also give an outline of the entity's great meteoric rise in the year under review.

As a refulgent trading entity, it is important to unequivocally reflect on its positive spin-offs and challenges encountered in order to determine immediate interventions required as we proceed to paddle and manoeuvre the bumpy road ahead.

• TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY

Fundamentally, g-FleeT Management acknowledges the shortcomings identified by various stakeholders and moving forward, there is unsurpassed commitment to turning the entity around to ensure its financial success and sustainability.

• ACHIEVEMENTS

Operating within the unravelled, competitive atmosphere of public transport, we are inclined to be as innovative and relevant as possible. Therefore, g-FleeT recorded and acknowledged a number of key milestones, some of which are deliberately put into perspective below:

In line with one of the strategic objectives to provide clients with reliable fleet, the entity unassumingly kept the average age of the fleet at less than four years. This accomplishment was due to the intake of new vehicles procured and the withdrawal of old vehicles.

It went further to track 92% of the in-service vehicles; a 2% over-achievement over the planned 90% that was made possible by timeous de-installation and re-installation of tracking devices.

As a measure of commitment, it set out a target to dispatch new permanent vehicles to clients within 25 days. In the same breath, a multi-faceted, results-driven approach by a dedicated staff created a space and enabled new vehicles for dispatch within an average of 23 days.

In the critical area of the VIP and Pool rental services, the average utilisation was at 66.35%, which exceeded our planned annual target of 65%. This was due to the elevated demand in rental from client departments.

At the same time, the entity continued to be within the threshold to the set target of 18 days for turnaround times for accident and mechanical repairs. This was largely due to the unparalleled commitment and communication with the service provider to ensure that merchants ring-fenced and committed to agreed turnaround times.

As part of our relentless efforts to improve the percentage of clients' levels of satisfaction with the products and services, we appointed an independent service provider to conduct a Customer Satisfaction Survey. This unsurprisingly yielded an overall clients' satisfaction level of 89%, which exceeded the target of 55% set out in the year under review. This achievement should implicitly serve as a testament to work done at the entity to improve customer services. Systematic surveys and sustained engagements with relevant stakeholders and clients will further provide an opportunity to sensitise and re-evaluate the impact of our interventions.

In order to ensure that we effectively deliver on our service mandate, the entity finalised the service delivery model together with the revised organisational structure which is going through the final process of approval by the Department of Public Service and Administration (DPSA). In addition, the new lease tariff structure was developed and submitted to Gauteng Provincial Treasury for approval.

From 1 April 2016, the entity implemented SAP system. The entity experienced unexpected glitches with the implementation of the system, which have now been fully addressed for the functional models. The procure-to-pay, trial balance and general ledger modules have been fully implemented. The next phases are to correlate and infuse modules for revenue and accounts receivable and full asset management function.

Another key milestone was the development and approval of the sustainability model for the entity. This model fundamentally serves as a guideline and motivation during value-reshaping within the entity and ensure that the entity is sustainable in the medium to long term.

Revenue collection – Auctions (additional information)

NO.	AUCTION DATE	FLEET SOLD (#)	TOTAL PROCEEDS (R)
1	1 April 2016	1 (Judge's vehicle)	236 338.80
2	1 September 2016	1 (Judge's vehicle)	583 768.00
3	29 and 30 November 2016	435	29 356 097.20
4	30 and 31 March 2017	472	25 871 063.38
	TOTAL	909	56 047 267.38

Payment of service providers

Table 1.1: Analysis of awards to HDIs

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs)		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
56	79.80%	R 6 691 759.46

Table 1.2: Analysis of awards to women

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: WOMEN		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
29	32.43%	R 2 719 621.31

Table 1.3: Analysis of awards to youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: YOUTH		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
19	24.02%	R 2 013 806.41

Table 1.4: Analysis of awards to PWDs

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: PEOPLE WITH DISABILITIES (PWDs)		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
1	1.56%	R 32 449.74

• CHALLENGES FACED BY THE ENTITY

Although g-FleeT achieved a number of key milestones, there were some challenges encountered during the year under review.

The implementation of National Road Traffic Act (Act 93 of 1996) and the Administration and Adjudication of Road Traffic Offences (AARTO) Act (Act 46 of 1998) is creating a huge challenge for g-FleeT to timeously register new vehicles and renew licence disks. This is due to the failure of drivers of some client departments to pay their traffic fines.

As a way forward, the entity has resolved to pay the fines and bill the affected client departments respectively. At the same time, we will continue to engage with the clients in an attempt to encourage drivers to pay the traffic fines.

RT46 TRANSVERSAL CONTRACT (Maintenance and Repairs)

Here the entity continued to experience huge challenges with the service provider not delivering credible and up-to-date reports. We will, therefore, embark on a mission seeking solutions for submission of routine maintenance reports that the service provider must submit in the RT46 contract.

This greatly affects our ability to report on the Key Performance Indicators (KPIs) for maintenance and repairs. We will continue to work with both the National Department of Transport (DoT) and National Treasury (NT) in order to find an amicable solution.

Furthermore, the entity finds itself at odds with certain client departments that are not complying with scheduled service maintenance for the vehicles. This is largely due to some departments who do not book and take their vehicles for service on time. g-FleeT will continue with necessary consultations and remind them about the scheduled maintenance of their vehicles.

30 DAY PAYMENTS

During the year under review, the entity found itself confronted with burning issues concerning the payment of invoices within 30 days. This was due to among others, migration from the pastel system to SAP, expired tax clearance certificates and delays in registration of suppliers as vendors on SAP and the Central Supplier Database (CSD).

We will continue to engage and harness our relationship with the vendor management division at National Treasury to resolve issues around suppliers' registration. It is also prudent for us to encourage suppliers to register timeously and to update their documents on the database.

RT57 CONTRACT (Vehicle Procurement)

The entity continued to face challenges in placing orders for vehicles in the first and second quarters of the financial year due to delays in the awarding of the National Transversal RT57 contract. The RT57 contract was only finalised in September 2016.

HIGH VACANCY RATE AND INADEQUATE SKILLS

The entity continues to experience challenges with its high vacancy rate. Currently, it stands at 30%, an alarming figure that is comparatively too high. This is due to the moratorium on vacant posts instituted by the department. This will continue to impact negatively on our operations and hamper our ability to effectively and efficiently render services due to inadequate skills levels.

REVENUE COLLECTION

Another sore point is client departments that do not honour their debt on time for various reasons. This also impacts negatively on the entity's cash flow and may harm future development.

The entity adopted a phased approach for implementing the suspension of fuel cards for owing client departments. The first phase targeted the top ten owing departments as at 28 February 2017. The total debt for the top ten constituted 83% of the total debtors' book.

Most departments lagging behind with payments were stringently issued notices with good intention to suspend fuel cards if their accounts are not brought up to date on or before 20 March 2017.

The next phase will be a suspension of fuel cards for other non-paying client departments. The move to issue notices to suspend the fuel cards for the top ten owing client departments resulted in increased payments, therefore an additional amount of R120 million was recouped in the process. The next phase will come into fruition in June 2017; this is expected to result in further improvements in payments from client departments.

FUTURE PLANS

In the 2017/18 financial year, we will consciously focus on the implementation of turnaround strategy, the Annual Performance Plan (APP) and the revised 2014 - 2019 Strategic Plan to ensure continuous rejuvenation of the entity.

In pursuit of progress we urgently need to implement strategies to ensure the sustainability of the entity. To this end, we will begin with the process to immensely put into action phase one of the sustainability model and Information and Communication Technology (ICT) strategy.

A swift and energised emphasis will be directed at ensuring that we have adequate capacity and a reliable fleet to meet clients' needs in various regions and districts.

The Customer Satisfaction Survey conducted in the previous financial year indicated a deliberate and significant improvement on the clients' levels of satisfaction with our services. However, it also put sharp pointers on areas with low satisfaction ratings that require a reworked plan. The entity will zoom in and put into motion relevant interventions required to speedily address those issues.

The task to duly appoint a new service provider for the vehicle-tracking services tender is underway and should be finalised in the new financial year. The entity is using the open tender system which is aimed solely at promoting transparency in the procurement process. This emphasises the entity's overwhelmingly commitment to promoting and adopting a zero-tolerance approach towards fraud and corruption which is so endemic in the workplace.

We are in the process of reviewing the current Service Level Agreements (SLAs) and will be consulting our client departments to ensure that revised contracts are duly signed off. The review process was necessitated by concerns raised directly with us and therefore we have, as a matter of principle, committed to addressing them.

The process to procure a new resourceful Fleet Management System (FMS) is underway and this year the entity will be conducting market research to identify the best system to replace the current Fleet Information System (FIS).

In relation to the construction of new offices and wellness centre, the entity will soon conclude the final stage of the planning process with the assistance of the Gauteng Department of Infrastructure Development.

• OVERVIEW OF THE FINANCIAL RESULTS OF THE TRADING ENTITY

STATEMENT OF FINANCIAL PERFORMANCE

Receipts

The entity's main source of income is derived from the charging of leasing of vehicles and interest received on a credit bank balance. This is supplemented with the income received through the sale of redundant vehicles at auctions and income received from transport provided to government employees travelling from Pretoria to Johannesburg as a result of provincial departments being moved from Pretoria after 1994.

The results of the actual collections for 2016/17 and the comparative year are depicted in Table 2.3.4.1 below.

Table 2.3.1: Revenue collected

Entity receipts	2016/2017			2015/2016		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions – leasing of vehicles	819 583	730 993	88 590	776 856	819 042	541
Revenue from non-exchange transactions – interest from bank	19 473	28 307	-8 834	17 703	17 907	1 566
Transport fees	3 400	1 457	1 943	1 794	1 728	1 672
Auction fees	58 000	56 047	1 953	64 749	49 148	8 852
Total	900 456	816 804	83 652	861 102	887 826	12 630

Total revenue from services rendered by the entity increased to R877 million (2015/16: R805 million). Revenue from leasing of vehicles increased by 11% to R767 million (2015/16: R691 million). This increase is as a result of the system clean-up of billing that was carried out.

Interest earned from positive bank account increased by 77% to R31,6 million (2015/16: R17,9 million). The increase is due to higher balances in funds held with financial institutions and the investment account opened with South African Reserve Bank which offers a higher return. The higher balances were due to decrease in total expenditure during 2015/16 from the levels in the previous financial year.

Revenue from auction of vehicles decreased by 28% to R56 million (2015/16: R77,8 million). This decrease is due to the fact that less vehicles were auctioned compared to the previous year.

Table 2.3.2: Expenditure versus budget

Programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	2 935	2 674	261	2 901	2 334	567
Office of the COO	2 849	1398	1 451	1 532	1 398	134
Office of the CFO	14 723	15 393	-670	41 379	26 389	14 990
Financial services	15 010	16 517	-1 507	-	-	-
Corporate Services	65 388	28 214	37 174	51 442	30 213	21 229
Marketing and Communication	6 441	8 475	-2 034	10 920	9 939	981
Maintenance Services	86 373	117 081	-30 708	98 633	117 075	- 18 442
Transport Support Service	214 673	190 958	23 715	200 275	179 769	20 506
Permanent Fleet	314 904	221 749	93 155	303 896	317 568	-13 672
VIP and Pool	15 825	16 542	-717	16 457	16 833	-376
Total	739 121	619 001	120 120	727 435	701 517	25 918

Total expenditure decreased by 2% to R579,7 million (2015/16: R590,4 million). This is due to lower expenditure incurred on operating expenditure, accidents and impairment losses and operating leases. Investment in vehicles also decreased as compared to the previous financial year.

Employee costs decreased by 3% to R75,3 million (2015/16: R77,7 million). This decrease is due to the entity not filling positions as they become vacant due to the moratorium on the filling of vacancies.

The surplus for the year increased by 31% to R297 million (2015/16: R223 million). The increase is the result of increased revenue and a decrease in expenditure.

STATEMENT OF FINANCIAL POSITION

The entity has a strong asset base which is reflective of the operations. Significant asset classes include finance lease receivables, property, plant and equipment and cash funds. The liabilities are limited to finance lease obligation and payables which arise from the entity's operations.

The carrying value non-current assets increased by 4% to R1,250 billion (2015/16: R1,207 billion). The entity acquired motor vehicles to the value of R226 million. There were also additions to furniture and fixtures totaling R1,7 million, assets under construction, improvements totaling R1,082 million and computer software improvements to the value of R1,9 million.

The receivables from exchange transactions increased by 37% to R205 million (2015/16: R150 million). The debtor's days decreased by 22% (the ratio indicating debt levels to revenue generated from such debtors) is 119 days on 31 March 2017 (31 March 2016: 152 days).

The entity was able to convert its debt receivable into cash and this is reflected in the increase of cash funds to R743,1 million (2015/16: R514,3 million). This combined with effective and efficient expenditure management are the main contributing factors to the increase in the cash funds.

The accumulated surplus increased from R1,808 billion on 31 March 2016 to R2,106 billion on 31 March 2017.

Cash Flow Statement

The cash generated from operating activities decreased to R810 million (2015/16: R882 million). This is mainly due to repairs and maintenance and tracking expense payments in the current financial period.

The cash spent on investing activities was at levels of R75 million lower than the previous financial year. This is mainly due to reduction in vehicle purchases impacted by RT57 contracts. The acquisition of property, plant and equipment increased to R216 million (31 March 2016: R324 million). The number of allocated vehicles is demand driven and fluctuates depending on clients' expansion plans and programmes.

Tariffs

Vehicles are purchased via the RT57 contract administered by NT and, after delivery, are captured onto the FIS. For vehicles purchased through Fleet Maintenance Lease (FML) model, a monthly lease tariff is charged for the vehicle. For vehicles purchased through the old operating model, a fixed tariff is charged selected from a table on FIS. A daily tariff is charged for VIP and Pool. Added to the billing are the direct costs for fuel, oil and toll fees.

The tariffs have been reviewed in the current financial period; the tariff structure was submitted to Provincial Treasury for approval.

Free services

No free services were rendered that would have yielded significant revenue had a tariff been charged.

Sales of capital assets

The vehicles that reached the end of their respective life cycles were sold at public auctions.

Irregular, fruitless and wasteful expenditure

Seven cases of irregular expenditure were reported during the current financial year, three of which come from the previous financial year. Irregular expenditure relates to the expiry of contracts relating to leasing of property for the four regional offices (Cape Town, Durban, East London and Bloemfontein), leasing of office equipment (printers), the entity making use of MTN as cellphone service provider without the existence of a contract, expired vehicle tracker contracts and an expired security services contract.

Several transactions of fruitless and wasteful expenditure were reported during the current year and were largely related to the interest charged by suppliers due to late payments and unauthorised petrol card usage.

