

Annual Report 2012/2013

CONTENTS

01

PART A: GENERAL

INFORMATION

3

1. DEPARTMENT GENERAL INFORMATION	4
2. LIST OF ABBREVIATIONS/ACRONYMS	5
3. STRATEGIC OVERVIEW	7
3.1. Vision	7
3.2. Mission	7
3.3. Values	7
3.4. Strategic outcome oriented goals	7
4. LEGISLATIVE AND OTHER MANDATES	8
5. ORGANISATIONAL STRUCTURE	9
6. ENTITIES REPORTING TO THE MEC	10
7. FOREWORD BY THE MEC	12
8. OVERVIEW OF THE ACCOUNTING OFFICER	14

02

PART B: PERFORMANCE

INFORMATION

17

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION	18
2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	19
3. OVERVIEW OF DEPARTMENTAL PERFORMANCE	20
3.1. Service Delivery Environment for 2012/13	20
3.2. Service Delivery Improvement Plan	20
3.3. Organisational environment for 2012/13	22
3.4. Key policy developments and legislative changes	23
4. STRATEGIC OUTCOME ORIENTED GOALS	28
5. Performance information by programme	53
5.1. Programme 1: Administration	53
5.2. Programme 2: Transport Infrastructure	56
5.3. Programme 3: Transport Operations	66
5.4. Programme 4: Transport Regulation	71
6. SUMMARY OF FINANCIAL INFORMATION	81
6.1. Departmental receipts	81
6.2. Programme Expenditure	82
6.3. Public Entities	83
6.4. Capital investment, maintenance and asset management plan	84

3

PART C: GOVERNANCE

87

1. INTRODUCTION	88
2. RISK MANAGEMENT	88
3. FRAUD AND CORRUPTION	88
4. MINIMISING CONFLICT OF INTEREST	88
5. CODE OF CONDUCT	89
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	89
7. INTERNAL CONTROL UNIT	89
8. AUDIT COMMITTEE REPORT	90

4

PART D: HUMAN RESOURCE

MANAGEMENT

93

1. LEGISLATURE THAT GOVERN HR MANAGEMENT	94
2. INTRODUCTION	94
3. HUMAN RESOURCE OVERSIGHT STATISTICS	96
3.1. Personnel related expenditure	96
3.2. Employment and Vacancies	99
3.3. Job Evaluation	103
3.4. Employment Changes	105
3.5. Employment Equity	111
3.6. Performance Rewards	115
3.7. Foreign Workers	119
3.8. Leave utilisation	120
3.9. HIV/AIDS & Health Promotion Programmes	122
3.10. Labour Relations	124
3.11. Skills development	125
3.12. Injury on duty	127
3.13. Utilisation of Consultants	128

5

PART E: FINANCIAL

INFORMATION

135

6

g-FleeT MANAGEMENT

219



PART A:

GENERAL INFORMATION





1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:	41 Simmonds Street Johannesburg 2000
POSTAL ADDRESS:	Private Bag X83 Marshalltown 2107
TELEPHONE NUMBER/S:	+27 11 355 7000
FAX NUMBER:	+27 11 355 7305
EMAIL ADDRESS:	CommunicationsGPDRT@gauteng.gov.za
WEBSITE ADDRESS :	www.roadsandtransport.gpg.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training	GCRA	Gauteng City Region Academy
AG	Auditor General	GDRT	Gauteng Department of Roads and Transport
BAS	Basic Accounting System	GDARD	Gauteng Department of Agriculture and Rural Development
BBBEE	Broad Based Black Economic Empowerment	GFIP	Gauteng Framework for Infrastructure Planning
BRT	Bus Rapid Transit	GPG	Gauteng Provincial Government
CEO	Chief Executive Officer	GTI	Gauteng Transport Infrastructure
CFO	Chief Financial Officer	GTIP5	Five Year Gauteng Transport Implementation Plan
CoJ	City of Johannesburg	HAST	HIV, AIDS, STIs and Tuberculosis
CoT	City of Tshwane	HCT	HIV Counselling and Testing
CRM	Customer Relations Management	HDI	Historically Disadvantaged Individuals
CS	Corporate Support	HIV/AIDS	Human Immuno Deficiency Virus / Acquired Immuno Deficiency Syndrome
CSIR	Council for Scientific and Industrial Research	HOD	Head of Department
DDG	Deputy Director-General	HR	Human Resource
DEA	Department of Environmental Affairs	ICT	Information and Communication Technology
DHSD	Department of Health and Social Development	IGR	Intergovernmental Relations
DLTCs	Drivers Learners Testing Centres	IPTN	Integrated Public Transport Network
DoH	Department of Health	IRPTN	Integrated Rapid Public Transport Network
DORA	Division of Revenue Act	ISO	International Standards Organisation
DPSA	Department of Public Services and Administration	IT	Information Technology
DRP	Disaster Recovery Plan	ITP	Integrated Transport Plans
EIA	Environmental Impact Assessment	LMV	Light Motor Vehicle
eNaTIS	National Traffic Information System		
EPWP	Expanded Public Works Programme		
EXCO	Executive Council		
FIS	Fleet Information System		



LIST OF ABBREVIATIONS/ACRONYMS

continued

LTPS	Land Transport Permit System	PRASA	Public Rail Association of South Africa
MEC	Member of the Executive Council	PRF	Provincial Revenue Fund
MoA	Memorandum of Agreement	PSBC	Public Service Bargaining Council
MoU	Memorandum of Understanding	PTP	Prioritised Township Project
MTEF	Medium Term Expenditure Framework	PVTC	Private Vehicle Testing Centres
MVLC	Motor Vehicle Licensing Centre	RAMS	Road Asset Management System
MVRA	Motor Vehicle Registration Authority	RIFSA	Road Infrastructure Framework of South Africa
NDOT	National Department of Transport	RMPTS	Road Maintenance Professional Teams
NLTA	National Land Transport Act	SAICE	South African Institute of Civil Engineers
NLTIS	National Land Transport Information System	SANRAL	South African National Roads Agency Limited
NMT	Non-Motorised Transport	SAPO	South African Post Offices
NPTR	National Public Transport Regulatory	SAQA	South African Qualifications Authority
NRTA	National Road Traffic Act	SCM	Supply Chain Management
OLAS	Operating License Administration System	SLA	Service Level Agreement
ORTIA	O.R. Tambo International Airport	SMS	Senior Management System
PALAMA	Public Administration Leadership and Management Agency	SRN	Strategic Road Network
PDI	Previously Disadvantaged Individuals	TETA	Transport Education Training Authority
PDLTCs	Provincial Driver Learner Testing Centres	TOLAB	Transport Operating License Administrative Body
PERSAL	Personnel Salaries	ToR	Terms of References
PFMA	Public Finance Management Act	TRP	Taxi Recapitalisation Project
PMDS	Performance Management Development System	VMS	Vehicle Management Services

3. STRATEGIC OVERVIEW

3.1 Vision

World-class roads and transport infrastructure networks and systems that facilitate seamless mobility of goods and people within Gauteng.

3.2 Mission

To provide environmentally sustainable road infrastructure and integrated transport systems and services that are reliable, accessible, safe and affordable which promotes socio-economic development in Gauteng.

3.3 Values

The Department of Roads and Transport is guided by the following values:

- Good governance
- Responsiveness
- Innovative

- Accountability
- Passion
- Professionalism
- Commitment

3.4 Strategic outcome oriented goals

- To provide a balanced and equitable road network to plan, regulate and facilitate the provision of public and freight transport services.
- To ensure the efficient management and implementation of Gautrain.
- To ensure the availability of overall management and administrative support function.



4. LEGISLATIVE AND OTHER MANDATES

The legislative mandate of the Gauteng Department of Roads and Transport (GDRT) is drawn from Schedule 4 and 5 of the Constitution of the Republic of South Africa (1996) which grants

all provinces with concurrent competencies. The Department's mandate is derived from the following list of National and Provincial laws and policies:

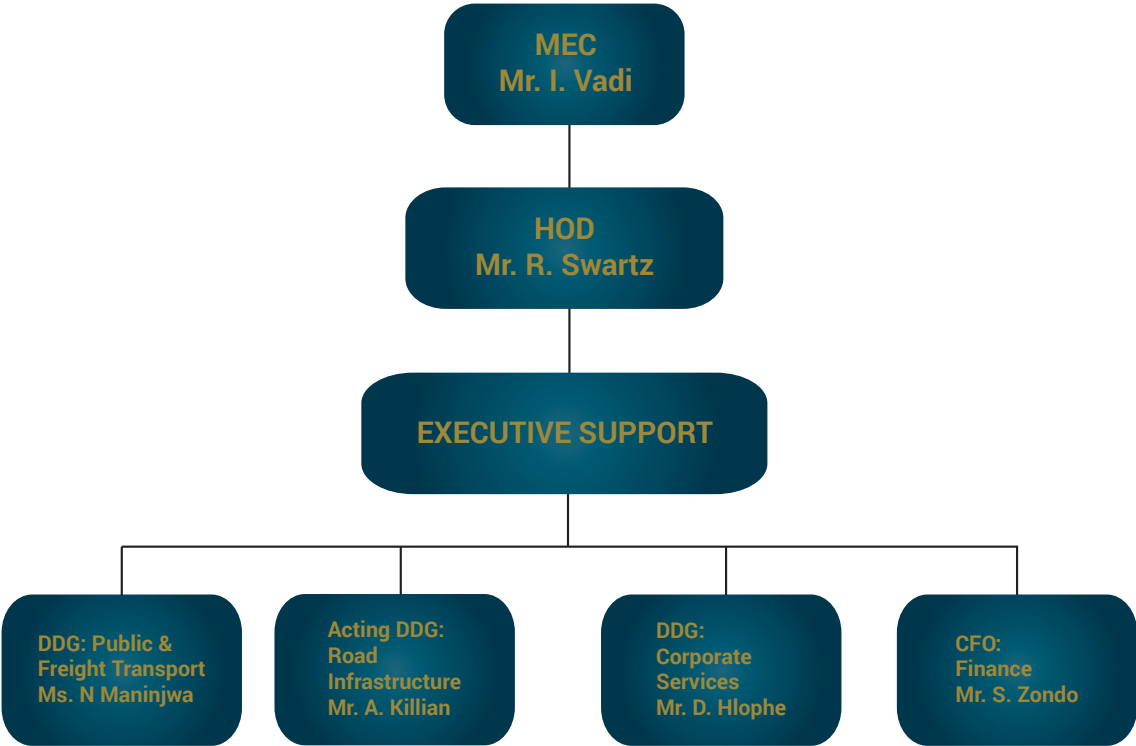
National policy and legislative mandates

Legislation	Act / Policy
Cross-Border Road Transport Act	Act 4 of 1998
Road Traffic Act	Act 29 of 1989
Public Finance Management Act	Act 1 of 1999
Construction Industry Development Board Act	Act 38 of 2000
Environmental Conservation Act	Act 73 of 1989
Road Traffic Management Corporation Act	Act 20 of 1999
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
National Road Traffic Act	Act 93 of 1996
National Road Traffic Safety Act	Act 12 of 1972
Government Immoveable Assets Management Act	Act 19 of 2007
Creating an Enabling Environment for Reconstruction and Development in the Construction Industry	White Paper
National Transport Policy	White Paper
National Land Transport Strategic Framework	
National Land Transport Act	Act 5 of 2009
Planning Professions	Act 2002
Architectural Profession	Act 2000
Built Environment Professions	Act 2000
Construction Industry Development Board	Act 2000
Engineering Profession	Act 2000
Landscape Architectural Profession	Act 2000
National Land Transport Transition	Act 2000
Project and Construction Management	Act 2000
Property Valuers' Profession	Act 2000
Occupational Health and Safety (and particularly the associated construction regulations)	Act 1993
Standards (and particularly the associated National Building Regulations)	Act 1982

Provincial Policy and Legislative Mandates

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

5. Organisational Structure





6. Entities reporting to the MEC

The MEC for Roads and Transport has oversight over two Entities within the Department of Roads and Transport. The first is the Gautrain Management Agency, which was established for the management of the Gautrain Rapid Rail Service. The second is the g-FleeT Management Agency, which is a Trading Account Entity formed for the management of the government fleet services.

Gautrain Management Agency

The MEC for Roads and Transport has oversight of the Gautrain Management Agency (GMA), a schedule 3C public entity. The MEC is the Executive Authority of the GMA and the GMA Board is the Accounting Authority as contemplated in the PFMA. The GMA Board is appointed by the MEC and the Chief Executive Officer reports to the Board on the management of the GMA.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Gautrain Management Agency	Gautrain Management Agency (GMA) has been established in terms of the GMA Act and listed under Schedule 3 (c) of the Public Finance Management Act (PFMA) as a Provincial Public Entity.	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.

NATIONAL POLICY AND LEGISLATIVE MANDATES
<ul style="list-style-type: none">Public Finance Management Act No.1 of 1999National Railway Safety Regulator Act No.16 of 2002National Treasury RegulationsDivision of Revenue Act 5 of 2012Consumer Protection Act No.68 of 2008 Provincial Policy and Legislative MandateGauteng White Paper on Transport PolicyGauteng Transport Framework Revision Act No.8 of 2002Gauteng Transport Infrastructure Act No.8 of 2001Gauteng Legislation on Development PlanningGautrain Management Agency Amendment Act No.6 of 2008Provincial Growth and Development Strategy (PGDS)Gauteng Spatial Development Perspective

g-FleeT Management

g-FleeT Management is a trading entity of the Gauteng Department of Roads and Transport and is under the oversight of the Head of Department

(HoD). The HoD reports to the MEC on the management of the entity, which is managed by the Chief Executive Officer who reports to the HoD.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
g-FleeT Management	Public Finance Management Act (PFMA) Treasury Regulations. Treasury practice notes. Public Service Act. Public Service Regulations. Cabinet Memo of 1988. Transport Circular 4 of 2000. National Road Traffic Act of 1996.	g-FleeT Management is a trading entity of the Department and is 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.



7. FOREWORD BY THE MEC

Dr. Ismail Vadi

MEC of the Department of Roads and Transport

12

This Annual Report reflects on the work of the Department of Roads and Transport for the 2012/2013 financial year. Primarily, it provides a snapshot of the programmes of the Department relating to roads maintenance and construction and public transport, and reports on the Department's annual financial statements to its stakeholders and the public at large.

The National Development Plan rightfully locates transport infrastructure and public transport as key enablers and promoters of social and economic development. We are pleased that the recommendations of the Five-Year Gauteng Transport Implementation Plan (GTIP5), and the proposals incorporated into the 25-Year Integrated Transport Master Plan (ITMP25), are consistent with the overall approach of the National Development Plan. Thoughtful and well-considered medium-term planning is essential for the successful roll-out of road and public transport infrastructure in the Gauteng City-Region (GCR).

The Department is satisfied that it maintained the provincial roads network to acceptable

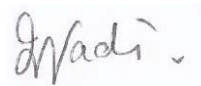
levels through the S'hamba Sonke grant funding, which it gratefully received from the national Department of Transport. The Department also provided intermodal and non-motorized transport facilities to communities in Bophelong, Zandspruit and Ekurhuleni. It successfully completed the construction of roads in Refilwe and Soshanguve as part of our contribution to the development of 20 Priority Townships in Gauteng. Steady progress has been made on the upgrading of R82 near Walkerville - a major arterial route linking Johannesburg and Emfuleni, and the coal haulage road bordering on Cullinan. Equally important is that our freeways have been upgraded in partnership with South African National Roads Agency Limited (SANRAL).

The Department has strengthened its partnerships with the Passenger Rail Agency of South Africa (PRASA), TRANSNET, SANRAL and the Airports Company of South Africa. These relationships are aimed at improving the passenger rail systems; the freight and logistics infrastructure; the provincial roads network, and

the aviation sector in the province. Similarly, we deeply value our friendly and constructive relationships with the metropolitan and municipal authorities, particularly in striving to develop our public transport systems.

Organisationally, the Department is more stable. The Minister of Public Service and Administration had approved its organizational structure and the process of placing staff in the new organisational structure is underway. The Department had also recruited suitably qualified candidates to fill key posts in specific technical and specialist areas relating to road construction and maintenance.

I am pleased that Mr Ronald Swartz has joined the organisation as the new Head of Department. We welcome him to the Department. I would like to thank the former Heads of Department, Mr Mavela Dlamini and Ms Margaret-Anne Diedricks, for their able and professional stewardship over the Department. My gratitude also extends to the Senior Management and staff of the Department for their contributions to deliver on our mandate. I hold their support and commitment to the Department in very high regard. Finally, may I thank all our stakeholders in the roads and transport family for their constructive working relationships and partnerships with the Department.



Dr. I. Vadi

MEC of the Department of Roads and Transport

31 May 2013



8. OVERVIEW OF THE ACCOUNTING OFFICER

14

Mr. Ronald Swartz

HOD of the Department of Roads and Transport

The year 2013 is the penultimate year before the general elections of the fifth democratic government. This requires us to take stock of our overall achievements and also re-energise ourselves to complete the tasks entrusted to us during this term. The Department completed the following major road constructions during the period under review: the R55 Voortrekker Road which was upgraded to a dual carriageway and the upgrade of Cayman Road from gravel to an all-weather surfaced road, and in concluding the 20 Prioritised Township Project (20PTP), Mogo Street, Sekweri and Thulani B were completed. The road maintenance component completed the rehabilitation of the following roads: R25 Bapsfontein to Bronkhortspruit, Ben Schoeman (between Brakfontein and Kgosi Mampuru

(Potgieter) Street in Pretoria), Zithobeni Road in Bronkhorstpruit and the M1 in Johannesburg.

In respect of transport and the need to ensure road safety, the Department opened the Kliptown Drivers Learners Testing Centre (DLTC) at the Walter Sisulu Square of Dedication. This centre offers registration of motor vehicles and driving license testing services. Furthermore, the Executive Committee (EXCO) approved the Gauteng City Region (GCR) Bus Rapid Transit (BRT) strategy, which aims to co-ordinate and integrate transport across the City of Johannesburg, City of Tshwane and Ekurhuleni Metropolitan Municipality through the implementation of key strategic pillars and interventions.

To complete the tasks entrusted to us during this term, the primary focus will be on rolling out the Five-Year Gauteng Transport Implementation Plan (GTIP5) which is the blueprint for the development of key strategic transport imperatives. In this plan, there are 13 priority areas which have been identified and will be implemented. These areas are among others; Gauteng Transport Authority, Integration with the Commuter Rail Corridor Modernisation project of Passenger Rail Agency of South Africa (PRASA), Restructured Subsidised Road-based Public Transport, Transformation of

the Taxi Industry and Greener Public Transport Vehicles Technologies. These initiatives can only be implemented successfully with the involvement of key stakeholders, viz. PRASA, Transnet, South African National Roads Agency Limited (SANRAL), Local Municipalities and public transport industry.

In addition, a cohesive, professional and highly effective management team needs to be built. In this regard, the Department will be changing the current culture that is inherent and leadership presence, as a means of ensuring that the decision making value chain is maximised will be established. The Department will further populate the approved new organisational structure, without deliberately marginalising or disadvantaging current serving officials.



Mr. Ronald Swartz

Head of Department: Department of Roads and Transport

31 May 2013





PART B:

PERFORMANCE INFORMATION





1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance of the Department for the financial year ended 31 March 2013.

18

Mr. Ronald Swartz

**Accounting Officer: Department of Roads and
Transport**

31 May 2013

2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General of South Africa (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

no 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 152 of the Report of the Auditor General, published as Part E: Financial Information.



3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1 Service delivery environment for 2012/13

This section provides information related to significant developments external to the Department that impacted on its ability to deliver its services.

Delays by Eskom on the identified road reserve in Randfontein resulted in the Department being unable to complete the K11 design. The Department continues to liaise with Eskom in order to identify a solution to resolve the delay.

The Environmental Impact Assessment (EIA) process is a lengthy procedure which impacted negatively on the finalisation of the road designs. The drafting of a Memorandum of Understanding (MoU) is in progress between the Department and Gauteng Department of Agriculture and Rural Development (GDARD). A consideration will be made to GDARD to shorten the process of approving EIAs.

Impediments by the Department of Water Affairs and Department of Mineral and Energy Affairs to issue water licenses and mining permits resulted in the Department being unable to complete the EIAs timeously. The Department is focused on strengthening its relationships with the Department of Water Affairs and the Department of Mineral and Energy Affairs, in order to fast track the issuing of water licenses and mining permits.

Delays in the appointment of technical support by PRASA for the completion of an integrated planning process deferred the commencement of the intermodal facilities at identified railway stations. The Department adopted a generic design for all the intermodal facilities at railway stations during the 2012/13 financial year.

Delays in the finalisation of the NMT projects approval and signing of Memorandum of

Agreement (MoA) for Non-Motorised Facilities in the Ekurhuleni and Sedibeng municipalities have impacted negatively on the Department's achievement of its set target. The Department is currently working towards expediting the project approval and the signing of the MoA with these municipalities.

The Department continued to experience delays in the issuing of public transport operating licenses and the finalisation of the permit conversion process due to the slowness of the National Land Transport Information System (NLTIS). The Department continues to liaise with the National Department of Transport to restore the NLTIS system to optimal efficiency.

3.2 Service Delivery Improvement Plan

The Department completed a Service Delivery Improvement Plan that would guide the implementation of its services according to set standards. The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Manage coordinate and integrate the overall planning of transport in metropolitan areas.	DRT, District and Metropolitan Municipalities, PRASA, Transnet.	Commuters and Public.	PLTF	Draft 2009 - 2014 PLTF
Implementation of freight plan for Gauteng.	Transport Authorities, Municipalities, GDARD, Blue IQ, Transnet.	Freight Industry; all road users.	According to the Gauteng Freight Implementation Strategy.	Initiated five projects: Air Quality Management Plan, Gauteng Freight Data Base update, Reduction of Congestion through Freight Management; Maize Triangle Strategy and Freight Access Strategy to uplift WRDM.
Manage coordinate and integrate the overall planning of transport in metropolitan areas	DRT, District and Metropolitan Municipalities, PRASA, Transnet.	Commuters and Public	PLTF	Draft 2009 - 2014 PLTF
Construction and upgrading of the provincial road network and township roads under the 20PTP programme.	General public, other departments and municipalities.	General public, other departments and municipalities.	GDRT's standards and code of procedures.	Compliance with GDRT's standards and code of procedures.
Issue abnormal vehicle and loads permits.	100 applications per day average.	Determined by the economy.	2 work days / permit.	1 work day per permit.