Supply chain management

The entity deals with orders below R500 000 thresholds while tenders are awarded by the Bid Adjudication Committee (BAC) of which the entity has a representative. In the current financial period there were no tenders awarded by the Departmental Adjudication Committee (DAC) relating to the entity.

Gifts and donations received in kind from non-related parties

The entity received gifts such as calendars, notebooks, pens, mugs, etc. All these gifts are signed and fully declared in the g-FleeT register for gifts and donations. The entity further also received test drives from different manufacturers.

Exemptions and deviations received from NT

The trading entity received no exemption in terms of the Public Finance Management Act (Act 1 of 1996) or Treasury Regulations or deviations from the financial reporting requirements for the current and/or previous financial year.

Events after the reporting date

Adjusting events

The third party claims received after 31 March 2017.

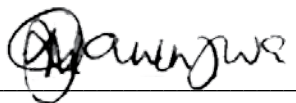
The entity will also look at any irregular expenditure condoned after submission of the Annual Financial Statements.

Non-adjusting events

Third party claims issued to the entity after 31 March 2017.

2.3.4 ACKNOWLEDGEMENTS/APPRECIATION

I wish to thank the Member of the Executive Council (MEC) and the Head of Department (HOD) who have invested a great deal in assisting g-FleeT during these challenging times. I would also like to thank g-FleeT management and staff for their commitment, dedication and hard work in striving to achieve the mandate of the entity.



Acting CEO

DDG: g-FleeT Management

Ms. N. Maninjwa

Date: 31 May 2017

2.3.5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

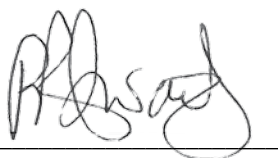
The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully,



Mr. R. Swartz
Accounting Officer
Department of Roads and Transport
Date: 31 May 2017

2.3.6 STRATEGIC OVERVIEW

Vision

We keep government service delivery on the move.

Mission

We will achieve our vision by:

- Providing effective, competitive and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

Values

Furthermore, the core values applicable to the provincial government were revised and reflect as follows:

“...Competence, Accountability, Integrity and Responsiveness...”

These values are all underpinned by the concept of team work and will apply to the entity as well as to all officials of g-Fleet. A detailed description of what each core value encapsulates is outlined below:

CORE VALUES	DETAILED DESCRIPTION
COMPETENCE	<i>We commit to be competent and excellent at all times.</i> <i>We undertake to deliver services with passion, excitement and enthusiasm.</i> <ul style="list-style-type: none">– Our people are able to do the tasks they are appointed to do, live our values and always strive for excellence.– We all deliver on our outcomes and targets with quality, on budget and in time.– We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.
ACCOUNTABILITY	<i>We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.</i> <i>We commit to deliver a service that meets our stakeholders' expectations.</i> <ul style="list-style-type: none">– We have a clear understanding of our objectives, roles, delegations and responsibilities.– We are committed to deliver agreed outputs on time.– We hold each other accountable and know we can trust to do and we say we will.– As individuals, we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.

CORE VALUES	DETAILED DESCRIPTION
INTEGRITY	<p><i>We commit to be ethical, professional, principled, fair and just in our conduct.</i></p> <p><i>We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.</i></p> <ul style="list-style-type: none"> – We seek for truth and greater understanding of it in each situation and we do the right things. – We are honest, show respect and live out our positive values. – We are reliable and trustworthy, doing what we say we will. – There are no grey areas with integrity applying at all levels in all instances, ensuring we are corrupt free.
RESPONSIVENESS	<p><i>We shall be approachable, receptive and quick to respond to stakeholder needs.</i></p> <ul style="list-style-type: none"> – We take our fellow public servants seriously, listening and hearing their voice. (listening a lot and talking less) – We respond with action timeously, always asking: is this the right response? Where could we potentially be wrong? How can we do it better? – We engage collaboratively with each other, our stakeholders and the media providing full information. – Our focus is the past, present and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.

2.3.7 LEGISLATIVE AND OTHER MANDATES

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

Regulation 19 issued in terms of the Public Finance Management Act (1999) governs the operations of the organisation in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, surrender of surplus funds and financial reporting. In addition, the following legislative mandates are applicable:

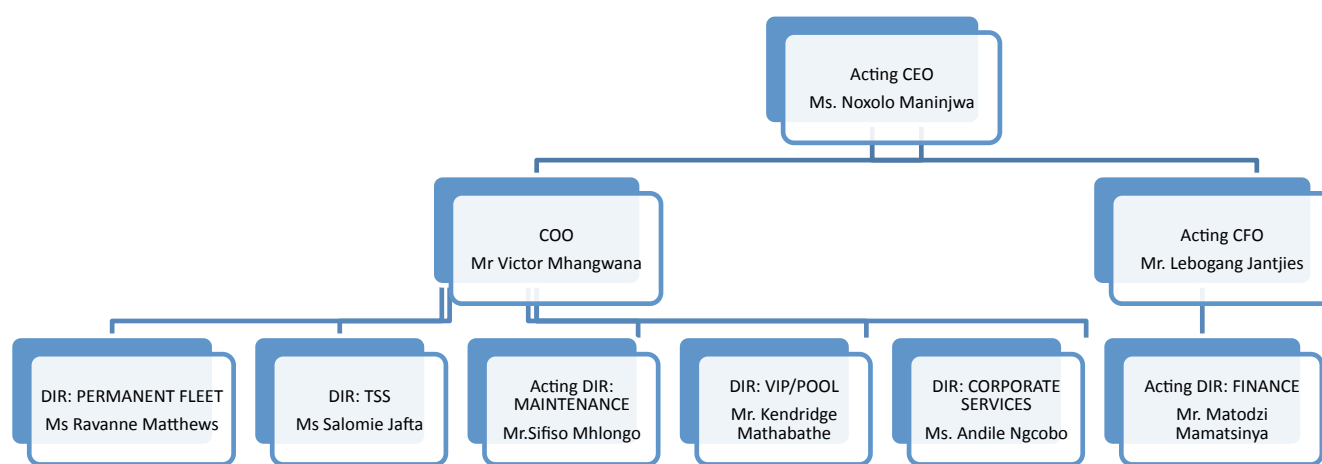
- Cross-Border Road Transport Act (Act 4 of 1998).
- Road Traffic Act (Act 29 of 1989).
- Public Finance Management Act (Act 1 of 1999).
- National Environmental Management Act (Act 107 of 1998).
- Road Traffic Management Corporation Act (Act 20 of 1999).
- National Road Traffic Act (Act 93 of 1996).
- National Road Traffic Safety Act (Act 12 of 1972).
- 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 Toll-Roads Bill (2005).
- Road Traffic Act (Act 29 of 1989).
- Administrative Adjudication of Road Traffic Offences Act (Act 46 of 1998).
- Gauteng Transport Framework Revision Amendment Act (Act 3 of 2008).

Policy and other mandates

The following policy mandates are applicable:

- The White Paper on National Transport Policy.
- The National Land Transport Strategic Framework.
- Provincial Policy and Legislative Mandates.
- The Gauteng White Paper on Transport Policy.
- The Gauteng Transport Legislative Framework.
- Gauteng Legislation on Development Planning.

2.3.8 ORGANISATIONAL STRUCTURE





PART B

2.4 Performance Information

2.4.1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 303 of the Report of the Auditor General, published as Part E: Financial Information.



2.4.2 OVERVIEW OF ENTITY PERFORMANCE

Service delivery environment for 2016/17

This section deals with external factors that have had an impact on the ability of the entity to deliver on its commitments during the financial year.

RT46: Fuel and maintenance services contract

During the year under review, the provision of maintenance and fuel management services under the transversal RT46-2014 contract to government continued to experience challenges.

The provision of the report by the service provider, on vehicles due for routine maintenance to establish compliance levels, had challenges regarding the accuracy of information provided. The entity continued to work with the service provider to improve the quality of information. During the fourth quarter, the information from the service provider was late and could not be included in the quarterly performance report. The entity has written to the transversal service provider, warning them of breach of service levels and the intention to implement consequence management.

RT57: Procurement of vehicles contract

The transversal contract RT57 issued by NT for the procurement of vehicles, which was due in April 2016 was only approved in September 2016. The delay caused a backlog in the procurement of new vehicles and the spending of the allocated budget.

The under-serviced debt owed to the entity by its clients departments

Departments had financial difficulties which resulted in them not settling the accounts as planned. The entity adopted a phased in approach of deactivation of fuel cards for non-paying departments.

Implementation of this approach in February 2017 resulted in improved collections from the concerned debtors.

Organisational environment for 2016/2017

This section deals with internal factors that have had an impact on the ability of the entity to deliver on its commitments during the financial year under review.

Improve audit outcome: The process of implementing the turnaround plan to improve the performance and internal control systems of the entity is still underway and is not yet complete.

Protect movable assets through vehicle tracking: The new tracking contract was still under supply chain evaluation during the fourth quarter and is expected to be awarded in the next financial year.

High vacancy rate: The entity continues to experience challenges with its high vacancy rate. Currently, it stands at 30%, an alarming figure that is comparatively too high. This is due to the moratorium of vacant posts instituted by the Department.

2.4.3 STRATEGIC OUTCOME-ORIENTED GOALS

The following strategic priorities/goals represent the 2014 – 2019 Strategic Plan and 2016/2017 APP, to facilitate the turnaround strategy and achievement of g-Fleet's Medium Term-Expenditure Framework (MTEF) goals:

Strategic goal 1 (Summary)	Provide fleet management services that are effective, efficient and client-focused.
Goal statement	Provide reliable fleet and quality services to meet our client's needs in an effective and efficient manner.
Justification	This goal will ensure that services offered to client meet expectations and that public funds are utilised to provide a services to support the mandates of client departments.

Strategic goal 2 (Summary)	Sustainable and well-governed organisation.
Goal statement	Ensure a well-run organisation by designing and maintaining effective systems and process that will result in optimal use of the entity.
Justification	This goal will ensure that financial processes, systems and controls will be implemented and monitored by staff with the requisite expertise.

2.4.4 PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: OPERATIONAL MANAGEMENT SERVICES

This programme is responsible for providing fleet management services that are effective, efficient and client-focused.

The following is the sub-programme structure:

- Permanent Fleet.
- Fleet Maintenance.
- Transport Support Services.
- Customer Management Services.

Strategic objective 1: Provide clients with reliable fleet.

Programme name: OPERATIONAL MANAGEMENT SERVICES						
Strategic objective	Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations (reason)
Provide clients with reliable fleet.	Average age of allocated fleet.	4 years.	≤4 years.	3.4 years.	+0.6 years.	The intake of new vehicles procured and the withdrawal of old vehicles allowed for the target to be achieved.
	Percentage of vehicles compliant to scheduled maintenance.	83.26%.	70%.	89.75%.	+19.75%.	-

Strategy to overcome areas of under performance

N/A.

Changes to planned targets and objectives

None.

Programme expenditure

	2016/2017			2015/2016		
Sub- programme name	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
Permanent Fleet	314 904	221 749	93 155	303 896	317 568	-13 672
Fleet Maintenance	86 373	117 081	-30 708	98 633	117 075	-18 442
Total	401 277	338 830	62 447	402 529	434 643	-32 114

Strategic objective 2: To provide quality and value-added client service by monitoring vehicle location and maintaining turn-around times of 20 days for services to achieve client satisfaction of 55%.

The following is the sub-programme structure:

- Transport Support Services.
- Maintenance.
- Customer Management Services.

Programme name: OPERATIONAL MANAGEMENT SERVICES						
Strategic objective	Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations (reason)
To provide quality and value-added client service by monitoring vehicle location and maintaining turn-around times of 20 days for services to achieve client satisfaction of 55%.	Percentage of in-service vehicles tracked.	80% (5752).	90% (6278).	92% (6399).	+2%.	De-installations and re-installations were done timeously due to the auction. (Total current fleet = 7195 less the exempt vehicles of 219, totals 6976) 100% In-service = 6977 Exempt vehicles: National Prosecuting Authority (NPA): 107 Department of Justice and Constitutional Development: 97 Premier's Office: 9 Department of Mineral Resources: 6 Total = 219
	Average turnaround time for accidents and mechanical repairs.	20 days.	20 days.	18 days.	+2 days.	Close monitoring of the service provider.
	Percentage of client satisfaction level for all g-Fleet's client departments.	45% (14/15 financial year)	55%.	89%.	+34%.	Over achievement of target on survey results. Strategic intervention of urgent priority areas as highlighted on the report.

Strategy to overcome areas of under performance

N/A.

Changes to planned targets and objectives

None.

Programme expenditure

Sub-programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transport Support Services	214 673	190 958	23 715	200 275	179 769	20 506
Fleet Maintenance	86 373	117 081	-30 708	98 633	117 075	-18 442
Customer Management Services	6 441	8 475	-2 034	10 920	9 939	981
Total	307 487	316 514	-9 027	309 828	306 783	3 045

Programme 2: Corporate and Financial Management

This programme is responsible for ensuring a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of the entity's assets in delivery of services.

The following are the sub-programme structures:

- Permanent Fleet.
- VIP and Pool Services.
- Finance.
- Human Resources (HR).
- ICT.

Strategic objective1: Optimise return on investment.

Programme name: Operations and Finance						
Strategic objective	Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations (reason)
Optimise return on investment by reviewing tariff structure, reducing inventory to 25 days and achieve rental utilisation of 65% to ensure sustainability.	Average number of business days from delivery of vehicle to active vehicle contract (permanent vehicles only).	29 days.	25 business days.	23 business days.	+ 2 business days.	Commitment and dedication of all staff in the preparation process allowed for the target to be achieved.
	Average rental utilisation of available VIP self-drive and Pool fleet.	71.94% average rental utilisation.	Average rental utilisation of 65%.	66.35%.	+ 1,35%.	Due to slightly elevated rental demand from clients.
	Annual tariff structure submitted to NT for approval.	New Key Performance Indicator (KPI).	Reviewed tariff structure submitted to NT for approval.	Reviewed tariff structure has been submitted to NT for approval.	N/A.	N/A.
	Sustainability Model developed and approved.	New KPI.	Approved sustainability model.	Sustainability model has been developed and approved.	N/A.	N/A.
	Percentage decrease in average debtor days.	33%.	15% (128 days).	22% (119 days).	7% (9 days).	Departments had financial difficulties which resulted in them not settling the accounts as planned. The entity adopted a phased in approach of deactivation of fuel cards for non-paying departments. Implementation of this approach in February 2017 resulted in improved collection from the concerned debtors.

Strategy to overcome areas of under performance

The entity will continue to suspend the petrol cards of all non-paying departments.

Changes to planned targets and objectives

None.