Consultation arrangements with customers

TYPE OF ARRANGEMENT	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	ACTUAL ACHIEVEMENTS
Forums	Engineers, planners and local authorities.		Held consultations through the Gauteng Freight Forum, the Gauteng Passenger Rail Steering Committee and the Integrated Transport Plan steering committee, to address the transport needs in Gauteng.
Social facilitation.	General public and local authorities.	General public and local authorities.	Well informed customers, community members and other stakeholders.



Service delivery access strategy

Access Strategy	Actual achievements
Meetings	Coordination with various stakeholders (community representatives, local municipalities, the department, professional consultants, contractors).
Workshops	Informed public, project management team and local authorities.
Publications	Passing information to the communities of Gauteng through the Newsletter, Annual Reports, media write ups, pamphlets, etc.
Front line service offices	The Driver License Testing Centres and the TOLABs are service centres that clients can gain access for specific services as offered by the specific centre. These offices are open during 7:30 am to 4:00 pm.
Project visits	Ensured adherence of project practices to the stipulated expectations.
Imbizos	Established an open line of communication between the general public and government officials.

Service information tool

TYPES OF INFORMATION TOOL	ACTUAL ACHIEVEMENTS
Monthly, Quarterly Reports and Annual Report	Delivered on our mandate. All reports were submitted.
Contract documents	Informed public and project stakeholders.
Reports	Informed public and project stakeholders.
Intranet	Informed public and project stakeholders.
Telephone	
Email	
Letters	
Telephonic enquiries	

Complaints mechanism

COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
Letters, telephone queries, e-mails	Ensure follow –ups and address the problem.
Meetings	Response to queries, guidance on priorities establishments and satisfied clients.
Telephone calls	Response to queries, guidance on priorities establishments and satisfied clients.
Imbizos	Response to queries, guidance on priorities establishments and satisfied clients.
Letters	Response to queries, guidance on priorities establishments and satisfied clients.

3.3 Organisational environment for 2012/13

The Department experienced a wide range of factors that impacted on its ability to carry out its mandate during the year under review. Some of these factors are explained below.

A major challenge was the resignation of the

Head of Department, Mr. Mavela Dlamini, in September 2012. The Department conveys its appreciation to Mr Dlamini for his stewardship and wishes him well in his future endeavours. The Premier appointed the Director General of the Province, Ms. Margaret-Anne Diedricks, as the Acting HOD and the Department was privileged to have experienced her stewardship and has

gained valuable insight from her leadership. The Department places on record its appreciation. .

The lease agreement for the Batho Pele offices in Commissioner Street, Johannesburg, which housed a number of the Department's services, ranging from Supply Chain Management, Public Transport Operator's Licenses and Registration services expired in 2012. This resulted in these services being relocated to alternate sites and the consequential impact of the relocation resulted in an interruption of services being delivered to the Departments clients. A contingency plan was implemented in an attempt to minimise serious disruptions in service delivery that involved the Human Resource Planning, SCM and Public Transport intermodal and Special Project Directorates being relocated to the Head Office in Simmonds Street, whilst the Operator Licensing and Registration Directorate were moved to Diamond House.

3.4 Key policy developments and legislative changes

Five-year Gauteng Transport Implementation Plan (GTIP5)

The Department consistently aimed to reach its goal of a modern, world class, integrated transport system for the people of Gauteng. To this effect, it

completed a five year Transport Implementation Plan (GTIP5).

The GTIP5 provides a uniform planning platform that will enable the Department, in collaboration with other spheres of government, to regulate, plan, develop and implement transport imperatives that would achieve an efficient and integrated transport system. The Plan highlights some of the critical areas that will require immediate interventions and thus serve as a building block towards the 25 Year Integrated Transport Master Plan.

The GTIP5 was approved by the Executive Council in the year under review and the Department adopted the GTIP 5 as its blue print for the development of key strategic transport imperatives that would form the flagship projects of implementation. Driving the implementation of the plan is the Department's 2013/14 APP, which focuses on the execution of the 13 priorities identified in the plan.

The GTIP5 proposes 13 key initiatives that will be implemented over a 5 year period and will alleviate bottlenecks and / or address pressing transport issues or problems in the shorter-term. The 13 initiatives are as follows:

INITIATIVES AND KEY FOCUS AREAS/OUTCOMES	OUTPUTS
<ul style="list-style-type: none"> Transport Authority for Gauteng 	<ul style="list-style-type: none"> Obtaining agreement amongst all stakeholders on an appropriate institutional structure. Business Plan and funding arrangements. Institutional development.
<ul style="list-style-type: none"> Provincial-wide Public Transport Information Centre. 	<ul style="list-style-type: none"> Common GIS, data structure, data bases. Link to Advanced Public Transport Management Systems (APTMS), Fleet management, GPS and vehicle tracking. Scoping of platform(s), setting up Call Centre and supporting Back Office.
<ul style="list-style-type: none"> "One Province One Ticket". 	<ul style="list-style-type: none"> Implementation of the IFM Framework and Strategy. Operational integration of public transport services. Common data structures, databases and warehousing.



INITIATIVES AND KEY FOCUS AREAS/OUTCOMES	OUTPUTS
<ul style="list-style-type: none"> Integration with the Commuter Rail Corridor Modernisation Project of PRASA. 	<ul style="list-style-type: none"> Joint planning, which includes all key role-players. Agreement on the main stations to be focussed on (i.e. Germiston, Vereeniging, Roodepoort and Leralla). Operational integration with other modes. Non-motorised transport facilities and directional signage.
<ul style="list-style-type: none"> Restructured Subsidised Road-based Public Transport. 	<ul style="list-style-type: none"> Refinement of the Gauteng IPTN. ID appropriate modes to be deployed on the IPTN corridors and links (i.e. BRT, express bus, bus and mini-bus). Integrated funding strategies. Common basis for contracting public transport operators. Design and letting of contracts.
<ul style="list-style-type: none"> Transformation of the Taxi Industry. 	<ul style="list-style-type: none"> Reorganisation and corporatisation strategy. Streamlined registration and licensing systems. Business opportunities on IPTN with associated financial support. Pilot project. Urban and CBD planning for taxi facilities (ROW, stops, etc.).
<ul style="list-style-type: none"> Greener Public Transport Vehicles Technologies. 	<ul style="list-style-type: none"> Green Re-fleeting Strategy. Coordinated and planned demonstration projects, including: <ul style="list-style-type: none"> Bio fuel development and processing facilities; Substantial distillery ethanol manufacture plant; and Conversion of public transport vehicles.
<ul style="list-style-type: none"> Travel Demand Management, Less Congestions and Shorter Travel Times. 	<ul style="list-style-type: none"> Creation of capacity to manage TDM and Transport Systems Management programmes. Set new standards for transportation infrastructure and services. Effective management of transport infrastructure. Optimisation through deployment of ITS and TDM measures. Restructuring of land use and development patterns.
<ul style="list-style-type: none"> Access to Major Freight Nodes. 	<ul style="list-style-type: none"> Integration with the PRASA Passenger Rail Plan. Finalisation of integrated public transport network. Upgrade and development of key road links and section. Dedicated freight routes on the periphery of urban area (for freight to flow directly to and from the N1/N12 via the freight terminals to the Limpopo, Mpumalanga and KZN).

INITIATIVES AND KEY FOCUS AREAS/OUTCOMES	OUTPUTS
<ul style="list-style-type: none"> International and City Airports. 	<ul style="list-style-type: none"> Coordination between all role-players and integration of planning. Assess impacts on land, associated development. Transport accessibility and linkages. Early anticipation and prevention of bottle necks developing in relation to air passenger and freight movements.
<ul style="list-style-type: none"> Pedestrian Paths and Cycle Ways. 	<ul style="list-style-type: none"> Provision of NMT infrastructure and facilities (with urban "greening") associated with key PT nodes and provincial roads: Finalisation of the Provincial NMT policy and strategy; 50km pedestrian paths; 50km cycle ways; 200 cycle racks at key public transport interchanges; and Launch of a NMT Campaign.
<ul style="list-style-type: none"> Continued Provincial Wide Mobility. 	<ul style="list-style-type: none"> Roads projects that are catalytic in nature and will unlock and stimulate growth in the medium-term. Detail design and construction of the K148/N3 interchange. Detail design and EIA of K148, K146 and PWV15. Detail design of the PWV 18. Construction of strategic freeway links.
<ul style="list-style-type: none"> Effective Law enforcement to ensure public transport operation. 	<ul style="list-style-type: none"> Road Network Management System (RNMS) needs to be address in terms of: Creation of further capacity within GDRT (i.e. Road Pavement and Bridge expertise). Conduct annual pavement, bridge, and storm water infrastructure assessments. Annual Report, containing project prioritisation, as well as budget estimates for preventative maintenance, rehabilitation, and upgrades.
<ul style="list-style-type: none"> Law enforcement. 	<ul style="list-style-type: none"> Improved institutional arrangements for effective regulation and control. MoA with the Department of Community Safety (DCS).
<ul style="list-style-type: none"> Accessible Transport. 	<ul style="list-style-type: none"> Review subsidised public transport contracts based on rationalised routes and services and which incorporates green bus technologies, integrated fare collection technologies, and universal design features. Ensure sufficient institutional capacity for Accessible Transport at GDRT. Ensure proper information system, signage, and communication structures (before and during the journey). Ensure that universal access design standards are applied on new public transport facilities, public transport vehicles, and NMT infrastructure.



These priorities form the foundation for the development of projects and outputs for the Department's 2013/14 Annual Performance Plan. However, it must be noted that the Department would require adequate budget allocations to implement the tangible projects of the GTIP5 that would provide the pathways for a modern integrated transport system. The Department's commitment to the achievement of the GTIP5 objectives is further emphasised by ensuring the GTIP5 forms the basis for the development of the Department's 2014-19 Strategic Plan.

Bus Rapid Transit (BRT) Strategy

The Gauteng City Region (GCR) is recognised by the Metropolitan/Municipalities as a single transport functional area. The objective of the GCR is to make the province a globally competitive economic hub. An integrated and coordinated public transport system provides the necessary foundation for a globally competitive economic hub. One aspect of an integrated transport system is a GCR Bus Rapid Transit (BRT) Strategy.

The Department, therefore, identified the need to develop a GCR BRT strategy, which will address coordination and integration across the City of Johannesburg, City of Tshwane and Ekurhuleni Metropolitan Municipality through the implementation of key strategic pillars and interventions. The strategy highlights the following imperatives:

- Strategic pillars and interventions for the implementation of an integrated BRT.
- Institutional approaches towards implementation of the strategy.