Programme expenditure

Sub-programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
VIP and Pool Services	15 825	16 542	-717	16 457	16 833	-376
Finance	15 010	16 517	-1 507			
Total	30 835	33 059	-2 224	16 457	16 833	-376

Strategic objective 2: Engender organisational and culture change

Programme name: Operations and Finance						
Strategic objective	Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations (reason)
Engender organisational and culture change.	Percentage of invoices paid within 30 days from receipt of invoice.	90%.	100%.	83%.	-17%.	Suppliers not properly registered on CSD. Invalid tax clearance certificates for suppliers. Unresolved pricing disputes with vehicle manufactures.
	Audit outcome (Auditor-General).	Unqualified opinion.	Clean audit.	Unqualified opinion	Material misstatement of current assets and revenue. Late payment. Qualified opinion on performance information.	Billing data to be analysed for cut-off and over-billing with a view to process accounting adjustment. All invoices to be paid through purchase order. Contracts to be monitored regularly.
	Employee satisfaction rate/ percentage.	-	50%.	-	-50%.	Request for approval to continue with the rollout of the Climate Satisfaction Survey in the 17/18 financial year.
	Percentage of employee PMDS assessments completed.	90%.	100%.	92%.	-8%.	Total staff= 241 (100%) Submitted = 222 (92%) Not submitted = 19(8%) due to non-compliance, transferred staff, resignations, deceased and retired staff still in the K8 staff register. EPMDS report not yet finalised. Entity to engage E-government.

Programme name: Operations and Finance						
Strategic objective	Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target to actual achievement for 2016/2017	Comment on deviations (reason)
Engender organisational and culture change.	Review, approval and implementation of organisational structure.	New KPI.	Submit organisational structure to DPSA for approval.	Draft structure for consultation developed and submitted on 12/02/2016.	30%.	Moratorium on vacant post instituted by the Department. Service delivery model and proposed structure for the entity is undergoing DPSA approval process.
	Approved ICT strategy/plan.	Revised draft strategy (50%).	ICT strategy approved by HOD.	ICT strategy approved by HOD (100%).	100%.	Strategy approved after it was discussed and adopted by the IT steering committee.
	Percentage of maintenance spent on (automotive) township businesses.	3%	2%	2%	-	Continuous engagement with RT46 service provider to support township businesses through RT46 contract.
	Implementation of the apprenticeship programme.	New KPI.	Approved apprenticeship plan.	Apprenticeship plan approved.	N/A.	N/A.

Strategy to overcome areas of underperformance

Finance – The finance procedures have been revised to enable the finance teams to check the accuracy of the registration of suppliers on the CSD. In cases of expired tax clearance certificates; the invoices from these suppliers will be returned to address challenges before the invoices are scanned for payment.

HR – Continued efforts by the HR team in ensuring that staff has a full understanding as to how the PMDS contributes to the entity's success and failure in conjunction with the employees growth and development.

Changes to planned targets and objectives

None.

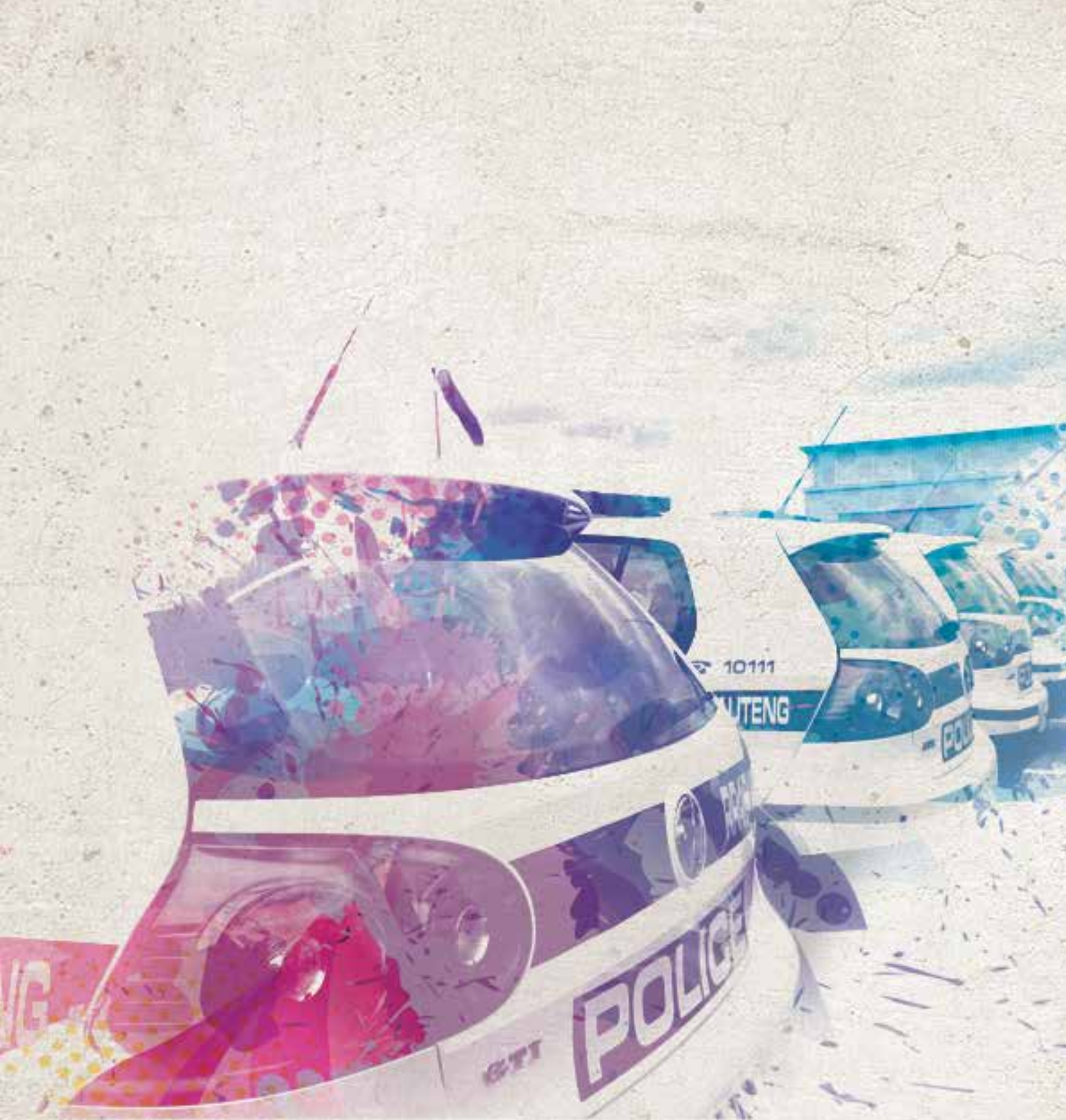
Programme expenditure

Sub-programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	65 388	28 214	37 174	51 442	30 213	21 229
Total	65 388	28 214	37 174	51 442	30 213	21 229

2.4.5 CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

	2016/2017			2015/2016		
Infrastructure projects	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	308 000	226 065	81 935	299 926	312 191	-12 265
Existing infrastructure assets	0	0	0	0	0	0
Upgrades and additions	21 038	1 082	19 956	8 302	5 303	2 999
Rehabilitation, renovations and refurbishments	0	0	0	0	0	0
Maintenance and repairs	0	0	0	0	0	0
Infrastructure transfer	0	0	0	0	0	0
Current	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Total	329 038	227 147	101 891	308 229	317 494	-9 266



PART C

2.5 Governance

2.5.1 INTRODUCTION

The trading entity's commitment to maintain the highest standards of governance is fundamental to the effective management of public finances and resources. Furthermore, it is important to reassure stakeholders that the trading entity has good governance structures in place to effectively, efficiently and economically utilise State resources, which are funded by tax payers.

2.5.2 RISK MANAGEMENT, FRAUD AND CORRUPTION

Risk Management at the Department assumes the responsibility for Enterprise-Wide.

Risk Management through coordination of the identification, analysis, mitigation and monitoring of all risks facing the trading entity and ensures compliance with the PFMA (1999) and other related legislature.

The main objective of the risk management approach is to establish and maintain appropriate systems and processes to ensure effective and efficient management of risks facing the trading entity.

The Strategic Risk Assessment for 2017/18 has been approved and the Operational Risk Assessment for all business units was also completed for 2017/18. Approval for some of the Operational Risk Register is still to be effected. Risk management awareness sessions for the entire staff were conducted and a large number of employees were covered. These are significant achievements for risk management processes in ensuring that a strong risk management culture is instilled in the operations and business of the entity.

The entity subscribes to the zero-tolerance stance against fraud and corruption. In a bid to ensure that the fraud and corruption activities are eliminated, the entity works in partnership with the Gauteng Department of Roads and Transport and the Gauteng Provincial Treasury. The Gauteng Department of Roads and Transport has an approved Fraud Prevention Plan that includes g-Fleet Management.

The Fraud Risk Assessment for the entity was concluded with the assistance of the Directorate of Anti-Fraud and Corruption from the Gauteng Department of Roads and Transport.

Progress made in addressing the identified risks

As per the risk management philosophy, only the top ten high risks are treated as urgent and should be regularly monitored. The trading entity therefore identified multiple high risks but prioritised the top eight high risks which had a residual rating of high to medium. The identified risks will be closely monitored.

Of the top eight high inherent risks, two showed a high residual rating i.e. there were no sufficient controls to manage the risks. Mitigating factors to manage the risks were provided for an improvement of the control environment. The trading entity will monitor the movement of the rating and provide progress report on a quarterly basis to the Audit Committee.

All the eight risks are still applicable and will be monitored on a continuous basis. The entity has implemented action plans to address some of the risks, while other risks still need to be addressed.

2.5.3 MINIMISING CONFLICT OF INTEREST

The entity, through the internal control systems monitored by the office of the MEC, ensures that all its Senior Management Service (SMS) members declare their interest on an annual basis in line with the requirements of the Public Service Commission.

Employees on levels 1 to 12 are encouraged to request permission to perform work outside their normal remunerative work. In relation to the supply chain management processes, directors of all companies submitting quotations with the intention to provide goods or services are required to complete SBD 4 declaration forms.

2.5.4 CODE OF CONDUCT

The entity utilises the Department of Public Service and Administration Code of Conduct. Cases of misconduct are escalated to the Gauteng Department of Roads and Transport for investigation.

2.5.5 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Establishment of Occupational Health and Safety (OHS) Committee

The entity is in the process of establishing a functional OHS Committee. As it stands, the following members have been appointed:-

- 4 fire fighters.
- 5 fire marshalls.
- 4 first aiders.
- 2 safety, health and environment representatives.
- 5 management representatives (i.e. Facilities and Security, Labour Relations and Wellness, OHS Specialist, Internal Controls and Vehicle Maintenance).
- The OHS task team consisting of Employer and Labour representatives was established to conduct OHS audits in all DRT offices and to present audit findings and recommendations to the management and audit committee.

2.5.6 PORTFOLIO COMMITTEES

Reporting by	Reporting to	Method	Matters reported	Timing of the report	Action taken on matters report
Internal Audit	Audit Committee.	Formal report, reporting in meetings.	Any relevant matter.	Varies.	Varies.
Audit Committee	Accounting authority/officer.	Minutes of Audit Committee meetings.	Any relevant matter.	Varies.	Varies.
Accounting authority/officer	MEC.	Formal report, reporting in meetings.	Any relevant matter.	Varies.	Varies.
g-Fleet management: CEO, COO and CFO	Roads and Transport (R&T) Portfolio Committee.	Presentation.	First quarter (2016/17). Financial and non-financial performance.	April – June 2016.	A report is sent and presented to the R&T Portfolio Committee.
g-Fleet management: CEO, COO and CFO	R&T Portfolio Committee.	Presentation.	Second quarter (2016/17). Financial and non-financial performance.	July – Sept 2016	A report is sent to the R&T Portfolio Committee.
g-Fleet management: CEO, COO and CFO	R&T Portfolio Committee.	Presentation.	Third quarter (2016/17). Financial and non-financial performance.	October – December 2016.	A report is sent and presented to the R&T Portfolio committee.
g-Fleet management: CEO, COO and CFO	R&T Portfolio Committee.	Presentation.	Responses to fourth quarter (2016/17) and first quarter reports (2016/17).	01 September 2016	A Report is sent and presented to the R&T Portfolio Committee.
g-Fleet management: CEO, COO and CFO	R&T Portfolio Committee.	Presentation.	16/17 financial year annual budget.	05 May 2016/	A report is sent and presented to the R&T Portfolio Committee.
g-Fleet management: CEO, COO and CFO	R&T Portfolio Committee.	Presentation.	Responses to questions raised by the Portfolio Committee on the second quarter (16/17) report.	24 November 2016	A Report is sent to the R&T Portfolio Committee.
g-Fleet management: CEO, CFO and COO	Audit Committee.	Presentation.	First quarter (2016/17). Financial and non-financial performance.	April – June 2016.	A report is sent and presented to the Audit Committee.

Reporting by	Reporting to	Method	Matters reported	Timing of the report	Action taken on matters report
g-Fleet management: CEO, CFO and COO	Audit Committee.	Presentation.	Second quarter (2016/17). Financial and non-financial performance.	July – September 2016.	A report is sent and presented to the Audit Committee.
g-Fleet management: CEO, CFO and COO	Audit Committee.	Presentation.	Third quarter (2016/17). Financial and non-financial performance.	October – December 2016.	A report is sent and presented to the R&T Portfolio Committee.

2.5.7 SCOPA RESOLUTIONS

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4.1	That the Department provides the Committee with a progress report detailing the effectiveness of measures put in place to address the recurrence of restatement of corresponding figures within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2017.	<p>The FIS project update has been delayed for roll out in the new financial year. The delayed roll out is due to additional requirements that needed to be addressed after testing of the improvements.</p> <p>Financial statements were prepared for the 2016/17 financial year and were provided to Provincial Treasury for review; there were no material findings identified through the review.</p> <p>The revised financial statements close process controls are implemented and were used to prepare financial statements for 31 March 2017 year-end.</p>	Ongoing.
4.2	That the Department provides the Committee with a progress report detailing the effectiveness of measures put in place to address weaknesses in predetermined objectives, within 30 days after adoption and thereafter every quarter continuing up until the end of June 2017.	<p>The measures put in place to address the weaknesses in the formulation of the pre-determined objectives comprise the following:</p> <p>First level review after management formulated the objectives of the 2016/17 APP, was done by the Monitoring and Evaluation Unit within the Department. They proposed amendments which were included in the document.</p> <p>The second review of the objectives was performed by the Internal Audit team. Their recommendations were included in the final draft before it was submitted to the Accounting Officer and the MEC for signature.</p>	Ongoing.
4.3	That the CEO ensures that transparent financial and performance management reporting systems are regularly maintained. This should be led and managed by staff with strong technical skills and experience and provide the committee with a progress report detailing the effectiveness of measures put in place in addressing matters related to annual financial statements within 30 days of adoption hereof and thereafter every quarter continuing up until end of June 2017.	The revised financial statement close process controls are implemented the controls were utilised to prepare the financial statements for 2016/17 year-end. There were no material findings in the review of the financial statements prepared for year-end as reviewed by Provincial Treasury.	Ongoing.

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4.4	That the CEO intensify performance and consequence management processes to eliminate findings on irregular expenditure and provides the committee with a progress report detailing the effectiveness of measure put in place to address challenges relating to irregular expenditure within 30 days of adoption hereof and thereafter every quarter continuing up until end of June 2017.	Adherence to revised standard operating procedures by officials within the entity is continually monitored.	Ongoing.
4.5	The MEC provide the committee and R&T Portfolio Committee with a monthly report detailing its adherence and compliance to the requirements of all applicable legislation to ensure that effective measures are implemented to prevent fruitless and wasteful expenditure within 30 days of adoption hereof and thereafter every quarter up until end of June 2017.	The traffic fines are redirected to the proxies that were provided by the departments when the traffic fines are received. This would result in reduction of the fruitless and wasteful expenditure incurred by g-Fleet. FIS roll out is planned to be on 1 April 2017, with the roll out the fruitless expenditure already incurred by departments and not reallocated will be billed out to the departments in April 2017.	Ongoing.
4.6	That the MEC intensify performance and consequence management processes to eliminate findings on non-compliance with key legislation and provides the committee with a progress report detailing the effectiveness of measures put in place to address challenges related to payment of service providers within 30 days of adoption hereof and thereafter every quarter continuing up until end of June 2017.	Challenges that were initially experienced during implementation of SAP are being addressed. The entity analysed reasons for the delays of payments within 30 days during the 2016/17 financial year. Delays to submit the invoice to g-Fleet finance and approval on the system. Supplier submitted vendor application late. SAP implementation and Document Management Centre.	Ongoing.
4.7	That the MEC hold the CEO accountable for timely implementation of action plans and honouring commitments and provides the committee with a progress report detailing the effectiveness of measures put in place in addressing payment of service providers within 30 days of adoption hereof and thereafter every quarter up until end of June 2017.	Challenges that were initially experienced during implementation of SAP are being addressed. The entity analysed reasons for the delays of payments within 30 days during the 2016/17 financial year. Delays to submit the invoice to g-Fleet finance and approval on the system. Supplier submitted vendor application late. SAP implementation and Document Management Centre.	Ongoing.
4.8	That the MEC provide the Committee with a progress report detailing the effectiveness of measures put in place to address record keeping for contract management and monitor adequacy of internal controls in order to avoid recurrence of this finding within 30 days of adoption hereof and thereafter every quarter continuing up until end of June 2017.	Adherence to revised standard operating procedures by officials within the entity is continually monitored.	Ongoing.
4.9	That the Department provides the committee with a progress report detailing the status of the investigations within 30 days of adoption hereof and thereafter every quarter continuing up until end of June 2017.	Investigations around lost vehicles are on-going and have not yet concluded.	Ongoing.

2.5.8 INTERNAL CONTROL UNIT

The Internal Audit section from Gauteng Audit Services performed a review on g-Fleet processes. The audit indicated that the processes and related systems of internal control around the entity processes were not adequate and effective. It should, however, be noted that the results improved when compared to that of the previous year.

2.5.9 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two 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 to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Janice Meissner	05
Masaccha Mbonambi	03
George Higgins	04

Executive Members

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

Compulsory Attendees	Number of Meetings attended
Noxolo Maninjwa (Acting CEO)	03
Lebogang Jantjies (Acting Chief Financial Officer)	04
Lorraine Francois (Chief Audit Executive)	04

The Members of the Audit Committee met with the Senior Management of the Entity, Auditor-General and Internal Audit, collectively to address risks and challenges facing the Entity. A number of in-committee meetings were held to address control weaknesses and deviations within the Entity.

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 and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Entity has continued to improve during the year under review. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit reports. Overall, although the weaknesses within the finance control environment were improved and maintained, the Audit Committee is not satisfied that the non-financial control within the operational environment are being addressed. Most of the Internal Audit work performed concluded on inadequate and ineffective system of internal controls. The

Audit Committee has raised its concern over the sustainability of leadership with regards to vacancies in key management positions. The Audit Committee however, is also not satisfied that it received adequate information and assurance from Management to stabilise the control environment of the Entity.

The Audit Committee also reviewed progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. The overall information systems environment improved from the prior year. There are still some weaknesses to be addressed including the implementation of the Disaster Recovery Plan and the capacitation of the Information Technology structure. This continues to be a high risk for the Entity which has to be mitigated on an ongoing basis.

Internal Audit

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the entity has a system of Internal Audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government (GPG), the Internal Audit Function is shared amongst Departments in the Province.

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the Internal Audit has discharged its functions and responsibilities during the year under review.

The Audit Committee was aware of the difficult relationship between the Internal Audit and Management but has noted improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills should be addressed.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. However, the Audit Committee was required to intervene with the Accounting Officer to ensure that the actual management of the risks (strategic, financial and operational) were receiving the attention the risk management function deserves. The Audit Committee is satisfied that proactive steps are now being taken to manage the risks of the Entity and a substantial improvements are required. It is emphasised that Management should take full responsibility for the entire Enterprise Risk Management Process and continue to enhance the performance of the Entity. It is the request of the Audit Committee for the Entity to substantially improve in the maturity of risk management.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were completed during the year under review. Furthermore, certain investigations are still in progress. Various measures were recommended, including taking action against the identified officials and this was in the process of finalisation. The recommendations are at various stages of implementation.

The quality of 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 financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee is comfortable that the Annual Financial Statements have been prepared in terms of the South African standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the PFMA. The Audit Committee has also:

- Discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto; and
- Reviewed the Entity's compliance with legal and regulatory provisions.

Auditor-General's report

The Audit Committee concurs with and accepts the conclusion and audit opinion of the AGSA on the Annual Financial Statements. The Committee is of the view that the audited financial statements be accepted and read together with the report of the AGSA. The Audit Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues highlighted in the audit report.

The Audit Committee also notes the key issues identified by the AGSA in the management letter and has assessed Management's action to mitigate any financial or performance reporting risks associated with these matters. The Committee is comfortable that given the implementation of effective and efficient controls, these matters should be adequately dealt with in future periods.

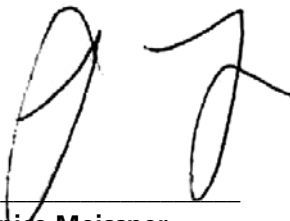
The external audit function performed by the AGSA is independent of the Entity. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the AGSA's team.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer and Chief Executive Officer for the Entity to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Entity to apprise the MEC on the performance of the Entity.



Ms. Janice Meissner
Chairperson of the Audit Committee
31 July 2017



PART D

2.6 Human Resource Management

2.6.1 INTRODUCTION

The five-year strategic Human Resources (HR) Plan was approved during the 2014/2015 financial year. With the strategic plan now in place, the entity is now poised for significant improvements in people management practices going forward. To this end, g-FleeT has taken tentative steps to introduce competency matrices for the entity, beginning with the finance competency matrix.

The entity was previously characterised by a high vacancy rate with the number of contract workers exceeding those of permanent workers. With the absorption of the contract workers up to level seven, the number has been reduced; g-FleeT management has seven contract employees between levels eight and twelve. The entity has not filled its vacancies due to the moratorium that was put in place in November 2016.

In addition, the entity has undergone an overhaul of its service delivery model which has required it to relook at its structure, in order for it to be responsive to the needs of its customers. This process has also contributed to the delay in filling of posts. Specialised critical posts need to be made a priority and filled parallel to the finalisation of the structure by the DPSA.

Training and development has also been undertaken to address the skills shortages and upskilling of those identified employees. The entity has also engaged with the relevant Skills Education Training Authorities (SETA's) and other government organisations that offer relevant training and courses that would assist our staff. A good number of employees have been enrolled for supervisory development programme.

In relation to the PMDS, the entity has achieved the highest compliance rate (92%) this last financial year. This was largely due to the efforts put in by the HR team in ensuring that employees have a full understanding of how the PDMS contributes to the entity's successes and failure in conjunction with the employees' growth and development as well. The HR unit is starting to respond to the needs of the entity and its staff at large.

The entity has now taken the driver's seat in managing its own wellness programmes which were previously administered by the Department of Roads and Transport. Moving forward, wellness programmes will also be used to address the items highlighted in the staff climate survey which was conducted in 2015/16. Taking care of our staff in a holistic manner is fast becoming a strategic focus of the entity.

The culture of the entity is slowly but surely changing in a positive direction as HR focus in addressing issues that concern the staff, but also items that help grow and build moral within the entity. This in-turn has been seen in the largely improved positive results of our Client Satisfaction Survey.

2.6.2 HR OVERSIGHT STATISTICS

PERSONNEL-RELATED EXPENDITURE

The following tables provide a summary of the final audited personnel related expenditure by programme and salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 2.6.2.1 Personnel expenditure by programme for the period 01 April 2016 and 31 March 2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Office of the CEO	2,674	2,583	0	0	97%	861
Office of the COO	1,398	1,373	0	0	98%	687
Office of the CFO	15,393	240	0	0	2%	240
Financial services	16,517	11,653			71%	334
Corporate Services	28,214	9,142	405	0	32%	258
Marketing and Communication	8,475	8,020	0	0	95%	372
Maintenance Services	117,081	9,782	0	0	8%	267
Transport Support Services	190,958	10,270	0	0	5%	310
Permanent Service	221,749	5,848	0	0	3%	366
VIP/Pool Services	16,542	16,172	0	0	98%	258
Total	619,001	75,083	405	0	12%	305

Table 2.6.2.2 Personnel costs by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	203	0.2%	5	41
Skilled (levels 3-5)	21 132	27%	120	176
Highly skilled production (levels 6-8)	26 802	35%	73	92
Highly skilled supervision (levels 9-12)	20 471	27%	36	44
Senior and top management (levels 13-16)	8 511	11%	7	10
Total	77 120	100%	241	363

Table 2.6.2.3 Salaries, overtime, home owners' allowances and medical aid by programme for the period 01 April 2016 and 31 March 2017

Programme	Salaries		Overtime		Home owners' allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Office of the CEO	2,583	3%		0%	14	1%	22	1%
Office of the COO	1373	2%		0%	0	0%	39	3%
Office of the CFO	240	0%		0%	0	0%	33	14%
Financial Management	11,653	16%		0%	261	2%	363	3%
Corporate Services	9,142	12%	2,057	23%	235	3%	418	5%
Marketing and Communication	8,020	11%		0%	196	2%	202	3%
Maintenance Services	9,782	13%		0%	333	3%	495	5%
Transport Support Services	10,270	14%		0%	322	3%	575	6%
Permanent Service	5,848	8%		0%	214	4%	311	5%
VIP/Pool Services	16,172	22%		0%	690	4%	648	4%
Total	75,083	100%	2,057	3%	2,265	3%	3,106	4%

Table 2.6.2.4 Salaries, overtime, home owners' allowances and medical aid by salary band for the period 01 April 2016 and 31 March 2017

Salary bands	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	267	0.4%	14	5%	29	11%	14	5%
Skilled (levels 3-5)	22,395	30%	1142	5%	992	4%	1177	5%
Highly skilled production (levels 6-8)	26,587	35%	706	3%	729	3%	1376	5%
Highly skilled supervision (levels 9-12)	19,470	26%	195	1%	371	2%	473	2%
Senior management (level 13-16)	6,364	8%	0	0%	144	2%	66	1%
Total	75,083	100%	2,057	3%	2,265	3%	3,106	4%

EMPLOYMENT AND VACANCIES

The tables in this section summarise the position of the entity with regards to employment and vacancies.

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any employees that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme.
- Salary band.
- Critical occupations.

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 2.6.2.5 Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
SMS (levels 13-16)	8	7	0.3%	0
Levels 11-12	18	14	1%	0
Levels 7-10	126	88	12%	0
Levels 1-6	180	125	17%	0
Total	332	234	30%	0

Table 2.6.2.6 Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	14	5	3%	-
Skilled (levels 3-5)	149	114	11%	0
Highly skilled production (levels 6-8)	111	73	12%	0
Highly skilled supervision (levels 9-12)	50	35	5%	0
Senior management (levels 13-16)	8	7	0.3%	0
Total	332	234	30%	0

FILLING OF SMS POSTS

Table 2.6.2.7 SMS post information as on 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary level 16	0	0	0	0	0
Salary level 15	1	1	100%	0	0%
Salary level 14	1	1	100%	0	0%
Salary level 13	6	5	98%	1	2%
Total	8	7	98%	1	2%

Table 2.6.2.8 Advertising and filing of SMS post for the period 01 April 2016 to 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (DG)/HoD	0	0	0	0	0
Salary level 16	0	0	0	0	0
Salary level 15	1	1	100%	0	0%
Salary level 14	1	1	100%	0	50%
Salary level 13	6	5	98%	1	2%
Total	8	7	98%	1	2%

Table 2.6.2.9 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
The request for the advertisements of vacant posts was not approved during the financial year 2016/17, in order to accommodate officials in the pool of the Department.
The organisational structure was in the process of being revised and the moratorium on vacant posts was instituted on 4 November 2016.
The Director: Fleet Maintenance post is still vacant due to ongoing moratorium.

Reasons for vacancies not filled within six months
The moratorium was instituted on 4 November 2016. The organisational structure is in the process of being revised.

Table 2.6.2.10 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2016 to 31 March 2017

Reasons for vacancies not advertised within six months
None.
Reasons for vacancies not filled within six months
Moratorium which was instituted on 4 November 2016.

JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in an organisation. In terms of the regulations, all vacancies on salary level 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 2.6.2.11 Job evaluation by salary band for the period 01 April 2016 to 31 March 2017

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	14	0	0%				
Skilled (levels 3-5)	149	0	0%				
Highly skilled production (levels 6-8)	111	0	0%				
Highly skilled supervision (levels 9-12)	50	0	0%				
SMS Band A	8	0	0%				
SMS Band B		-	-				
SMS Band C		-	-				
SMS Band D		-	-				
Total	332	0	0%				

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could be vacant.