Key pillars and strategic interventions identified to give effect to a coordinated and integrated BRT are as follows.

- i) Integration of BRT with existing Public Transport Services

Planning, coordination and facilitation of an

integrated transport for the region, through inter-modal facilities dictated by governing transport principles e.g. demand, peak periods and travel distances.

- ii) Integrated Transport and Land Use Planning

The fundamental principle in a mass-transit based approach to city-building needs to be capitalised on; viz. the role played by roads in shaping urban form and structure.

- iii) Uniform Norms and Standards

The movement of commuters is expected to traverse municipal boundaries and as such it is imperative to ensure standardised operating BRT systems e.g. technology and ticketing.

- iv) Catalyst for Economic Growth and Job Creation

There are a wide range of human resource skills required for BRT operations and it is therefore prudent, to create an economic empowerment strategy for the creation of direct and indirect job opportunities.

- v) Environmental Sustainability

The BRT system development must be environmentally, economically and socially sustainable. The BRT strategy was presented to the Provincial Executive Committee and was adopted and approved in September 2012.

In taking the strategy forward, the Department engaged with the three Metropolitan Municipalities, the Gauteng Department of Economic Development and the National Department of Transport in the development of a draft BRT Procurement Localisation Framework. Engagements were held on the 23 January 2013 and 6 February 2013 to establish a committee and to draft a BRT Procurement Localisation Framework.

Gauteng Transport Laws Repeal Act, 2012

During the financial year 2012/2013, the Department tabled the Gauteng Transport Laws Repeal Act No.4 of 2012, which was adopted by the Gauteng Provincial Legislature. The Act repeals laws and provisions that have become redundant or obsolete, namely, the Gauteng Passenger Road Transport Act, (Act No.7 of 2001), the Gauteng Transport Framework Revision Amendment Act, (Act No.3 of 2008), and the Urban Transport Act, (Act No.78 of 1977).

Gauteng Regulations on Procedures to be followed in Promoting Public Participation in Transport Planning Process, 2012

The Gauteng Regulations on procedures to be followed in Promoting Public Participation

in the Transport Planning Process, 2012 was promulgated during the 2012/13 financial year. These regulations are intended to encourage public participation in transport planning and to ensure that transport planning reflects the wishes of the people of Gauteng.

Motor Vehicle License Fees

The National Road Traffic Act, (Act no.93 of 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. To comply with this legislation, the MEC promulgated the Motor Vehicle License Fees Regulations, 2012.



4. STRATEGIC OUTCOME ORIENTED GOALS

As a Gauteng Government Department, the Department of Roads and Transport is mandated to provide an efficient and effective transport system that improves the lives of the people of Gauteng. In seeking to achieve this mandate,

the Department aligned its strategic objectives towards fulfilling key outcomes of the National and Provincial Governments.

The Department identified the following national Key Outcomes to guide its annual planning:

Table 1: Alignment to National Outcomes

Outcomes	Outputs
Outcome 6: An efficient, competitive and responsive economic infrastructure network.	The work of the Department relates specifically to Output 3 of this Outcome. The Department can play a role in ensuring the maintenance and strategic expansion of our road and rail network, and the operational efficiency, capacity and competitiveness of our seaports.
Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.	All government departments and agencies have a role to play in improving the quality of its services, developing its human resources capacity, focusing in accountability and fighting corruption in the public service.

The Department identified key national and provincial outcomes it successfully contributes to, and aligned its planning processes accordingly. The departmental programmes and targets are aligned to the priorities and the national and provincial outcomes as depicted in Table 2 below:

Table 2: Alignment to Manifesto and Provincial MTSF Outcomes

MANIFESTO PRIORITIES	GPG OUTCOMES (GAUTENG MTSF: 2009 – 2014)	GDRT STRATEGIC OBJECTIVES
Decent employment through inclusive economic growth.	Creating decent work and building a growing, inclusive economy.	To provide a balanced and equitable road network.
Vibrant, equitable, sustainable rural communities contributing towards food security for all.	Stimulating rural development and food security.	To plan, regulate and facilitate the provision of public and freight transport services.
Sustainable human settlements and improved quality of household life.	Building cohesive and sustainable communities.	To ensure the efficient management and implementation of Gautrain.

MANIFESTO PRIORITIES	GPG OUTCOMES (GAUTENG MTSF: 2009 – 2014)	GDRT STRATEGIC OBJECTIVES
12. a. A responsive, accountable, effective and efficient local government system.	Strengthening the development al state and good governance.	To ensure the availability of overall management and administrative support function.
12. b. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.		

The Department implemented it's 2012/13 Annual Performance Plan at the commencement of the financial year which identified the services that the Department would focus on for delivery. The following section presents the service delivery achievements in the execution of the Plan as per the department's strategic objectives outlined above.

4.1 Progress made towards the achievements of the strategic objectives

Strategic objective 1: To provide a balanced and equitable road network

DESIGN

Design Centre

The Design Centre was established in the 2011/12 financial year and has since been upgraded to include the installation of design software and supporting systems towards fully operationalising and improving the Centre. The software included Civil 3 Dimensional Design Frameworks (Geometric, Pavement and Storm Water Design).

The Department seconded Engineers and Technicians to Civil Engineering Consulting companies working on departmental road design projects to gain practical experience. The Engineers and Technicians that have since returned to the departmental design centre were attached to the design of rural road, in

Rust De Winter, Nooitgedacht, Winterveld and Magaliesburg.

The Design Centre increased the competency of the department's officials to execute designs for roads projects, thereby reducing reliance on consultants. It is expected that this initiative will translate into significant cost savings and increased internal capacity. The Design Centre provided opportunities to reduce backlog, improve road safety and expedite infrastructure delivery. In addition, the Centre completed designs for the Driver License Testing Centres' testing tracks in Mabopane and Temba, which are currently under construction by the departmental teams. Once completed the test tracks will contribute to the elimination of the backlog in the issuance of driver licenses. The road pavement and parking surfaces were also designed for the g-Fleet Management facilities.

In addition, the Engineers have acquired the full professional registration with the Engineering Council of South Africa (ECSA), whilst other engineers are ECSA candidate engineers, currently working towards achieving full registration.

Road Designs completed

K15 between Dobsonville and Leratong

The K15 Phase 3 (Adcock Road in Soweto) is a North – South Corridor providing access and mobility in the West Rand area. The existing single carriage way experienced capacity problems, which resulted in continued deterioration of the road. Furthermore, its design lifespan had



been exceeded. The decision was taken to upgrade the road to a double carriage way and to align it with the completed phases one and two dualised sections. The detail design and tender documentation for this section of K15 was completed and the construction of the road will improve the road conditions for motorists travelling between Soweto to Mogale City i.e. Roodepoort, Randfontein and Krugerdorp.

P1-1 (R82) (K57) (Phase 2) between Walkerville and De Deur

The R82 is a major North - South corridor linking Johannesburg, Walkerville and Vereeniging, and forms an alternative route to the the Gauteng Freeway Improvement Project. The road is currently a single carriageway, which has deteriorated over the years due to increased traffic. New developments have since taken place in the area, which include the Gauteng Highlands Projects and other business development projects contributing to an increase in traffic in the Maize Belt.

The Phase two road design between Walkerville and De Deur has been completed. The completion of this section will benefit the communities, commuters and businesses operating in and around the Maize Belt, as well as reduce congestion between Johannesburg and the southern cornubation. The design of this section also provided for public transport infrastructure.

K164 between 904 and 905 (Access to Evaton)

The K164 between D904 and D905 is the in East-West linking Evaton and Midvaal via De Deur. This road is part of the Strategic Road Network (SRN) within the Maize Belt between Evaton and the P1-1 (K57) road. The upgrading of the road will improve the network between Evaton and the Johannesburg/Vereeniging Road (R59) (P1-1), and will also contribute towards the safe movement of people, goods and services in the Maize Belt, which will encourage vibrant socio-economic development in the area. The basic planning of the road is for a dual carriageway with

bus lanes for 8,1kms. The detail design has been completed.

K154 Gauteng Highlands (Phase One) (upgrading of D1313)

K154-Phase 1 is an East - West corridor providing access and mobility in the area of Eikenhof. The road forms part of the feeder routes to the Strategic Public Transport Network (SPTN). This project is part of the Gauteng Highlands Project and has been introduced in Midvaal to improve the road infrastructure in the Maize Belt. The private sector development is mainly industrial / residential in nature and includes the Graceview Business Park, Pick n Pay Distribution Centre and the Graceland residential township, which contributes towards the growth of an economic node on along the R59. It also has an ability to increase the productivity of the farms in the area, create jobs for surrounding communities and contribute to economic development. The detail design and tender documentation have been completed.

New Construction Materials Test

Bitumen is a key product which is used in the construction of roads and is becoming a very scarce and expensive commodity. Thus, the Department conducted research on alternative materials for the construction of roads. Roller Compacted Concrete (RCC) and Ultra-Thin Reinforced Concrete (UTRC) have been identified and tested and UTRC was successfully used for surfacing streets in townships. RCC and UTRC are being tested, in co-operation with the CSIR, for heavy loadings on the Nooitgedacht road (D1814) and the final results and recommendations will be available in the 2013/14 financial year.

CONSTRUCTION

The Department embarked on two project categories, namely, the Capital Projects and the 20 Prioritised Township Projects. In both project classes, job creation, skills and contractor development are priority aspects which are enhanced through the department's project management systems

CAPITAL PROJECTS

These projects involved the upgrading, rehabilitation and construction of provincial roads as a way of improving safety, efficiency and effectiveness of the provincial transport system.

During the 2012/13 financial year, the capital projects executed were the R55/K71, R82, K154 and D2529 (Cayman Road)

Capital Projects Completed

R55/K71 (Voortrekker Road)



Before



After



Voortrekker Road is a section of a provincial road between Wierda Road and Laudium and this project, located in Tshwane Municipality, provides an alternative link to Tshwane accommodating traffic which may not prefer to use the N1 Freeway. Construction of this section of the road was made a priority due to the deterioration of the existing pavement, which resulted in a number of accidents and damages to vehicles.

The existing single carriageway road was in a very poor condition and the road was upgraded to a dual carriageway to increase capacity and improve safety, efficiency and effectiveness. The project commenced in November 2010 and involved the construction of a 4.2km dual carriageway between Wierda Road and Laudium,

including the construction of two major bridges, the installation of street lights and crash barriers together with the construction of related storm water infrastructure.

The project was officially opened to traffic in November 2012 and the total project cost is estimated to be R226 million at the end of the retention period.

A total of 146 job opportunities were created from the beginning of the project, of which 37 were females, 109 were males and 91 were youth. Further, a total of 279 training opportunities were created and 10 local SMME companies had the opportunity to work on the project under the main contractor.

D2529 (Cayman Road)



The road is the access to the Eye of Africa Estate development and was upgraded from gravel to an all – weather surface road. This project forms part of the Gauteng Highlands Project and the network improvement endeavour around the Maize Belt.