Table 2.6.2.12 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2016 and 31 March 2017

Gender	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					

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 2.6.2.13 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2016 and 31 March 2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	0	-	-	-
-	0	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				-

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 2.6.2.14 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2016 and 31 March 2017

Gender	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
Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2016/17					0

EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 2.6.2.15 Annual turnover rates by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Number of employees at beginning of period-April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (levels 1-2)	5	0	0	0%
Skilled (Levels 3-5)	118	0	7	3%
Highly skilled production (levels 6-8)	73	0	3	1%
Highly skilled supervision (levels 9-12)	35	2	0	1%
SMS Band A	4	1	1	0.3%
SMS Band B	1	0	0	0%
SMS Band C	1	0	0	0%
SMS Band D	0	0	0	0
Total	237	3	11	5.3%

Table 2.6.2.16 Annual turnover rates by critical occupation for the period 01 April 2016 and 31 March 2017

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related, permanent -	14	0	0	0
All artisans in the building metal machinery etc., permanent	9	0	0	0
Building and other property caretakers, permanent	3	0	0	0
Bus and heavy vehicle drivers, permanent	1	0	0	0
Cleaners in offices workshops hospitals etc., permanent	6	0	0	0
Client information clerks (switchboard/receptionist, information clerks), permanent	0	0	0	0
Computer programmers, permanent	1	0	0	0
Finance and economics related, permanent	3	0	0	0
Financial and related professionals, permanent	2	0	0	0
Financial clerks and credit controllers, permanent	3	0	0	0
HoD/CEO, permanent	1	0	0	0
Human resources, organisational development and related professionals, permanent	4	0	0	0
Human resources clerks, permanent	1	0	0	0
Human resources related, permanent	9	0	0	0
Information technology related, permanent	1	0	0	0
Library mail and related clerks, permanent	3	0	0	0
Light vehicle drivers, permanent	9	0	0	0
Material-recording and transport clerks, permanent	1	0	0	0
Messengers porters and deliverers, permanent	3	0	0	0
Motor vehicle drivers, permanent	1	0	0	0
Other administration and related clerks and organisers, permanent	55	0	0	0
Other administrative policy and related officers, permanent	12	0	0	0
Other occupations, permanent	1	0	0	0
Secretaries and other keyboard operating clerks, permanent	6	0	0	0
Senior managers, permanent	6	0	0	0
Trade labourers, permanent	16	0	0	0
Total	172	0	0	0

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

The table below identifies the major reasons some staff left the Department.

Table 2.6.2.17 Reasons why staff left the Department for the period 01 April 2016 and 31 March 2017

Termination type	Number	% of total resignations
Death	1	0.3%
Resignation	7	3%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	3	1%
Transfer to other Public Service departments	-	-
Other	-	-
Total	11	4.3%
Total number of employees who left as a % of total employment	11	4.3%

Table 2.6.2.18 Promotions by critical occupation for the period 01 April 2016 and 31 March 2017

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Clerks	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0
Total	0	0	0	0	0

Table 2.6.2.19 Promotions by salary band for the period 01 April 2016 and 31 March 2017

Salary band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	5	0	0	0	0
Skilled (levels 3-5)	116	0	0	0	0
Highly skilled production (levels 6-8)	73	0	0	0	0
Highly skilled supervision (levels 9-12)	34	0	0	0	0
Senior management (levels 13-16)	6	0	0	0	0
Total	234	0	0	1	0.3

EMPLOYMENT EQUITY

Table 2.6.2.20 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3				1	2			6
Professionals	18	1			10	2	1	2	34
Technicians and associate professionals	24	1	1	4	36	3	1	5	75
Clerks	74			6	33	1	1	4	119
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total	119	2	1	10	80	8	3	11	234
Employees with disabilities	2			1	1				4

Table 2.6.2.21 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management									
Senior management	3				1	2			6
Professionally qualified and experienced specialists and mid-management	18	1			10	2	1	2	34
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	1	1	4	36	3	1	5	75
Semi-skilled and discretionary decision making	74			6	33	1	1	4	119
Unskilled and defined decision making									
Total	119	2	1	10	80	8	3	11	234

Table 2.6.2.22 Recruitment for the period 1 April 2016 and 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	3	1	-	-	2	-	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	1	-	-	16	-	-	1	32
Semi-skilled and discretionary decision making	6				13			1	20
Unskilled and defined decision making	11				5				16
Total	34	2	-	-	36	-	-	2	74
Employees with disabilities	1	-	-	-	-	-	-	-	1

Table 2.6.2.23 Promotions for the period 1 April 2016 and 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management									
Senior management									
Professionally qualified and experienced specialists and mid-management	0				0			0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total	0				0			0	0
Employees with disabilities									

Table 2.6.2.24 Terminations for the period 1 April 2016 and 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	1	2	0	0	1	4
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Contract (top management), permanent	0	0	0	0	0	0	0	0	0
Contract (senior management), permanent	0	0	0	0	0	0	0	0	0
Contract (professionally qualified), permanent	0	0	0	0	0	0	0	0	0
Total	4	0	0	1	4	0	0	1	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 2.6.2.25 Disciplinary action for the period 1 April 2016 and 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspension without pay	0	0	0	0	0	1	0	0	1
Dismissal	0	0	0	0	1	0	0	0	1

Table 2.6.2.26 Skills development for the period 1 April 2016 and 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3				1	2			6
Professionals	18	1			10	2	1	2	34
Technicians and associate professionals	24	1	1	4	36	3	1	5	75
Clerks	74			6	33	1	1	4	119
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total	119	2	1	10	80	8	3	11	234
Employees with disabilities	2			1	1				4

SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 2.6.2.27 Signing of performance agreements by SMS members as at 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
DG/HoD	-	-	-	-
Salary level 16	-	-	-	-
Salary level 15	1	1	1	100%
Salary level 14	1	1	1	100%
Salary level 13	6	5	5	100%
Total	8	7	7	100%

Table 2.6.2.28 Reasons for not having concluded performance agreements for all SMS members as at 31 March 2017

Reasons
None

Table 2.6.2.29 Disciplinary steps taken against SMS members for not having concluded performance agreements as at 31 March 2017

Reasons
None

PERFORMANCE REWARDS

Table 2.6.2.30 Performance rewards by race, gender and disability for the period 01 April 2016 and 31 March 2017

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	110	198	130.33	6484.25	12025.98
Male	69	116	69.62	3,741.51	5,352.66
Female	41	79	60.71	2,742.74	6,673.32
Asian	4	4	129.17	119.25	18624.28
Male	1	1	62.50	49.58	9,916.06
Female	3	3	66.67	69.67	8,708.22
Coloured	10	11	110.16	147.96	14067.42
Male	2	2	64.71	80.16	7,287.44
Female	8	9	45.45	67.80	6,779.98
White	21	21	143.14	758.44	16003.24
Male	10	10	74.29	448.77	8,630.24
Female	11	11	68.85	309.67	7,373.00
Total	145	234	66.21	7,548.85	6,068.21
Employees with disabilities	6	8	75.00	38.96	6,493.82

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 2.6.2.31 Performance rewards by salary band for personnel below SMS, for the period 01 April 2016 and 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	9	5	44.02	277.61	3,017.55	-
Skilled (levels 3-5)	58	114	75.26	2,611.50	4,471.74	-
Highly skilled production (levels 6-8)	43	73	71.55	3,203.63	7,450.31	-
Highly skilled supervision (levels 9-12)	12	35	56.16	1,237.51	10,061.04	-
Total	122	227	175.73	7330.25	25000.64	-

Table 2.6.2.32 Performance rewards by critical occupation for the period 01 April 2016 and 31 March 2017

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Lower skilled (levels 1-2)	9	5	44.02	277.61	3,017.55
Skilled (level 3-5)	58	114	75.26	2,611.50	4,471.74
Highly skilled production (levels 6-8)	43	73	71.55	3,203.63	7,450.31
Highly skilled supervision (levels 9-12)	12	35	56.16	1,237.51	10,061.04
Total	122	227	175.73	7330.25	25000.64

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 2.6.2.33 Performance related rewards (cash bonus), by salary band for SMS for the period 01 April 2016 and 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	1	19.05	140.22	17,527.90	40,573.34
Band B	0	1	0.00	0.00	0.00	15,651.33
Band C	2	5	28.57	39.66	19,830.32	9,362.73
Band D	0	0	0.00	0.00	0.00	3,808.58
Total	2	8	15.87	179.88	17,988.38	69,395.98

FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 2.6.2.34 Foreign workers by salary band for the period 01 April 2016 and 31 March 2017

Salary band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 2.6.2.35 Foreign workers by major occupation for the period 01 April 2016 and 31 March 2017

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	0	0	0	0	0	0

LEAVE UTILISATION

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

Table 2.6.2.36 Sick leave for the period 01 January 2016 to 31 December 2016

Salary band	Total days	% days with Medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skills (levels 1-2)	836	55.38	141	11.94	5.93	365.00
Skilled (levels 3-5)	3551	50.66	477	40.39	7.44	2345.00
Highly skilled production (levels 6-8)	3134	48.92	398	33.7	7.87	3745.00
Highly skilled supervision (levels 9-12)	897	48.72	134	11.35	6.69	1898.00
Top and senior management (levels 13-16)	141	43.26	30	2.54	4.7	585.00
Total	8590	50.3	1181	100	7.27	8961.00

Table 2.6.2.37 Disability leave (temporary and permanent) for the period 01 January 2016 to 31 December 2016

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

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

Table 2.6.2.38 Annual leave for the period 01 January 2016 to 31 December 2016

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	3674	17.01	216
Skilled (levels 3-5)	16923	20.29	834
Highly skilled production (levels 6-8)	11858	18.08	656
Highly skilled supervision (levels 9-12)	4418	18.8	235
Senior management (levels 13-16)	1099	17.17	64
Total	38092	18.9	2015

Table 2.6.2.39 Capped leave for the period 01 January 2016 to 31 December 2016

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	97.34	18	5.41	35.09
Highly skilled production (levels 6-8)	5	2	2.5	55.35
Highly skilled supervision (levels 9-12)	5	2	2.5	45.5
Senior management (levels 13-16)	0	0	0	55.83
Total	107.34	22	4.88	41.6

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

Table 2.6.2.40 Leave pay-outs for the period 01 April 2016 and 31 March 2017

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2016/17 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service for 2016/17	1759	59	29820
Current leave pay-out on termination of service for 2016/17	135	10	13542
Total	1895	69	27461

HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 2.6.2.41 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
None.	None.

Table 2.6.2.42 Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Two officials from the HR business unit are involved in the task and budget is available.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.		X	
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 its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		X	
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 (VCT)? If so, list the results that you have achieved.	X		TB screening and HIV VCT ongoing.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Through distribution of condoms and the facilitation of wellness awareness events.

LABOUR RELATIONS

Table 2.6.2.43 Collective agreements for the period 1 April 2016 and 31 March 2017

Subject matter	Date
-	-
-	-

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

Table 2.6.2.44 Misconduct and disciplinary hearings finalised for the period 01 April 2016 and 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	0%
Verbal warning	-	0%
Written warning	5	2%
Final written warning	-	0%
Suspended without pay	1	0.4%
Fine	-	0%
Demotion	1	0.4%
Dismissal	1	0.4%
Not guilty	-	0%
Case withdrawn	-	0%
Total	8	3%

Table 2.6.2.45 Types of misconduct addressed at disciplinary hearings for the period 01 April 2016 and 31 March 2017

Type of misconduct (based on annexure A)	Number	% of total
Abscondment from work	1	0.4%
Total	1	0.4%

Table 2.6.2.46 Grievances logged for the period 01 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of grievances resolved	2	1%
Number of grievances not resolved	3	1%
Total of grievances not lodged	5	2%

Table 2.6.2.47 Disputes logged with councils for the period 01 April 2016 and 31 March 2017

Grievances	Number	% of Total
Number of disputes upheld	3	1%
Number of disputes dismissed	-	-
Total number of disputes lodged	3	1%

Table 2.6.2.48 Strike actions for the period 01 April 2016 and 31 March 2017

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

Table 2.6.2.49 Precautionary suspensions for the period 01 April 2015 and 31 March 2016

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

SKILLS DEVELOPMENT

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

Table 2.6.2.50 Training needs identified for the period 01 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	1	-	1
	Male	4	-	0	-	0
Professionals	Female	18	-	0	-	0
	Male	16	-	1	-	1
Technicians and associate professionals	Female	27	-	11	-	11
	Male	47	-	8	-	8
Clerks	Female	80	-	16	-	16
	Male	39	-	14	-	14
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub-total		-	-	-	-	-
	Male	-	-	-	-	-
Total		234	-	51	-	51

Table 2.6.2.51 Training provided for the period for the period 01 April 2016 and 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	1	-	1
	Male	4	-	0	-	0
Professionals	Female	18	-	0	-	0
	Male	16	-	1	-	1
Technicians and associate professionals	Female	27	-	11	-	11
	Male	47	-	8	-	8
Clerks	Female	80	-	16	-	16
	Male	39	-	14	-	14
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub-total	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		234	-	51	-	51

INJURIES ON DUTY

The following tables provide basic information for injuries on duty.

Table 2.6.2.52 Injuries on duty for the period 01 April 2016 and 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.4%
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
Total	1	0.4%

UTILISATION OF CONSULTANTS

Table 2.6.2.53 Report on consultant appointments using appropriated funds for the period 01 April 2016 and 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Ernst & Young	11	12 months	10 545 360

Table 2.6.2.54 Analysis of consultant appointments using appropriated funds, in terms of HDIs for the period 01 April 2016 and 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-
-	-	-	-

Table 2.6.2.55 Report on consultant appointments using donor funds for the period 01 April 2016 and 31 March 2017

Project title	Total number of consultants that worked on 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 2.6.2.56 Analysis of consultant appointments using donor funds, in terms of HDIs for the period 01 April 2016 and 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-
-	-	-	-

SEVERANCE PACKAGES

Table 2.6.2.57 Granting of employee-initiated severance packages for the period 01 April 2016 and 31 March 2017

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	-	-	-	-
Highly-skilled production (levels 6-8)	-	-	-	-
Highly-skilled supervision (levels 9-12)	-	-	-	-
Senior management (levels 13-16)	-	-	-	-
Total	-	-	-	-



PART E

2.7 Financial Information

2.7.1 REPORT OF THE AUDITOR-GENERAL

This is the auditor's report as issued by AGSA.

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON G-FLEET MANAGEMENT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the g-Fleet Management set out on pages 309 to 342, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the g-Fleet Management as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2017.

Responsibilities of the party responsible for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the g-Fleet Management's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 1 – Operational management services	262 – 264
Programme 2 – Corporate and financial management	264 – 267

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 1– Operational Management Services

Percentage of vehicles compliant to scheduled maintenance

17. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 89,75% of vehicles compliant with scheduled maintenance. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 89,75%.

Programme 2– Corporate and Financial Management

Percentage of maintenance spent on (automotive) township businesses

18. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 2% of maintenance spent on (automotive) township businesses. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 2%.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 262 to 267 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 17 and 18 of this report.