The developments in the Sedibeng area contribute towards the growth of the economic node on the southern side of Gauteng along the R59 (Sybrand van Niekerk), R82 (Old Johannesburg/ Vereeniging) and N3 (Heidelberg/Durban

highway) roads. It also has an ability to assist in the increase in productivity of the farms in the area, create jobs for surrounding communities and contribute to economic development.

The project commenced in August 2009 and was successfully completed in August 2012, with a total cost of R17 million.

On-going Capital Projects

R82 (Old Johannesburg/ Vereeniging Road)



The road is the section of the Provincial road P1/1 (K57) between road D77 in Eikenhof and road 1073 in Walkerville, located in the Sedibeng Municipality.

It was originally a single carriageway which had deteriorated over the years due to the increase in traffic. New developments have since taken place in the area which include the Gauteng Highlands Projects (Heineken breweries and Pick and Pay distribution centre), all contributing to an increase in traffic in the Maize Belt. The R82 is a major North

- South corridor linking Johannesburg, Walkerville and Vereeniging, and forms an alternative route to the the Gauteng Freeway Improvement Project.

The project was prioritised in order to improve accessibility between Johannesburg, Vereeniging and the bordering farms by increasing the road capacity.

There was also a need to improve its geometric standard and road safety. The major activities on this project included the doubling of the road,



installation of street lights and crash barriers and the construction of the related storm water infrastructure.

The project commenced in February 2012 and is expected to be completed in July 2013 with an estimated total cost of R204 million.

A total of 212 job opportunities were created, of which 49 were females, 163 were males and 140 of these were youth. A total of 84 training opportunities were provided and 13 local SMME companies had the opportunity to work on the project under the main contractor.

K154 (Access to Gauteng Highlands Developments)



Before



After

The road construction project forms part of the Gauteng Highlands Project and was introduced in the Midvaal area as part of the contribution towards the improvement of road infrastructure in the Maize Belt. The development is mainly industrial /residential and includes the Graceview Business Park, Pick n Pay Distribution Centre and Graceland residential township.

The developments in the Midvaal Area contribute towards the growth of the economic node on the southern side of Gauteng along the R59 road.

It also has an ability to assist in increasing the productivity of farming, create jobs for surrounding communities and contribute to economic development. K154 Phase 1 is an East - West corridor providing access and mobility in the area of Eikenhof (Maize belt). The road forms part of the feeder routes to the Strategic Public Transport Network (SPTN).The project falls within the section between road P156-1 and road P1-1, and is 850m in length.

A total of 11 job opportunities were created, of which 4 were females, 7 were males and 9 of these were youth. A total of 5 local SMME companies worked on the project under the main contractor.

The project commenced in August 2012 and is expected to be completed in July 2013 with an estimated total cost of R24 000 000, 00.

20 Priority Township Projects (20PTP)

These are township projects in which the Department upgrades gravel roads in previously disadvantaged communities established before 1994. The mandate of the programme was later revised to upgrade deteriorated arterial township roads regardless of the year the township was established and the scope work included the surfacing of previous gravel roads, construction of sidewalks, and installation of kerbing and the construction of related storm water infrastructure. During the financial year under review the 20PTPs executed were Mogo Street, Sekweri Street and Thulani B.

20PTPs Completed

Mogo St

During construction



After



The project is located in the Soshanguve Block L in the Tshwane Region and the main aim was to upgrade the road from gravel to surface as well as to alleviate stormwater damage and soil erosion challenges within the area. The project involved the surfacing of 1.45kms of existing gravel township roads and the construction of related storm water management infrastructure.

A total of 91 job opportunities were created, of which 18 were females, 73 were males and 41 of these were youth. Further, 5 local SMMEs had the opportunity to work on the project under the main contractor.

The project commenced in March 2012 and the surfacing of the roads was completed in March 2013 at a total cost of R7.4 million. The new roads are now open to traffic.



Sekweri St in Refilwe



Before

This project involved the construction of 10 streets in Refilwe within the Metsweding Region. The roads were upgraded from gravel to surfaced roads to improve the geometric standards and ensure the roads are usable under all weather conditions. There were also additional benefits to the communities through job creation and training.



After

The project commenced in February 2012 and was completed within budget in July 2012. It was opened by the MEC for Roads and Transport in April 2013 at a total cost of R10 305 000, 00 at the end of retention.

The Project created 23 job opportunities of which 10 were females, 13 were males and 12 of these were youth. A total of 14 training opportunities were provided and 2 local SMME companies worked on the project under the main contractor.

Thulani B



During construction

This project involved the construction of township roads in Thulani area of Soweto within the Johannesburg region. The roads were upgraded from gravel to surfaced roads to improve the geometric standards and create a road surface that was safe under all weather conditions. The communities also benefited from the project through the 24 job opportunities which were



After

created (7 females, 17 males and 10 youth) and training provided. 3 local SMME companies worked on the project under the main contractor. The project commenced in February 2012 and was completed in April 2012 at a total project cost of R4 million.

ROAD MAINTENANCE

Projects Completed

P6/1 (R25 - Bapsfontein to Bronkhorstspuit)

The P6/1 (R25) is a high mobility road that is utilised by traffic flowing from Kempton Park to Bronkhorstspuit as well as Kwa-Mhlanga in the Mpumalanga Province. It is also utilised by heavy traffic, transporting farm produce to the markets in Johannesburg and also forms part of the coal haulage route for the transportation of coal from the mines to power stations in Mpumalanga. Due to the high traffic volume, the surfacing of the road had deteriorated beyond acceptable standards. The project involved the rehabilitation of 8kms of road, and included the resealing of the road together with the improvement of the drainage structures. The project created 50 job opportunities with a total project cost of R41 million. The project commenced in February 2012 and was completed in March 2013.

Ben-Schoeman (Between Brakfontein Interchange and Potgieter Street in Pretoria)

The Ben Schoeman Highway (N14) is an alternative link to the Gauteng Freeway Improvement Plan

(GFIP) between Johannesburg and Pretoria. With the imminent introduction of the GFIP, it was anticipated that the majority of the traffic volume from Pretoria to Johannesburg would move from the N1 road to the Ben Schoeman Highway. It became imperative for the Department to upgrade this road to ensure it could accommodate the expected high volumes of traffic. The project involved the resealing of 14km road P158/1 from Potgieter Street in Pretoria to the N1/N14 interchange (Brakfontein interchange). The project involved the milling and replacement of the asphalt surface on the road from the Brakfontein Interchange in Centurion to Potgieter Street in Pretoria. The upgrade of the drainage system on this section of the road, capacity improvements such as re-marking the road to provide additional lanes, and the upgrading of the Jean Avenue on and off ramps were completed. The project was completed with the assistance of the South African National Roads Agency (SANRAL) as project managers. The total project cost was R122.7 million and created 159 job opportunities.





Heavy Rehabilitation of Road D2442 (Zithobeni Road)

Road D2442 is a 7km road which falls within the former Kungwini Local Municipality, (currently part of Tshwane Metro) and is one of Eskom’s coal haulage routes. The road is used by a combination of Public Transport Operators and Scholar Transporters between Zithobeni and Bronkhorstspuit and coal haulage trucks transporting coal to Eskom power plants from coal mines in Mpumalanga. The project involved the rehabilitation of a 3.9km section of the road which had deteriorated to unacceptable standards. Activities on the project included the resealing of the road and improvement to the drainage structures. In addition, a public transport lay-bye has been constructed to improve the safety on the roads for passengers embarking and disembarking from public transport vehicles. The total project cost was R15 million and commenced in April 2012 and was completed in March 2013. A total of 11 job opportunities were created over the construction period.

Rehabilitation of the road M1

The Department completed the rehabilitation and upgrade of road P206/1 (the M1) between the Corlett Drive and Buccleuch Interchanges in the second quarter of 2012/13. The scope of the project involved a combination of measures to replace the existing deteriorated asphalt surface (milling and resurfacing) and to increase the capacity of the M1 by re-marking the road surface to provide for additional lanes. The project was implemented with SANRAL as project managers.

On going projects

Rural Development

The Department embarked on a number of Rural Development Projects as part of its contribution to the Gauteng Rural Development Strategy. The Department commenced with the sealing of five gravel roads using ultra-thin concrete paving in five identified rural nodes, namely, Magaliesburg,

Hammanskraal, Winterveldt, Rust De Winter and Nooitgedacht. The projects are being implemented in phases with each phase being 2km in length. The Rust De Winter project was completed within its budget of R7.6 million and a total number of 19 job opportunities were created on the project.

N14 Sinkhole Project

The Department embarked on the rehabilitation of the N14 road which is the main link between Gauteng and the North West Province. The project was inherited by the Department from the North West Province. The scope of the project involved the rehabilitation and the addressing of the sinkhole problems on the P28/1 (N14) between Road P61/3 (R500) and Road D1755. This is a multi-year project which will be completed in the 2nd quarter of the 2013/14 financial year at a total project cost of R139.6 million. The contractor has completed the rehabilitation of the sinkholes and the earthworks on the greater portion of the road. Due to the unstable ground on which the road is founded, the contractor is also busy with the drainage work. The project is currently at 70% complete and final completion of works is anticipated in July 2013. A total of 16 SMME/BBBE contractors have been appointed and are currently working on the project and the 117 job opportunities were created in the financial year under review.

S’hamba Sonke Programme

The R576 million S’hamba Sonke programme funding for the 2012/13 financial year was allocated to the outsourced routine road maintenance programme. The Department finalised the contractor development programme, which was at its final year, as the participating SMME/BBBEE contractors needed to exit the programme. The 69 SMME/BBBEE contractors over the period have upgraded from CIDB Grades 1 and 2 to CIDB Grades 4, 5, 6 and 7 in some instances. Over a period of four years the programme created and sustained approximately

2 079 job opportunities. These contractors maintained a total of 3 850kms of the road network during their period of engagement.

Roll-over projects under the S'hamba Sonke programme, which included reseals and light rehabilitation, were successfully completed in March 2013 and the majority of these projects were implemented on roads within the coal haulage road network.

Contractor development and Job creation

Employment opportunities created by the Department

Construction

A total of **239 job opportunities** were created during the financial year under review. The jobs created were on the 20PTP and capital projects, mainly in the form of general work which included kerbing, drains, stonework, guardrails, fencing and landscaping.

A total of **21 previously disadvantaged contractors** were employed during the financial year under review at K71/R55, R82, Mogo Street and K154 for installation of guardrails, gabions as well as v-drains and stone-pitching.



Non-Motorised Transport (NMT)

The NMT projects have engaged **7 contractors** (1 youth female, 1 joint venture female and male adults and 5 adult male contractors). These contractors have further engaged **6 local sub-contractors** (3 adult male, 1 youth male and 2 adult females).

A total of **201 job opportunities** have been created within the 3 municipalities and are classified as follows: 41 adult male, 73 youth male, 23 adult female, 61 youth female and 3 people with disability.



Shovakalula

The sub-set of the NMT project inspired the distribution of 5 000 bicycles in the Province. A total of 176 schools benefited from the project and 40% of the bicycles were provided to girls. Bicycle racks were constructed at 19 schools with the involvement of **19 contractors** (5 youth



female, 4 adult Female, 4 Youth Male and 6 Adult Male) generating **85 job opportunities** for 11 youth male, 9 youth female, 38 adult male, 26 adult female and 1 person with disability.