Report on audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of current assets and revenue identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

24. Effective steps were not taken to prevent irregular expenditure amounting to R17 114 000, as disclosed in note 28 to the annual financial statements, as required by section 38(1)(c) (ii) of the PFMA and treasury regulation (TR) 9.1.1. The majority of the irregular expenditure was caused by extension of expired contracts.
25. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 249 000, as disclosed in note 27 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest levied on overdue accounts.
26. Contractual obligations and money owed by the entity were not met and settled within 30 days, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Other information

27. The g-FleeT Management's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

31. The accounting officer did not exercise effective oversight of financial, performance reporting and compliance with certain legislation. The action plan that was developed to address external audit findings was not implemented effectively by management.

Financial and performance management

32. Senior management did not ensure that controls over reconciliations and daily and monthly processing of transactions relating to revenue are implemented effectively.

33. Management responsible for reporting on predetermined objectives did not have effective controls to ensure that performance reports were useful and supported by complete, relevant and accurate information.

34. Management did not adequately review and monitor compliance with applicable legislation.

Other reports

35. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on reported performance information or compliance with legislation.

36. Investigations into the unauthorised use of petrol cards and renting out of state vehicles were still in progress at the reporting date.

Auditor - General

Johannesburg

31 July 2017



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



GAUTENG PROVINCE

ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA



g-Fleet Management Financial statements

for the year ended 31 March 2017

2.7.2 ANNUAL FINANCIAL STATEMENTS

Contents

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

Statement of Financial Position as at March 31, 2017	309
Statement of Financial Performance for the period ended 31 March 2017	310
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Cash Flow Statement for the period ended 31 March 2017	312
Notes to the Annual Financial Statements (including Accounting policies)	313

g-Fleet Management

Formerly Government Garage

Trading as g-Fleet Management

Financial Statements for the year ended March 31, 2017

Statement of Financial Position as at 31 March 2017

		2017	2016
	Note(s)	'000	Restated* '000
Assets			
Current Assets			
Inventories	3	13 503	8 530
Finance lease receivables	6	3 935	13 140
Receivables from exchange transactions	7	205 246	150 065
Prepayments	8	3 503	1 230
Other Receivables		760	-
Cash and cash equivalents	9	743 166	514 339
		970 113	687 304
Non-Current Assets			
Property, plant and equipment	4	1 236 853	1 194 979
Intangible assets	5	1 929	98
Finance lease receivables	6	11 604	12 203
Rental deposits		91	91
		1 250 477	1 207 371
Total Assets		2 220 590	1 894 675
Liabilities			
Current Liabilities			
Finance lease obligation	10	600	1 445
Payables from exchange transactions	12	85 014	60 181
Other Payables	13	10 779	6 680
		96 393	68 306
Non-Current Liabilities			
Finance lease obligation	10	15 048	14 711
Long-term leave accrual	11	2 790	2 898
		17 838	17 609
Total Liabilities		114 231	85 915
Net Assets		2 106 359	1 808 760
Accumulated surplus		2 106 359	1 808 760

The accounting policies on pages 313 to 321 and the notes on pages 322 to 342 form an integral part of the financial statements.

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Financial Statements for the year ended March 31, 2017

Statement of Financial Performance for the period ended 31 March 2017

		2017	2016
	Note(s)	'000	Restated* '000
Revenue			
Revenue from exchange transactions			
Revenue from auction of vehicles		56 047	77 885
Revenue from leases	14	767 207	691 858
Realisation of property lease liability	17	1 200	1 200
Debt impairment reversal	15	13 612	4 901
Other Income	29	1 730	1 556
Interest received	16	37 497	28 091
Total revenue from exchange transactions		877 293	805 491
Revenue from non-exchange transactions			
Revenue from conditional Grants		-	8 548
Total revenue		877 293	814 039
Expenditure			
Employee related costs	18	(75 349)	(77 771)
Depreciation and amortisation		(109 396)	(95 194)
Finance costs	30	(2 814)	(1 539)
Repairs and maintenance		(107 406)	(102 936)
Cost of sales		(64 718)	(107 547)
General expenses	19	(220 011)	(205 464)
Total expenditure		(579 694)	(590 451)
Operating surplus		297 599	223 588
Surplus for the year		297 599	223 588

The accounting policies on pages 313 to 321 and the notes on pages 322 to 342 form an integral part of the financial statements.

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Financial Statements for the year ended March 31, 2017

Statement of Changes in Net Assets as at 31 March 2017

	Note(s)	Accumulated surplus '000	Total net assets '000
Opening balance as previously reported		1 636 332	1 636 332
Adjustments		(51 160)	(51 160)
Correction of errors*			
Balance at April 01, 2015 as restated*		1 585 172	1 585 172
Changes in net assets		235 358	235 358
Surplus for the year as previously reported			
Prior Period Errors		(11 770)	(11 770)
Surplus for the year		223 588	223 588
Total changes		223 588	223 588
Restated* Balance at April 01, 2016		1 808 760	1 808 760
Changes in net assets		297 599	297 599
Surplus for the year			
Total changes		297 599	297 599
Balance at March 31, 2017		2 106 359	2 106 359

*See Note 2

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Financial Statements for the year ended March 31, 2017

Cash Flow Statement for the period ended 31 March 2017

		2017	2016
	Note(s)	'000	Restated* '000
Cash flows from operating activities			
Receipts			
Revenue from leases		716 842	805 010
Revenue from conditional grants		-	8 548
Interest income		31 657	17 907
Revenue from auction of vehicles		60 210	49 147
Income from transport fees		1 730	1 556
		<u>810 439</u>	<u>882 168</u>
Payments			
Employee costs		(72 118)	(75 554)
Operating Expenditure and repairs and maintenance		(299 380)	(279 276)
Finance costs		(1 489)	-
		<u>(372 987)</u>	<u>(354 830)</u>
Net cash flows from operating activities	20	<u>437 452</u>	<u>527 338</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(216 368)	(324 210)
Purchase of other intangible assets	5	(1 855)	-
Capital receipts from finance lease receivables		5 657	4 520
Interest receipts on finance lease receivables		5 774	10 184
Net cash flows from investing activities		<u>(206 792)</u>	<u>(309 506)</u>
Cash flows from financing activities			
Capital repayment of finance lease obligation		(508)	(5 095)
Interest repayment on finance lease obligations		(1 325)	(1 539)
Net cash flows from financing activities		<u>(1 833)</u>	<u>(6 634)</u>
Net increase in cash and cash equivalents		228 827	211 198
Cash and cash equivalents at the beginning of the year		514 339	303 140
Cash and cash equivalents at the end of the year	9	<u>743 166</u>	<u>514 338</u>

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Trading as g-Fleet Management

Financial Statements for the year ended March 31, 2017

Accounting Policies

1. BACKGROUND

g-Fleet is a provincial Trading Entity, which reports to the Accounting Officer of the Gauteng Department of Roads and Transport, its controlling entity. The mandate of the entity is to be the leading provider of fleet management services within government. The Entity is incorporated and operates in the Republic of South Africa.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 55(2) of the Public Finance Management Act, 1, 1999 (PFMA). These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below. The Entity has not applied any transitional provisions during the current period.

1.1 PRESENTATION CURRENCY

These Financial Statements are presented in South African Rand, which is the functional currency of the Entity.

1.2 GOING CONCERN ASSUMPTION

Management is not aware of any matters or circumstances arising since the end of the financial year that were otherwise not dealt with in the Financial Statements, which significantly affect the financial position of the Entity or the results of its operations. These Financial Statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Estimates

The preparation of financial information requires the use of estimates and assumptions about future conditions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management has made the following accounting estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including trade values and retail values together with economic factors such as interest rates.

Impairment of Trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining the value of doubtful debts, the Entity estimates future expected cash flows arising from those receivables which, in its judgement, are impaired.

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Financial Statements for the year ended March 31, 2017

Accounting Policies

Useful lives and residual values of property, plant and equipment (PPE)

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. Reassessments of useful lives and residual values are performed annually after considering factors such as the condition of the asset, maintenance programmes, relevant market information and manner of recovery. In re-assessing residual values, the Entity considers the remaining life of the asset and its projected disposal value.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Significant judgements

In the process of applying the accounting policies of the Entity, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Impairment of Trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining whether trade and other receivables are impaired, the Entity makes judgements as to whether there is objective evidence of impairment as a result of one or more loss event.

Classification of leases

The Entity has entered into lease agreements acting as both a lessor and lessee. The Entity uses judgement to determine, based on the evaluation of the terms and conditions of lease agreements, the appropriate treatment of the leases as either finance leases or operating leases.

Contingent liabilities

The existence of the obligation arising from legal claims against the Entity may only be determined through the outcome of legal proceedings. Management applies its judgement in determining whether a present obligation exists, therefore whether these claims should be recognised as provisions or disclosed as contingent liabilities.

Cash- and non-cash generating assets

Management has applied its judgement in determining that all the entity's assets are cash generating. The entity is required to sustain itself financially and all assets are employed in generating enough profit and cash flow to remain self-sustained.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others or for administrative purposes are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Initial recognition and measurement

Property, plant and equipment is initially measured at cost on its acquisition date.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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Financial Statements for the year ended March 31, 2017

Accounting Policies

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the expenditure will flow to the Entity and the cost or fair value of the subsequent expenditure can be reliably measured.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Depreciation commences when the asset is available for use. The residual value, useful life and depreciation method for each asset are reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Item	Depreciation method	Average useful life
Machinery and tools	Straight line	5 Years
Furniture and office equipment	Straight line	5 - 25 years
Motor vehicles	Straight line	
• Motor vehicles- passenger		7 years
• Motor vehicles - commercial		11 years
Computer equipment	Straight line	3 - 6 years
Leasehold improvements	Straight line	20 - 30 years
Leased assets	Straight line	Lease term
Assets under construction	Straight line	Not depreciated

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Assets capitalised under finance lease are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the Entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the Entity will obtain ownership by the end of the lease term.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gains or losses arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

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Financial Statements for the year ended March 31, 2017

Accounting Policies

1.5 INTANGIBLE ASSETS

Initial recognition and measurement

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets.

Intangible assets are initially recognised at cost. The cost of intangible assets is the purchase price of the software purchased and any installation costs incurred.

Subsequent measurement

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the intangible asset's useful life, which is estimated to be between 2 - 9 years. Amortisation commences when the intangible asset is available for use. The estimated useful life, residual values and amortisation method are reviewed at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate.

Derecognition

Intangible assets are derecognised when the software is replaced or no longer used. The gain or loss arising on the disposal or retirement of an intangible asset is recognised in the Statement of Financial Performance.

1.6 FINANCIAL INSTRUMENTS

A financial asset is any asset that is a cash or contractual right to receive cash or other financial asset. A financial liability is a contractual obligation to deliver cash or another financial asset to another Entity.

The Entity has the following types of financial assets:

- Receivables from exchange transactions
- Cash and cash equivalents
- Finance lease receivable

The Entity has the following types of financial liabilities:

- Payables from exchange transactions
- Finance lease obligation

The financial assets and liabilities of the Entity have all been classified as carried at amortised cost.

Initial recognition and measurement

Financial instruments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are recognised when the Entity becomes a party to the contract.

Subsequent measurement

Trade and other receivables from exchange transactions

Trade and other receivables are stated at amortised cost using the effective interest rate method, less provision for impairment. Trade and other receivables are assessed for indicators of impairment at each reporting date. Trade and other receivables are impaired where objective evidence of impairment exists, either individually or collectively for receivables that are not individually significant. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

If in the subsequent year the amount of the estimated impairment loss increases or decreases the previously recognised impairment provision will be increased or reduced.

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost using the effective interest rate method. Cash and cash equivalents comprise cash at banks and short-term deposits.

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1.7 FINANCIAL INSTRUMENTS (CONTINUED)

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method.

Derecognition

The Entity derecognises financial assets, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- the contractual right to the cash flows from the financial asset expire, are settled or waived;
- the Entity transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the Entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Derecognition thus occurs when trade and other receivables are settled by the client, when cash balances are withdrawn from the bank or disbursed.

The Entity derecognises financial liabilities when the obligation under the liability is discharged or cancelled or expires. Derecognition thus occurs when the liability has been paid.

1.8 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessor

Amounts due from lessees under finance leases are recorded as receivables at commencement of the lease, and measured at the amount of Entity's net investment in the leases.

The Entity recognises gains or losses arising from the sale in terms of the finance lease at inception of the lease. The gain or loss is determined by the difference between the net investment in the lease and the carrying value of the vehicle. The gain or loss is included in surplus or deficit.

During the lease term, finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases. The accounting policy for impairment of trade and other receivables is also applied to impairment of the net investment in lease receivable.

The accounting policy for derecognition of trade and other receivables is also applied to derecognition of the net investment in lease receivable. At the end of the lease term, the Entity recognises the unguaranteed residual value of the leased vehicle as part of property plant and equipment. If at the end of the lease term the lessee is still in possession of the leased vehicle, the lease is then accounted for as month-to-month lease contract.

Finance leases – lessee

Where the Entity enters into a finance lease, assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment.

Corresponding liabilities are included in the Statement of Financial Position as finance lease liabilities. Lease payments are allocated between the lease finance cost and the capital repayment. The finance charge is allocated to each period during the lease term so as to achieve a constant rate of interest on the outstanding liability. The accounting policy for derecognition of trade and other payables is also applied to derecognition of the finance lease payable.

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1.8 LEASES (CONTINUED)

Operating leases – lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The Entity does not include lease rental escalation clauses in the agreements. Revenue for operating leases is disclosed under revenue from exchange transactions in the Statement of Financial Performance. Costs, including depreciation, incurred in earning the lease revenue are recognised as an expense. Revenue related to fleet management services is recognised as the service is rendered.

1.9 INVENTORIES

Inventory comprises of items of property, plant and equipment that was previously held for rental. Inventories are recognised at the carrying amount of the item of property, plant and equipment when management decide to sell it.

Inventory write downs to net realisable value and all losses of inventories are recognised as an expense in the period the write down or the loss occurs. Reversals of write downs of inventories arising from an increase in net realisable are recognised as a reduction in the inventories recognised as an expense in the period the reversal occurs.

When inventories are sold the carrying amount is recognised as an expense in the period the related revenue is recognised.

1.10 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the Entity with the primary objective of generating a commercial return. The Entity assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exist, or when annual impairment testing for assets is required, the Entity estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value used, is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The reversal of the loss is recognised as part of the surplus or deficit in the Statement of Financial Position.

1.11 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an Entity in exchange for service rendered by employees.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits includes:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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1.11 EMPLOYEE BENEFITS (CONTINUED)

When an employee has rendered service to the Entity during a reporting period, the Entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The Entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Entity recognises the expected cost of bonus, incentive and performance related payments when the Entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Entity has no realistic alternative but to make the payments.

1.12 COMMITMENTS

Commitments are disclosed for contracts that are entered into before the reporting date, but goods and services have not yet been received.

1.13 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Conditional grants

Revenue from non-exchange transactions refers to transactions where the Entity received revenue from another Entity without directly giving approximately equal value in exchange. The Entity receives conditional grants from a client in order to fund the purchase of vehicles for its officials. The grants received are recognised as cash and a corresponding liability. These grants are conditional upon the purchase of these vehicles and are recognised as revenue once the vehicles are purchased. The grants are measured at the fair value of the consideration received.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue comprises the fair value received of the consideration received or receivable for the sale of goods and services in the ordinary course of the Entity's activities.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and when specific criteria have been met for each of the Entity's activities as described below.

Revenue from auction of vehicles

All revenue from the sale of goods arises from the sale of vehicles previously leased to clients. All vehicles are sold via auction. Revenue from the sale of vehicles is recognised once the appointed auctioneers have provided evidence that the vehicle was sold on auction, provided the price at which the vehicle was auctioned. Revenue is measured at the price determined on auction.

Kilometre tariffs

Revenue from excess kilometres (kilometres in excess of the contracted kilometres) is charged as the excess kilometre are travelled.

Income from other services relating to leases

For lease arrangements, a portion of the payments made by clients are for providing services ancillary to the lease, such as administration and tracking the vehicle. These payments are recognised on a straight-line basis over the term of the lease.

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1.14 REVENUE FROM EXCHANGE TRANSACTIONS (CONTINUED)

Transport services to government employees

The entity earns revenue from providing transport services to government employees from other Government Departments impacted by the relocation of Provincial Governments from Pretoria to Johannesburg after the 1994 elections. Transport service revenue is recognised once a trip is completed.

Interest

Interest from bank accounts is recognised using the effective interest method.

Interest on finance lease receivables is recognised from commencement of the lease until the finance lease is settled, based on the interest rate implicit in the lease as determined at inception of the lease.

Recoveries from clients

Toll, fuel, oil, accident and traffic fine revenue is a direct charge and recoverable from the clients. This revenue is recognised when the client incurs the cost.

1.15 FINANCE COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

1.16 COMPARATIVE FIGURES

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. Prior period comparative amounts have also been restated for all prior period errors. The nature, amounts and reasons for the restatements and reclassifications are disclosed.

1.17 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

1.18 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including –

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense or a assets in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. Irregular expenditure is disclosed in the notes to the financial statements and removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

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1.19 RELATED PARTIES

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.20 EVENTS AFTER THE REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. All non-adjusting event are disclosed in the notes to the financial statements.

1.21 STANDARDS OF GRAP APPROVED BUT NOT YET EFFECTIVE

Entities are required to apply the standards of GRAP where the Minister has determined the effective date. The following Standards of GRAP have been issued but are not yet required to be applied by the Entity as the Minister of Finance has not yet determined the effective date for them:

GRAP 109: Accounting by Principles and Agents

GRAP 109 outlines the principles in to be used by determining whether the entity is party to a principal/agent arrangement and whether it is the principal or agent in that arrangement. The Standard will require g-FleeT to consider all its relationships in light of the principles contained in the Standard and evaluate whether it accounts for transactions appropriately.

iGRAP 17 Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset.

iGRAP 17 prescribes the treatment of grantors in a service concession arrangement. g-FleeT is not a party to a service concession arrangement, therefore this Standard will not have an impact on the g-FleeT financial statements.

1.22 STANDARDS OF GRAP APPROVED BUT NOT REQUIRED TO BE APPLIED BY THE ENTITY

GRAP 105 Transfers of Functions Between Entities Under Common Control and GRAP 106 Transfers of Functions Between Entities Not Under Common Control

GRAP 105 and 106 prescribe the accounting treatment for a transfer of functions. g-FleeT does not anticipate that it will be a party to a transfer of functions in the near future, therefore these Standards will not have an impact on the g-FleeT financial statements.

GRAP 107 Mergers

GRAP 107 prescribes the accounting treatment for mergers. g-FleeT does not anticipate that it will be a party to a merger in the near future, therefore this Standard will not have an impact on the g-FleeT financial statements.

GRAP 18 Segment Reporting

GRAP 18 would require the Entity to identify different segments into which it is divided and disclose certain financial information for each identified segment. g-FleeT anticipates that once the Standard becomes effective, it will be required to make segment disclosures in addition to all the disclosures in the current financial statements. The Entity will apply GRAP 18 in the year in which it is required to, according to the effective date that will be announced by the Minister of Finance

GRAP 108 Statutory Receivables

GRAP 108 prescribes the accounting treatment of statutory receivables. g-FleeT does not have any statutory receivables, therefore this Standard will not have an impact on the g-FleeT financial statements

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	2017	2016
	'000	Restated* '000
2. Correction of error		
The following prior period errors were identified during the year		
Error 1: Assets held under finance lease arrangements		
The finance lease payables and the related items of PPE contained errors including the incorrect depreciation charge for various assets, incorrect interest rates implicit in the lease and incorrect amortisation of lease payables. The impact of correcting the error is as follows:		
Statement of Net assets		
Increase in opening balance accumulated surplus		(5 387)
Statement of Financial Position: Non-current liabilities		
Decrease in non-current finance lease obligations		7 305
Statement of financial performance		
Decrease in finance costs		(2 070)
Increase in general expenses		120
Decrease in depreciation		(681)
		(2 631)
Statement of Financial Position: Non-current assets		
Increase in property, plant and equipment		624
Statement of Financial Position: Current liabilities		
Decrease in current finance lease obligations		89
Error 2: Depreciation error on leasehold improvements		
Leasehold improvements have a useful life of 20 - 30 years depending on the nature of the assets. During 2015/16, all leasehold improvements were depreciated using a useful life of 30 years. The impact of correcting the error is as follows:		
Statement of financial performance		
Increase in depreciation expense		687
Statement of financial position: Non-current assets		
Decrease in property, plant and equipment		(697)
Statement of financial position: Net assets		
Decrease in opening balance accumulated surplus		10

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	'000	'000

Error 3: Incorrect processing of property, plant and equipment adjustments

During 2015/16, work was performed in order to correct the fixed asset register, but some errors were made processing the journal entries for the corrections and in presenting the Property, plant and equipment note. The impact of correcting the error is as follows:

Statement of financial performance

Increase in vehicle expenses	292
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Statement of financial position: Non-current assets

Decrease in property, plant and equipment	(292)
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Error 4: Incorrect processing of revenue adjustments

During the 2015/16 year-end process, work was performed to correct historical billings and journal entries were processed to correct historical revenue and the debtors balance. The debtors balance contained a number of invalid entries which were not reconciled or tested for recoverability or validity at the 2015/16 year-end. These entries were inspected during 2016/17 and a number of them were found to be invalid. The impact of correcting the error is as follows:

Statement of Financial Performance

Decrease in debt impairment reversal	21 176
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Increase in Basic salaries expense	46
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Decrease in revenue from leases	1 779
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23 001

Statement of Financial Position: Current liabilities

Decrease in trade receivables	(29 542)
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Statement of net assets

Heading

Decrease in opening balance accumulated surplus	6 541
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Error 5 - Incorrect processing of audit adjustments - Inventory

During 2015/2016, work was performed in order to correct the inventory register, but some errors were made processing the journal entries for the corrections and in presenting the inventory note.

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	2017	2016
	'000	Restated* '000
Statement of financial performance		
Decrease in cost of sales		(1 129)
Statement of financial position: Current Assets		
Increase in inventory		1 129
Error 6: Incomplete accruals		
During 2016/17 financial year the accruals and expenses relating to software costs were not complete. The impact of recognising the expenses is as follows:		
Statement of financial position: Current Liabilities		
Increase Trade Payables		(781)
Statement of financial performance		
Increase in Software expenses		781
Error 7: Sold vehicles included in finance lease receivable		
Vehicles that were sold as at the end of the 2014/15 and 2015/16 years respectively were incorrectly included in finance lease receivables for these years. The impact of correcting the errors is as follows:		
Statement of net assets		
Decrease in opening balance accumulated surplus		3
Statement of financial position: Non-Current Assets		
Decrease in non-current finance lease receivables		(1 765)
Statement of financial position: Current Assets		
Statement of financial performance		
Increase in cost of sales		1 762

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	2017	2016
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	'000	'000

Error 8: Revenue not adjusted for cut off and overbilled

In the current financial period vehicles that were not billed in prior years were billed however the revenue relating to those prior periods was allocated to the current year. The impact of correcting the error is as follows:

Statement of net assets

Accumulated Surplus		49 993
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Statement of financial position: Current Assets

Receivables		(38 995)
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Statement of financial performance

Revenue		(10 999)
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3. Inventories

Vehicles held for sale	14 748	9 147
	14 748	9 147
Inventories (write-downs)	(1 245)	(617)
	13 503	8 530

Carrying value of inventories carried at net realisable value	5 280	14
Inventories recognised as part of cost of sales during the year	64 664	105 785

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4. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Machinery and Tools	93	(63)	30	93	(56)	37
Furniture and fixtures	12 808	(4 472)	8 336	11 084	(3 390)	7 694
Motor vehicles	1 445 185	(353 672)	1 091 513	1 365 229	(316 755)	1 048 474
Leasehold improvements	62 308	(8 972)	53 336	62 139	(6 212)	55 927
Assets under construction - WIP	74 774	(5 271)	69 503	73 692	(5 271)	68 421
Leased Property	14 647	(1 627)	13 020	14 647	(1 480)	13 167
Leased machinery and cellphones	14 079	(12 964)	1 115	12 976	(11 717)	1 259
Total	1 623 894	(387 041)	1 236 853	1 539 860	(344 881)	1 194 979

Reconciliation of property, plant and equipment – 31 March 2017

	Opening balance	Additions	Transfers to other institutions	Disposal on finance lease arrangement	Net transfers (to)/from inventory	Vehicle losses	Depreciation	Total
Machinery and Tools	37	-	-	-	-	-	(7)	30
Furniture and fixtures	7 694	1 723	-	-	-	-	(1 081)	8 336
Motor vehicles	1 048 474	226 065	(171)	(4 000)	(70 865)	(4 070)	(103 920)	1 091 513
Leasehold improvements	55 927	169	-	-	-	-	(2 760)	53 336
Assets under construction - WIP	68 421	1 082	-	-	-	-	-	69 503
Leased Property	13 167	-	-	-	-	-	(147)	13 020
Leased machinery and cellphones	1 259	1 310	-	-	-	-	(1 454)	1 115
Total	1 194 979	230 349	(171)	(4 000)	(70 865)	(4 070)	(109 369)	1 236 853

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Figures in Rand thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposal on finance lease arrangement	Transfers to other institutions	Net transfers (to)/from inventory	Depreciation	Stolen assets	Total
Plant and machinery	37	-	-	-	-	-	-	37
Furniture and fixtures	8 005	555	-	-	-	(866)	-	7 694
Motor vehicles	905 565	313 024	(678)	(1 784)	(80 298)	(87 072)	(283)	1 048 474
Leasehold improvements	58 696	-	-	-	-	(2 769)	-	55 927
Other property, plant and equipment	63 118	5 303	-	-	-	-	-	68 421
Leased Property	13 316	-	-	-	-	(149)	-	13 167
Leased machinery and cellphones	5 413	159	-	-	-	(4 313)	-	1 259
	1 054 150	319 041	(678)	(1 784)	(80 298)	(95 169)	(283)	1 194 979

Pledged as security

The entity has not pledged any property, plant and equipment as security for liabilities except for leased property plant and equipment. The leased assets are used as security for their related finance lease obligation

Assets under construction -WIP

The total accumulated expense recognised for assets under construction relates to buildings.

Construction of assets with a carrying value of R 69 026 (2016: R 68 421) was halted, except for minor deliveries made in 2016, as result of legal claims instituted against the entity. In 2015 an impairment of R 5 271 was recognised, subsequently no further impairment has been recognised as there are no indicators of a possible impairment.

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	2017	2016
		Restated*
	'000	'000

5. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 475	(546)	1 929	620	(522)	98

Reconciliation of intangible assets – 2017

	Opening balance	Additions	Amortisation	Total
Computer software	98	1 855	(24)	1 929

Reconciliation of intangible assets – 2016

	Opening balance	Amortisation	Total
Computer software	123	(25)	98

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	2017	2016
	'000	Restated* '000
6. Finance lease receivables		
Gross investment in the lease due		
– within one year	12 345	26 408
– in second to fifth year inclusive	20 397	16 216
	32 742	42 624
less: Unearned finance revenue	(11 551)	(7 345)
Present value of minimum lease payments receivable	21 191	35 279
less: allowance for uncollectible minimum lease payments	(5 552)	(9 936)
	15 639	25 343
Present value of minimum lease payments due	3 935	13 140
– within one year		
– in second to fifth year inclusive	11 604	12 203
	15 539	25 343
The Entity entered into finance leasing arrangements for certain of its motor vehicles.		
The average lease term is 4.5 years and the average effective lending rate is 3%.		
None of the finance lease receivables have been pledged as security for liabilities or contingent liabilities.		
Finance lease receivables impaired		
Reconciliation of provision for impairment		
Opening balance	9 936	7 785
Provision for impairment	(4 384)	2 151
	5 552	9 936

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	2017	2016
	'000	Restated* '000
7. Receivables from exchange transactions		
Trade receivables	167 823	113 530
Other receivables - Revenue from auction of vehicles	25 873	30 036
Other debtors - Traffic fines and accident claims	11 550	6 499
	205 246	150 065

Balance as at 31 March 2017:

	Gross Balance	Impairment provision	Net balance
Trade Receivables	269 904	(102 081)	167 823
Other receivables - Revenue from auction of vehicles	25 873	-	25 873
Other debtors - Traffic fines and accident claims	13 577	(2 027)	11 550
	309 354	(104 108)	205 246

Balances as at 31 March 2016:

	Gross Balance	Impairment provision	Net balance
Trade Receivables	224 838	(111 308)	113 530
Other receivables - Revenue from auction of vehicles	30 036	-	30 036
Other debtors - Traffic fines and accident claims	8 526	(2 027)	6 499
	263 400	(113 335)	150 065

g-Fleet's fundamental objective (and mandate) is focused toward servicing all Government Departments within South Africa. As a result all receivables are due from Provincial and National Departments, including Public Entities and Municipalities respectively.