TOLABs

A total of 19 job opportunities were created in the Tshwane TOLAB where the Vehicle Testing Centre (VTC) was completed. The comprised of 4 females, 15 males of which 13 were youth, and 1 person with disability.

MAINTENANCE

The Department has created 1 544 job opportunities from the Outsourced Routine Road Maintenance programme and the Preventative Rehabilitation projects. Furthermore, during budget adjustment, the Department received an EPWP grant which was utilised to create 475 job opportunities and empowered 19 contractors. **A total of 2 019 jobs were created and 88 contractors engaged.**

Total jobs created by the Department

The Department has created a total of **3 847**

job opportunities and engaged **135** contractors during the financial year under review.

Strategic Objective 2: To plan, regulate and facilitate the provision of public and freight transport services.

Bus Subsidisation Programme

The Department managed 34 bus subsidised contracts (26 tendered and 8 interim contracts that have been awarded to 12 Bus Operators) of which 32 contracts were funded from the Public Transport Operations Grant (PTOG) and 2 ceded contracts from the North West Province which were funded by the Gauteng Province.

The 34 subsidized bus contracts are operated in the three metropolitan municipalities and one district municipality, namely; City of Johannesburg, City of Tshwane and Ekurhuleni Metropolitan Municipality as well as the Sedibeng District Municipality. The bus contracts were renewed every six months as per the operational requirements.

Bus subsidy information

Area	Buses	Route	Passenger
COJMM	588	1 184	14 350 567
COTMM	1 376	725	62 517 742
EMM	107	145	2 267 939
SDM	252	137	3 414 363

Integrated Public Transport Network Designs (IPTN)

Integrated Public Transport Network (IPTN) is a detailed study and assessment of the travel demand on the existing Public Transport routes. It is aimed at promoting public transport by integrating all modes of public transport (mini bus taxis, buses, rail and cyclists) into a single network system, offering accessible, safe and affordable services in order for public transport to become

the mode of choice. The Department completed the report of the IPTN during the financial year.

Training of Public Transport Operators (DOT/ TETA funded)

The purpose of this project is to develop the skills of Public Transport Operators to be able to render effective and professional service to the public.

The Department recruited 30 operators for training. Further, 28 Operators completed unit standard training and 14 drivers have been tested

for code EC Motor Vehicle Driver License. This project will benefit the community as the Public Transport Operators will have acquired relevant skills in good customer services and safe public transport (taxis).

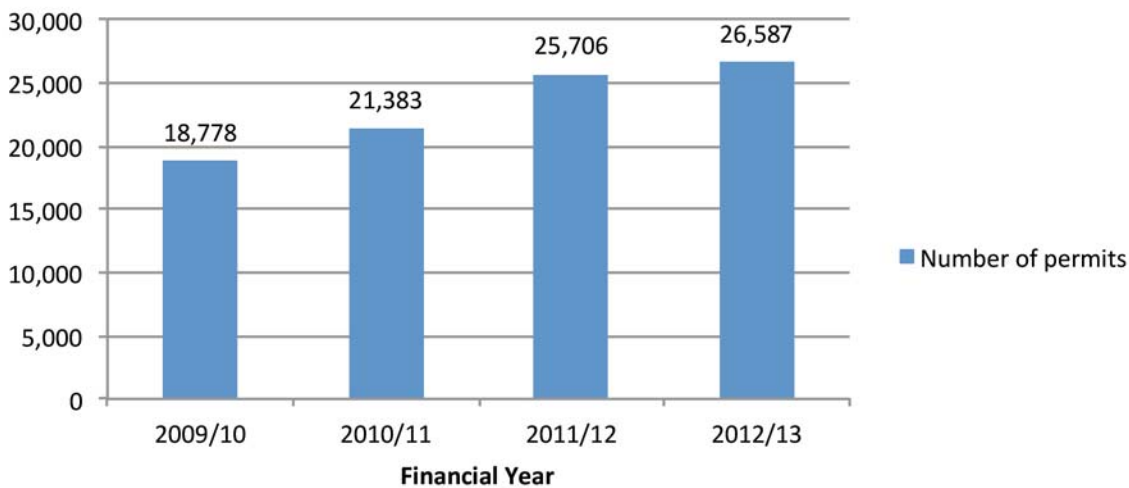
Abnormal loads vehicles and permits

The National Road Traffic Act (Act 93 of 1996) and the National Road Traffic Regulations, 2000 (NRTR), prescribe certain limitations on vehicle dimensions, axle and vehicle masses that a vehicle using a public road must comply with. However, certain vehicles and loads cannot be moved on public roads without exceeding the limitations in terms of the dimensions and/or mass as prescribed in the NRTR. Where such a vehicle or load cannot be dismantled, without disproportionate effort, expense or risk of damage, into units that can travel or be transported legally,

it is classified as an abnormal load. Provision for such abnormal vehicles and loads is made in the NRTA, and specifically in Section 811 of the NRTA. When the movement of an abnormal load is considered to be in the economic and/or social interest of the country, an exemption permit may be issued to allow a vehicle(s) transporting such an abnormal load to operate on a public road for a limited period. In the 2012/13 financial year, the Department of Roads and Transport, in compliance with the National Roads Traffic Act, issued 26 587 abnormal load permits.

Below is a graph representing the number of permits issued per financial year, since 2009. It shows a steady increase as an indicator in the market segment for the transportation of indivisible loads used in major projects such as new power stations such as Medupi.

Number of Abnormal Load Permits Issued per Financial Year



Traffic Engineering

A major function of transport engineering is to enable seamless movement of people, goods and services. To be able to achieve this objective, the Department has to have a systematic way of studying travelling trends and providing remedial strategies, to contribute to efficacy in

moving people, goods and services. A tributary component of this objective is the maintenance and upgrade of Provincial Traffic Signals. The Department conducted routine maintenance and programme upgrades on 244 Traffic Signals on provincial roads. This maintenance is performed in response to issues such as cable



theft, equipment theft, wear and tear and general maintenance, in an effort to alleviate congestions and maintain seamless movement of traffic on our roads.

REGISTRATION AND REGULATION OF PUBLIC TRANSPORT SYSTEM

Registration and legalisation of Public Transport

This project ensures that all Public Transport Operators and Associations are registered and comply with the conditions of their Permits/ Operating licenses. The registration and legalisation project contributes towards the registration of all public transport modes with the aim of ensuring a safe and reliable public transport system. The acquisition of proper Operating Licences will ultimately lead to the full and final registration of Associations.

The Department was able to create awareness and encourage Public Transport Operators to register by arranging workshops and individual meetings. This process assisted the Department to register Operators from the different public transport modes (metered taxis, buses and learner transport). A total of 388 Operators were regulated and legalised against the planned target of 250. Furthermore, 81 minibus taxi Associations were fully registered.

The Democratisation of all modes of Public Transport and Operators

The democratisation of Public Transport Associations is a process that has been introduced to empower Members and Operators to elect leaders of their choice and as guided by the Constitution. The process has assisted most Associations to formalise and regulate them and improve Taxi Association's methods of operations, as governed by the Standard Minimum Constitution. The Department's role in the democratisation processes is firstly to provide the information to Operators and Associations necessary for the democratisation process to ensure fairness. Secondly, it monitors the election

process of the Associations. In limited cases, where elections were inconclusive or elections have been unnecessarily delayed, it makes interventions and initiates the electoral process. The Department monitored 119 Public Transport Associations (mini bus and Metered Taxis and Learner Transport Operators) democratisation processes against a target of 80.

Monitoring route compliance

The purpose of monitoring route compliance is to detect, identify and correct route violations by Taxi Operators, as route violation is the main cause of conflicts. The Department, with the assistance of law enforcement agencies, is able to enforce Operator compliance. In its effort to reduce the number of route infringements, the Department has audited a total number of 1 254 routes.

Establishment of Kliptown Driver Learner Testing Centre (DLTC)

The Kliptown DLTC was opened on the 3 December 2012 at the Walter Sisulu Square of Dedication in Kliptown. The centre is in memory of Bongani Khumalo, who was murdered by the former apartheid regime in 1984. The Centre offers registration of motor vehicles and driving license testing services and complies with the requirements for people with disabilities thereby ensuring accessibility to all clients. It renders services to the communities of Soweto, Eldorado Park, Lenasia, Ennerdale, Freedom Park, Zacharia Park and Klipspruit West. Since its opening, and until 31 March 2013, it has serviced 4 333 clients and has collected R885 859, 00 in revenue.



Capacitating the provincial DLTCs

The Department employed 45 examiners to deal with the backlog experienced in drivers and learner license testing. They were deployed at Mabopane, Temba, Three Rivers, Kiptown, Maponya and Xavier DLTCs.

Services rendered by the Department

The Minister of Transport has, in terms of the National Road Traffic Act (No. 93 of 1996) devolved certain functions to the nine provinces. These functions are governed by the NRTA, and its Regulations as well as the Gauteng Provincial Road Traffic Act, 10 of 1997.

The services provided by the Department included vehicle registration and licensing, learner and driver testing, vehicle roadworthy testing, registration of authorised officers and manufacturers, importers and builders. During the financial year under review, the Department registered a total number of 4 414 743 vehicles and 4 267 607 motor vehicles were licensed. In addition, a total number of 3 324 974 licenses were paid on time.

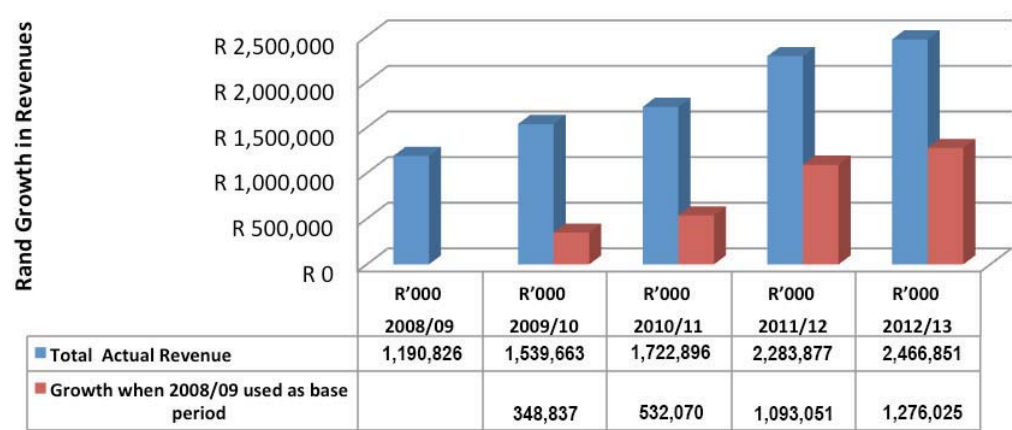
Revenue Maximisation Strategy

The Department adopted a revenue maximisation strategy that is driven by four pillars, namely, cost minimisation, efficient revenue collection and tariff setting, stakeholder inclusion and data clean up. The strategy seeks to maximise revenues by focusing on internal efficiencies and the implementation of the strategy has resulted in the Department collecting net revenues of R2 466 billion in 2012/13 financial year. As indicated below, there has been a steady progress in the revenue collections as a result of the strategy.



Revenue Trends graph

DESCRIPTION	2008/09	2009/10	2010/11	2011/12	2012/13
	R'000	R'000	R'000	R'000	R'000
Revenue	1,190,826	1,539,663	1,722,896	2,283,877	2,466,851
Growth when 2008/09 used as base period	Base Period	348,837	532,070	1,093,051	1,276,025
Increase in Revenues (%)	Base Period		12%	33%	8%



Operator License and Permits

This programme's objective is to regulate Public Transport Operators by issuing Operating Licenses/Permits. During the 2012/13 financial year, the Department issued 12 921 Permits/ Operating Licenses against a target of 4 500. The target for conversion of Permits to Operating Licenses for the minibus taxi industry was 5 000 and a total of 3 413 Permits were converted to Operating Licenses, even with the challenges experienced during the year. These challenges included the slowness and constant downtime of the National Land Transport Information System (NLTIS) and Land Transport Permit System (LTPS).

The Operating Licensing offices were relocated to a more accessible and convenient facility at 11 Diagonal Street, Johannesburg, making it convenient for public transport operators to transact.

These offices continue to serve the clients of Johannesburg and are now convenient for accommodating the needs of clients from the

Ekurhuleni Metropolitan and Sedibeng District Municipalities. The offices include both the back and front offices services and are in a controlled environment where access control has been improved. These offices are also more spacious and can accommodate more clients, thus increasing the access to the Department's services.

Taxi Recapitalisation Programme (TRP)

TRP is a national Government initiative aimed at introducing specifications through regulations for New Taxi Vehicles (NTVs) and payment of scrapping allowance in exchange for Old Taxi Vehicles (OTVs) to be scrapped. The Department has assisted in the scrapping of 1 655 OTVs during the 2012/2013 financial year.

TOLABs

TOLABs are one-stop service centres aimed at bringing government services closer to communities. These are business centres that were established to facilitate the administration of all Operating Licensing and Registration process for public passenger road transport. The Registration and Licensing function is mainly at the centres in Johannesburg and in the City of Tshwane.

The TOLABs under construction will include Vehicle Testing Centres that are aimed at testing public transport vehicles for road worthiness as per the NLTA. The Act requires public transport vehicles to be tested for road worthiness when Operators are applying for Operating Licenses. The Department began the implementation of a One Stop Service Centre in Tshwane which is a multi-year project that is expected to be completed in 2015/16 financial year. The project is divided into 2 phases; Phase one is the construction of the VTC and Phase two is the construction of a new TOLAB building. Phase one, has been completed in the financial year under review.

The testing facility has been constructed which houses the vehicle testing equipment, however, the logistical and operational requirements necessitate the commencement of Phase two for access to the VTC. This project empowered one building contractor and a professional team and provided 22 job opportunities in the Tshwane region.

SERVICE DELIVERY IMPROVEMENT INITIATIVES

Integrated Transport Master Plan

The project seeks to provide a blue-print for the development of a transport system for Gauteng over the next 25 years. The plan will provide a uniform planning platform that will enable the Department in collaboration with other spheres of government, to regulate, plan and develop an efficient and integrated transport system.

The plan will serve the public by enhancing mobility and delivering safe, secure and environmentally responsible road-based public and private transport, rail and air services.

Further, consultative sessions were held with various key stakeholders and their inputs were incorporated into the plan. The 25 Year ITMP will be concluded in July 2013.

Review of the Strategic Road Network

The aim of aligning the Strategic Road Network (SRN) with the Gauteng Spatial Development Framework (GSDF) and Maintenance of the Strategic Road Network is to address the transport and development needs of Gauteng. The purpose is to refine the current Strategic Road Network (SRN) of Gauteng to ensure that it is in line with the new Gauteng Spatial Development Framework. Extensive consultations with all role players took place to align the road network with the Spatial Development Framework (SDF) in order to test and evaluate the amendments of class 2 and class 3 routes.

During 2012/13 financial year a final draft report on the Gauteng Strategic Road Network 2013 was completed in line with the 25 year ITMP.

Computerised learner license testing (CLLT)

A computerised learner license testing component was developed on the eNaTIS system and was piloted at Mabopane and Akasia DLTCs and rolled out at Kliptown DLTC. There is also one mobile truck unit. The advantages of the system are that questions are posed randomly to the applicants and no one applicant will have the same questions at any given time. Even the multiple answers a candidate may choose from are selected randomly. This forces an applicant to study for the test.

The Examiner for issuing of Driver Licenses will furthermore not be required to mark the test as the results will automatically be calculated and captured by the system.



Once the system records a fail, nobody can issue a Learner's License. The system was developed to reduce fraudulent activities in the Learner License environment through the reduction of human intervention, thereby ensuring more competent drivers on the roads.

Computerised learner license testing's rolled out in 6 Centres, (Meyerton, Brakpan, Randburg, Waltloo, Xavier and Temba). The project cost of R5 410 721, 00 was provided from the Provincial eNatis Budget Allocation.



Meyerton



Brakpan

Review and finalisation of service level agreements

During the 2005/06 financial year audit period, the Auditor-General raised the issue of the Department delegating a Registering Authority function to municipalities without signed Service Level Agreements (SLAs). This meant

the Department did not have a tool to monitor performance and compliance. Only one SLA was signed with the Tshwane Municipality on 24th August 2006.

During the 2010/11 financial year audit period it was raised by the Auditor-General that the SLAs entered into by the Department and various Registration Authorities were not reviewed since their inception and recommended that these should be reviewed on a regular basis or at least annually.

The Department has revised the SLAs to include clear performance standards to ensure improved accountability and service delivery. A total of five SLAs were completed and two were signed by agents.

Strategic Objective 3: To ensure the availability of overall management and administrative support function.

Training of Public Transport Operators (DOT/ TETA funded)

The Department embarked on a comprehensive training programme which focused on developing the skills of Public Transport Operators to enable them to render effective and professional service to the public. The training enhanced the Operators' driving and customer services skills, as well as the safety in public transportation. A total of 28 learners completed the training.

Departmental Skills Development

The National and Provincial Skills Development Strategy aims to address critical and generic skills of employees to create a skilled workforce. The Department has trained 1 346 employees in various skills programmes. A total of 123 learners and interns were contracted and this contributed to youth employment and capacity building to achieve the Department mandate.

Programme	Achieved	Youth	Women	People with Disabilities
Skills Programmes	1346	655	538	3
Internships / Learnerships	123	80	47	0

Through youth based job creation initiatives such as bursaries, learnerships and internship programmes, the Department has permanently placed 25 students over a three year period.

In partnership with PSETA apprentice pilot funding projects, the Department embarked on a Diesel Mechanic Apprenticeship and 18 out of the 28 apprentices successfully completed level 2 of the programme.

In support of ABET-AET programmes, 40 learners were assessed and enrolled in the GETC: Construction NQF 1 learnership for capacity building in Road Maintenance at the Zwartkops Training Centre. The fundamental unit standards were completed however the core and elective unit standards are still outstanding due to budgetary constraints.

October Transport Month

The 2012 October Transport Month campaign served as a platform through which the National Department of Transport, provincial departments, agencies and municipalities showcased and highlighted successes, milestones and challenges in the quest towards providing world-class road networks as well as promoting road safety by enforcing traffic regulation on the roads.

The theme of the national campaign was intrinsically linked to the United Nations 2011-2020 plan/theme, Decade of Action for Road Safety, which calls on all governments and its stakeholders to work on urgent actions to stop the daily tragedy of thousands of preventable deaths and injuries on the roads. The Departmental theme for the 2012 campaign was, "Working together to provide a safe and reliable transport system", and was successfully launched in Emndeneni, Soweto.

The National Department of Transport also hosted a closing ceremony of the October

Transport Month Campaign at the Union Buildings in Tshwane, with a Road Safety Mass Walk, to culminate the 2012 campaign. The event attracted both dignitaries and ordinary South Africans, who had to walk from central Tshwane to the lawns of the Union Buildings.

Public Transport Conference

The Department hosted the Gauteng City Region Public Transport Conference on 28th May 2012. The theme of the conference was *Public Transport in Gauteng – Present realities and future scenarios*. The purpose of the Gauteng City Region Public Transport Conference was as follows:

- To showcase current public transport options in the Province, particularly the BRT in the three metros, PRASA modernisation initiatives and the Gautrain.
- To inform the public about the programmatic vision for the development of an integrated Public Transport system in Gauteng based on future developments from the role players.
- To define the core elements of an integrated public transport system for the city region.

The conference attracted huge interest from the Public Transport Operators and public transport policy makers and was attended by 330 delegates.

Department hosts successful African Association of Public Transport Congress

The Department together with Gautrain successfully hosted the 2nd African Association of Public Transport (UATP) Congress and Exhibition of African Public Transport at the Exhibition Centre at Nasrec in Johannesburg, following the inaugural congress in Dakar, Senegal in 2010.

UATP is the African chapter of the International Association of Public Transport (UITP) and gathers together professionals in the field of



public transport in Africa. The four-day congress deliberated on plans and programmes to promote the implementation of, amongst others, the Bus Rapid Transit system as the viable option for public transportation in major African cities. The gathering looked at issues ranging from management, development of policy frameworks and institutional capacities to carry out the implementation of such huge projects, as well as means to strengthen the voice of the African sector and overall transport platforms in the world.

While the main focus of the congress was on the field of Bus Rapid Transport, the gathering also served to showcase global public transport best practices and served as a platform for public transport role-players, professionals and decision makers to exchange knowledge and information.

Furthermore, the discussions centred on the importance of integration with other modes to provide seamless, safe, reliable and affordable public transport systems in various cities.

In addition the "Johannesburg Declaration" committed African policy-makers and institutions to develop and implement public transport policies that may impact on the provision of an improved public transportation in the continent.

Relocation of offices to improve service delivery

During the 2012/13 financial year the Department made significant strides to lay the foundation for the continued provision of facilities management, departmental immovable assets management and administration functions within the Department.

This strong foundation has been laid to ensure that the Department fulfils its mandate in terms of the implementation of its core functions. The maintenance of departmental immovable assets benefits the Department as a whole as these assets include TOLABs centres which are accessed by the public on a daily basis.

Two facilities which formed part of the

Department's lease portfolio, i.e. Batho Pele Building and Surrey House, were vacated as leases for both properties expired. Planning for the relocation of officials and assets such as furniture and gym equipment commenced in August 2012.

Departmental officials from the Batho Pele Building were relocated to the Sage Life Building, ABSA Building, Derek Masoek Centre and 11 Diagonal Building in Johannesburg. The final phase of relocation was completed during the 2012/13 financial year.

The move enhanced service delivery in that public transport operators are now provided with services at one central point, and thus saves them time and money.

The refurbishment ensured that access to the building accommodates people living with disabilities, as well as the security element was incorporated to enhance safety of staff and stakeholders.