The ageing of amounts past due but not impaired is as follows:

31 to 60 days	23 260	27 641
61 to 90 days	15 524	17 745
91 to 120 days	52 264	15 470
Greater than 120 days	123 661	83 963
	214 709	144 819

Reconciliation of provision for impairment of trade and other receivables from exchange transactions

Opening balance	113 335	120 387
Provision for impairment - refer to note 15	(9 227)	(7 052)
	104 108	113 335

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	2017	2016
		Restated*
	'000	'000

8. Prepayments

During the prior period the entity made prepayments to the Department of Roads and Transport relating to registration of vehicles and renewal of vehicle licenses and to Sanral for e-toll costs.

Prepayments	3 503	1 230
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9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4	4
Bank balances	743 162	514 335
	743 166	514 339

10. Finance lease obligation

Non-current liabilities	15 048	14 711
Current liabilities	600	1 445
	15 648	16 156

As at 31 March 2017

	Minumum lease payments	Future finance charged	Present value of minimum lease payments
Within One Year	1 876	(1 276)	600
Within Two To Five Years	5 230	(4 817)	413
Later Than Five Years	99 600	(84 965)	14 635
Subtotal	106 706	(91 058)	15 648
Less: Amount Due Within One Year	(1 876)	1 276	(600)
	104 830	(89 782)	15 048

As at 31 March 2016

	Minumum lease payments	Future finance charged	Present value of minimum lease payments
Within One Year	2 675	(1 230)	1 445
Within Two To Five Years	4 874	(4 800)	74
Later Than Five Years	100 800	(86 163)	14 637
Subtotal	108 349	(92 193)	16 156
Less: Amount Due Within One Year	(2 675)	1 230	(1 445)
	105 674	(90 963)	14 711

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	2017	2016
		Restated*
	'000	'000

The lease periods of agreements entered into by g-Fleet in the capacity as a lessee ranges from 2 to 99 years. Interest rates vary per lease agreement. The finance lease obligations, are secured by finance lease assets included in Property, Plant and Equipment.

11. Long-term leave accrual

As a result of the Bargaining Council's Resolution 7 of 2000, unused leave that had accumulated to employees until 1 July 2000 had to be capped and paid out to them upon resignation or retirement. The long-term leave accrual represents the amounts of capped leave still due to employees who have not yet resigned or retired.

12. Payables from exchange transactions

Trade payables	85 014	60 181
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13. Other payables

Acting CEO – Salary payable to DRT	1 135	-
Performance bonus accrual	353	1 160
Debtors with credit balance	3 361	-
Leave pay accrual	3 940	3 873
Service bonus accrual	1 990	1 647
	10 779	6 680

Performance bonus accrual

Accruals were raised for performance bonuses that are due within the next 12 months.

Leave pay accrual

In terms of the Determination on Leave of Absence in the Public Service employees are entitled to annual leave with full pay during each leave cycle of 12 months, commencing on 1 January of each year. The remaining leave days, if any, must be taken no later than 6 months after the expiry of the relevant leave cycle, where after unused leave credits shall be forfeited.

Service bonus accrual

Accruals were raised for service bonus (13th cheque) and are due within the next 12 months.

Acting CEO Salary

The salary of the acting CEO is paid by DRT, g-Fleet is invoiced by DRT and the payable is due within 12 months.

Debtors with credit balances

The debtors with credit balances at the end of the year have been reclassified to trade payables.

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	2017	2016
	'000	Restated* '000
14. Revenue from Leases		
Services income	7 364	12 074
Operating Lease	605 079	516 639
Toll Fees	5 526	4 907
Fuel and Oil	143 769	142 722
Traffic and Accident claims	5 221	15 413
Gain on Finance lease disposal	248	103
	767 207	691 858
15. Debt Impairment (Reversal)		
Finance lease receivable impairment	4 385	(2 151)
Receivables from exchange transactions impairment	9 227	7 052
	13 612	4 901
16. Interest received		
Interest revenue		
Bank	31 657	17 907
Interest on finance lease receivables	5 840	10 184
	37 497	28 091
17. Realisation of Property Lease Liability		
Realisation of Property Lease Liability	1 200	1 200

During 2009, the then Gauteng Department of Public Transport Roads and Works entered into a rental agreement with the Gauteng Department of Infrastructure and Development on behalf of g-Fleet. In terms of this lease agreement, the monthly rental is R100,000 per month (amounting to a R1,2 million per annum) over the 99 year lease period. The rental agreement does not provide for any inflation, or inflationary adjustments.

The lease agreement further stipulates that the rental fees as paid by g-Fleet, that is in respect of the Entity's Head Office (situated at No.16 Boeing Road East, Bedfordview) should be set off against any expenditure incurred by the Entity relating to leasehold improvements.

The Entity has recognised this contract as a finance lease, therefore accounts for this benefit as revenue from exchange transactions given the improvements that have been effected by g-Fleet.

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	2017	2016
		Restated*
	'000	'000
18. Employee related costs		
Basic Salary	54 986	59 111
Performance Bonus (Reversal)	(90)	600
Medical aid - company contributions	3 106	2 101
Pension	6 357	5 364
Workmen's Compensation Act contribution	17	13
Leave pay accrual	314	814
Other short term costs	131	1 701
Overtime payments	2 057	486
13th Cheques	4 180	2 865
Acting allowances	-	96
Housing benefits and allowances	4 291	4 620
	75 349	77 771
Average number of employees	246	246

Other employee related costs consists of expenditure relating to compensation due to injury on duty and other miscellaneous compensation that may have occurred in the year.

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	2017	2016
	'000	Restated* '000
19. General expenses		
Advertising	515	931
Auditors remuneration	4 856	6 001
Bank charges	21	25
Computer expenses	-	27
Consulting and professional fees	10 759	6 911
Consumables	1 734	1 833
Entertainment	10	58
Conferences and seminars	45	1 665
License fees – software	2 668	1 395
Marketing	-	407
Levies	745	1 218
Motor vehicle expenses	3	293
Fuel and oil	152 247	147 137
Postage and courier	67	129
Printing and stationery	1 322	1 067
Security	3 602	3 714
Subscriptions and membership fees	16	41
Training	462	448
Travel - local	359	1 207
Tracking expenses	13 966	5 899
Vehicle theft and losses	4 467	5
Rental expenses - operating lease	4 282	5 012
Parking costs	-	10
License fees - vehicles	6 211	3 159
Motor vehicle expenses - (RT46 costs)	10 640	16 314
Other expenses	-	21
Inventory write down to net realisable value	1 014	537
	220 011	205 464

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	2017	2016
	'000	Restated* '000
20. Cash generated from operations		
Surplus Adjustments for:	297 599	223 588
Depreciation and amortisation	109 396	95 194
Interest income	(5 840)	(10 186)
Finance costs - Finance lease	1 325	1 539
Debt impairment (Reversal)	(13 612)	(4 901)
Non cash expenses	-	2 068
Realisation of lease property	(1 200)	(1 200)
Gain on finance lease disposal	(248)	-
Inventory write-down to NRV	1 014	-
Vehicle Theft and losses	4 467	-
Changes in working capital:		
Receivables from exchange transactions	(45 954)	84 414
Prepayments	(2 273)	(649)
Cost of sales	64 718	107 547
Payables from exchange transactions	24 829	27 707
Payables from non-exchange transactions	3 231	2 217
	437 452	527 338

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	2017	2016
		Restated*
	'000	'000

21. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	208 051	208 051
Cash and cash equivalents	743 166	743 166
	951 217	951 217

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	85 015	85 015

2016

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	150 056	150 056
Cash and cash equivalents	514 339	514 339
	664 395	664 395

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	60 186	60 186

Liquidity risk

gFleet's exposure to liquidity risk consists of the risk that it will not have sufficient cash to pay liabilities as they fall due. gFleet manages liquidity risk so as to maintain a positive cash balance.

The total exposure to liquidity risk is represented by the trade and other payables and finance lease payable balance in these financial statements.

The entity manages liquidity risk through an ongoing review of future commitments. Through this review, the Entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses. The table below analyses the Entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual date. The amounts disclosed in the table are the contractual undiscounted cash flows. The maturity profile for finance lease maturity payables is disclosed in the finance lease obligations note.

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Notes to the Financial Statements

	2017	2016
		Restated*
	'000	'000
21. Financial instruments disclosure (continued)		
Maturity of financial liabilities - 2017		
	Due within 1 month	Due within 2 - 12 months
Payables from exchange transactions	83 345	-
Maturity of financial liabilities - 2016		
	Due within 1 month	Due within 2 - 12 months
Payables from exchange transactions	60 181	-

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers its credit risk minimised as the entity only hold cash with major banks with high quality credit standing and trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are neither past due nor impaired are thus considered to be recoverable, although recovery may not be within the contractually agreed timeframes. The entity continues to render services to its defaulting customers so as to ensure government service delivery is not impeded by its clients.

gFleet establishes an impairment that represents its estimate of potential losses in respect of trade receivables. Further credit risk information is provided in the notes for receivables from exchange transactions and finance lease receivables.

Interest rate risk

The Entity is not entitled to charge interest on overdue debtors. The interest arising from finance lease receivables and payables arises from the interest rate implicit in leases and is not affected by market interest rates. Thus, the entity's exposure to cash flow interest rate risk arises if it is required to pay interest on overdue trade and other payables. The extent of this risk amounts to market interest rates applied to the trade and other payables balance.

The Entity has a policy of paying suppliers within 30 days of the invoice date and interest rate risk exposure is managed through adherence to this policy.

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Notes to the Financial Statements

	2017	2016
	'000	Restated* '000
22. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Infrastructure	6 551	1 268
Consulting fees	213	6 354
	6 764	7 622
Authorised operational expenditure		
Already contracted for but not provided for		
Open orders for goods and service	2 589	4 511
Open orders for vehicles	19 556	59 645
Consulting fees	3 516	1 838
	25 661	65 994
Total commitments		
Total commitments		
Authorised capital expenditure	6 764	7 622
Authorised operational expenditure	25 661	65 994
	32 425	73 616

23. Contingencies

Litigation:

Barloworld, Mbokoda and Imphopoma have all instituted legal claims against g-Fleet seeking damages.

Accident claims relate to the claims that have been instituted against g-Fleet in court, for damages caused to third-party vehicles by State drivers using g-fleet vehicles. The counter-claims instituted by g-Fleet in respect of these claims amounts to R298,136 (2016: R175,922). These counter claims are considered to be contingent assets.

The amounts below represent the Entity's best estimate of the expected cash outflows that will arise from these legal cases and accident claims.

Contingent liabilities consists of:

Barloworld - Contract claim for outstanding invoices and accidents damages	1 000	1 000
Mbokoda - Application for: 1 Lien on Property, 2. Interdict to proceed with affected construction on g-Fleet's site and 3. Payments of various claims, by the relevant sub-contractors.	3 484	3 484
Housing Guarantees	42	42
Kgafela Construction - Claim for breach of contract	128	300
Third-party accident claims	2 757	2 606
	7 411	7 432

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	2017	2016
		Restated*
	'000	'000

Figures in Rand thousand

24. Related parties

All transactions with related parties are within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which the Entity would have adopted if dealing with that individual entity or person on terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

25. Members' emoluments

Executive

2017

	Basic Salary	13th Cheque	Pension paid or receivable	Other benefits	Total
Mr. Victor Mhangwana	753	-	98	225	1 076
Ms. Andile Ngcobo	553	47	72	251	923
Ms. Salomi Jafta	502	47	65	228	842
Ms. Ravanne Mathews	578	48	75	262	963
Mr. Thulani Mkwana (Transferred 15/03/2017)	553	47	72	251	923
Ms Noxolo Maninjwa - Acting from 01/10/2015	884	75	115	577	1 651
Mr Mongoeng Mathabathe (1 August 2016)	188	46	24	94	352
	4 011	310	521	1 888	6 730

2016

	Basic Salary	13th Cheque	Pension paid or receivable	Other benefits	Total
Mr. Chikane Chikane- Transferred 30/09/2015	485	-	63	123	671
Ms. Natalie Govender - Transferred 30/09/2015	393	-	51	117	561
Mr. Victor Mhangwana	730	-	95	218	1 043
Mr. Sishi Hlalanathi - Resigned 31/01/2016	407	46	53	205	711
Ms. Tebogo Mokete	550	46	72	249	917
Ms. Andile Ngcobo	519	43	67	235	864
Ms. Salomi Jafta	519	43	67	235	864
Ms. Ravanne Mathews	542	45	70	246	903
Mr. Thulani Mkwana	526	44	68	239	877
Ms. Noxolo Maninjwa - Acting from 01/10/2015	515	9	67	259	850
	5 186	276	673	2 126	8 261

The CFO office is held by a consultant, the cost relating to CFO is disclosed as part of the consultants costs. Refer to note 19.

g-FleeT Management

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	2017	2016
		Restated*
	'000	'000

Figures in Rand thousand

26. Events after the reporting date

There are no subsequent events to be reported upon.

27. Fruitless and wasteful expenditure

Opening Balance	14 499	12 532
Fruitless and wasteful expenditure - relating to the current year	-	1 959
Cedman Consulting and Projects	-	8
Prior period unauthorised petrol card use discovered in current period	340	-
Current period unauthorized petrol card use	926	-
Current period interest charges	1 489	-
Current period vehicle write-off resulting from unauthorized vehicle use	194	-
Current period fruitless rental expense	300	-
	17 748	14 499

Fruitless and wasteful expenditure relates to interest incurred on overdue accounts and expenditure incurred due to unauthorized use of petrol cards and motor vehicles. The change in the accounting system used by the Entity has resulted in a delays in the settlement of accounts by g-FleeT, resulting in interest incurred. The matter has been looked into and is being remedied.

An investigation is underway and legal processes have been undertaken as a form of remediation against the individuals responsible for the unauthorized use of the Entity's petrol cards and motor vehicles.

The fruitless rental expenditure relates to premises being rented but not used. This is under investigation.

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	2017	2016
	'000	Restated* '000
28. Irregular expenditure		
Opening balance	42 691	47 530
Add: Irregular Expenditure – current year	17 114	2 565
Less: Amounts condoned	-	(7 404)
	59 805	42 691
Analysis of expenditure awaiting condonation per age classification		
Current year	17 114	2 565
Prior years	42 691	40 126
	59 805	42 691
Details of irregular expenditure – current year	Disciplinary steps taken/ criminal proceedings	
Expired property lease contract	Under investigation	1 505
Expired vehicle tracker contracts	Under investigation	10 665
Expired office equipment contract	Under investigation	291
Expired contracts for PABX charges	Under investigation	224
Expired cleaning services contract	Under investigation	1 198
Expired carpark lease contract	Under investigation	109
Expired security contract	Under investigation	3 122
		17 114
29. Other income		
Revenue from Transport Income	1 618	1 556
Sundry Income	112	-
	1 730	1 556
30. Finance costs		
Late payment of suppliers	1 489	-
Finance leases	1 325	1 539
	2 814	1 539

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PR216/2017
ISBN: 978-0-621-45631-8