Westhoven DLTC

Officials from Westhoven DLTC were relocated to the Kliptown Registering Authority in the financial year 2012/13 and all closed files from Westhoven DLTC were relocated to the file storage site at Polly Building in Johannesburg.

Information Systems Service improvement Initiatives

Improving the Network Bandwidth

An environmental scan for the network was conducted in 2011/12 which was prompted due to slowness of the network. It was found that the bandwidth was small and over-utilised. The Department set a threshold of 2MB for both download and upload speed. 12 Sites were therefore upgraded to a minimum of 2MB during the financial year, which has resulted in the response time improving drastically in terms of accessing and performing network resources such as e-mails and internet.

Green IT Drive

The Green IT Drive refers to environmentally sustainable computing of IT servers, and associated sub-systems such as monitors, printers, storage devices, and networking and communications systems. The goals of green computing are to reduce the environmental impacts of their IT operations and maximise energy efficiency during the product's lifetime. In line with the Green IT Drive, the Department completed a business process mapping to identify processes that can be automated. A phased approached project implementation, in automating the identified processes was approved and the Department automated the following processes:

- eDTIC (Requesting ICT Software and Hardware procurement).
- eContract Management (Requesting contract creation and contract management).

The Department resumed with the implementation of a paper-less environment as from the 2012/13 financial year and will proceed until 2014/15.

EPM (Enterprise Project Management)

The EPM system is a web-based application that together with Microsoft Project Professional enables collaborative planning, task updates, issue tracking, risk tracking, and document sharing among workgroup members, project managers, and other stakeholders.

With the Department not having an electronic performance management tool, a project to address this gap was approved and to be implemented in a phased approach. Phase 1 was to implement an electronic project management tool with PRINCE 2 framework. 60 Officials were trained in PRINCE 2 Foundation and acquired certification. The Department will benefit through EPM as reports will be stored and available online.

Strategic Objective 4: To ensure the efficient management and implementation of Gautrain.

GAUTRAIN STRATEGIC OVERVIEW

The Gautrain Rapid-Rail Link is a state-of-the-art rapid rail network for Gauteng. The rail connection comprises two links, one between Tshwane (Pretoria) and Johannesburg and the other between OR Tambo International Airport and Sandton. Apart from the four terminus stations on these two links, six other stations are linked by some 80 kilometres of rail along the completed route.

Phase 1 of the Project, linking Sandton and the Airport, was completed shortly before the 2010 FIFA World Cup in June 2010, while the second and final phase, the Johannesburg-Tshwane link, was completed in mid-2012. This completion was marked by the achievement of Operating Commencement Date 2 (OCD 2) on the 7 June 2012. The phase prior to this date is known as the Development Phase. OCD 2 also marks the commencement of the full Operating Phase.

The Gautrain Project is primarily aimed at improving economic growth, creating jobs and alleviating traffic congestion in Gauteng. It is part of a longer-term vision, which includes a commitment towards creating and sustaining a new culture of public transport use. The Gautrain Project is developed as a Public Private Partnership (PPP) and as such, must comply with all the requirements and regulations of the Public Finance Management Act (PFMA). This, inter alia, required the completion of comprehensive feasibility studies, in which value for money, affordability and risk transfer were important components. The PPP is manifested in a Concession Agreement (CA) concluded between the Gauteng Provincial Government and a private sector company, Bombela Concession Company (Pty) Ltd in September 2006. The CA grants the rights, and sets out the concomitant obligations, to the Concessionaire to design, build, partly



finance and operate the Gautrain System over a period of 19½ years.

The Gautrain Management Agency (GMA) was established in terms of the GMA Act (Act 5 of 2006) to manage the implementation of the Project and the relationship with the Concessionaire.

The overall goal of the GMA is to manage, coordinate and oversee the Gautrain Project and, as an objective, to enhance its integration with other transport services and public transport plans.

The strategy focus of the GMA over the first three years of its operational existence from 2009 has been on the completion of the Development Phase of the Gautrain Project. Prior to this, the Provincial Support Team (PST) and the Concessionaire closely monitored the timeframes and the delivery schedules. The PST has continued to support the GMA in the oversight over the Development Phase and the year subsequent, during which all snag list works and retention items are to be completed.

In the current financial year the focus moved to the Operating Phase of the Gautrain Project and the GMA is required to play a different role in overseeing this phase, providing strategic direction and oversight in ensuring that Gautrain operates in a sustainable manner with clear commitment to governance and overarching Provincial Government's economic and social imperatives. The GMA Act and the CA have guided the GMA's actions.

Overview of the year

Close out of the development phase

The most significant aspect of the year under review is that the Independent Certifier (IC) certified that the Operation Commencement Date 2 (ODC 2) was achieved on 7 June 2012, despite the fact that the tunnel works was not completed as the water ingress was still above the specified unit. The IC decided to deal with this shortcoming by registering it as a retention item on the list of

Retention Items and Signal List Works. Province informed the IC that it did not agree with this and reserved its rights pending the outcome of the Water Ingress Arbitration, which is due in November 2013.

Although OCD 2 signifies the end of the Development Phase it does not mean that all work has been successfully concluded. One year is provided to complete Retention Item and Snag List Works. These items on the OCD 2 list of Retention Items and Snags thus need to be concluded by 6 June 2013. There are, however a relatively large number of retention items and snags remaining from the Extended Phase 1 (EP 1) list, which should have been completed on 1 August 2012, but which is now expected to be completed the same time as the OCD 2 list. Of the original number of 53,902 snags and retention items on the EP1 list, 118 remained open at the end of March 2013. Of the original 5,490 items on the OCD 2 list, 82 were open on 31 March 2013. These open items include some of the more difficult items requiring considerable effort to close out.

During March 2013 it became clear that not all items on the above lists would in fact be closed out by 6 June 2013. Contractually it will then be necessary to determine a new final date for closure once the full list of outstanding items is known. The first two items on the EP 1 list are the Retention Items dealing with the Water Ingress in the tunnel which is now the subject of Arbitration. The outcome of this Arbitration will only be known by November 2013, and depending on this outcome, and possible further work in the tunnel, the IC will only after that, be able to consider issuing the Certificate of Final Completion.

The other items that will most likely not be concluded by 6 June 2013 include:

- Waterproofing of Viaduct Expansion Joints.
- Track tolerances outside the tunnel. The track tolerances inside the tunnel still need to be agreed on and also its remedy which will then

determine the time to complete.

- Bull nose sheeting at Rosebank Station canopies.
- Certain utilities in the Tshwane area and especially the documentation around all utilities.
- Intermittent signal loss-of-control under certain circumstances.
- The 180 second headway issue.
- Certain software issues at the TVMs.

It is trusted that most of the above will be concluded well before November 2013. The only outstanding item then remains, is the improvement of wet utilities inside the Water Management Corridor in the dolomitic areas in mainly Centurion that is scheduled for completion in 2014.

During the year under review the defects in the Marlboro Station Parking Garage were corrected by demolishing and replacing the original structure. Where parking shortages are experienced at a number of stations, studies are being undertaken to address these shortcomings. At Rhodesfield Station, 116 additional parking spaces were added in the past year and further extension is under consideration.

Apart from the Water Ingress Arbitration several other arbitrations/disputes are in progress, including the Sandton Cavern arbitration, the Land Discrepancies arbitration, the Gauteng Transport Infrastructure Act arbitration and the Delay and Disruption claim. All of these are disputes with the Concessionaire. There is also an outstanding dispute with the IC.

Operations Phase

The 2012/13 financial year saw the commencement of full operations of the Gautrain Services between Park Station in Johannesburg and Hatfield Station in Tshwane. This milestone is important from a contractual perspective because it marks the end of the Development Phase. As important, however, is the impact on the

passengers, who could finally travel by train and bus across the full extent of the Gautrain System. The opening of Park Station in Johannesburg saw the demand for the train and bus services increase dramatically and daily average passenger trips on the train had increased from 26,000 at the beginning of the financial year in April 2012 to 42,000 at the end of March 2013. The monthly number of passenger trips passed 1 million in October 2012 and has consistently grown since the Christmas break. The increase in average daily bus trips was even more marked, going up from around 9,000 per day in April 2012 to over 18,000 a day in March of 2013. Over 350,000 passenger trips were made on Gautrain buses in the month of March 2013.

The table below shows the change in the number of train passenger trips from the previous financial year. The table differentiates between the General Passenger Service and the Airport Passenger Service. The former grew very strongly as a result of the opening of the whole System while the airport service showed that it had reached a stage of maturity characterised by slower growth.

Financial Year	2011/2012	2012/2013	% Change
Total Pax Rail	6 663 727	11 002 502	65%
Total Pax APS	1 582 357	1 687 009	7%
Total Pax GPS	5 081 370	9 315 493	83%

The table below shows the change in the number of passenger bus trips from the previous financial year.

Financial Year	2011/2012	2012/2013	% Change
Total Pax Trips (DFDS)	1 438 271	3 508 025	144%

This was achieved with an operational efficiency provided by the Operator and the Concessionaire that met and exceeded targets of availability and punctuality for 98% and 97% of all trips made. Safety and security targets were also met and exceeded, increasing customer confidence in the Gautrain and in public transport in general. Incidences of cable theft did occur however on a much smaller scale than in the previous



financial year. This was largely as a result of improved security systems implemented by the Concessionaire in close cooperation with the South African Police Service and the GMA.

From a Socio-Economic Development (SED) perspective all targets were met and most were exceeded. The SED performance of the Concessionaire up to the end of March 2013 can be summarised as follows:

An amount of more than R5 700 million was spent on procurement from and sub-contracting to BBBEEs, compared to an obligation of R2 750 million. More than 400 BBBEEs have benefitted from the project to date.

An amount of more than R2 960 million was spent on procurement from and sub-contracting to new BBBEEs, compared to an obligation of R1 505 million. More than 120 new BBBEEs have benefitted from the project to date.

An amount of more than R1 450 million was spent on procurement from, and sub-contracting to SMMEs, compared to an obligation of R350 million. More than 315 SMMEs have benefitted from the project to date.

South African materials, plant and equipment were procured, to a total value of more than R3 680 million, compared to an obligation of R1 960 million.

More than 36 100 local direct jobs were created or sustained, and an estimated total of 126 400 direct, indirect and induced jobs were created as at the end of March 2013.

The Concessionaire and its sub-contractors created, amongst others:

- 36 100 jobs for local people, i.e. South African citizens, compared to an obligation of more than 20 100.
- 31 030 jobs for HDIs, compared to an obligation of 14 410.
- 4 070 jobs for women, compared to an obligation of 1 800.

- 244 jobs for people with disabilities, compared to an obligation of more than 190.
- From the local employment figure of 36 100 jobs, there were the following:
 - jobs created for HDIs: 85.9%,
 - jobs created for HDIs in Occupational Level C: 10.4%,
 - jobs created for HDIs in Management Positions: 2.1%,
 - jobs created for Youth: 59%,
 - jobs created for Women: 10.5%,
 - jobs created for Women in Management Positions: 1.0%,
 - jobs created for People with Disabilities: 0.7%.

Unskilled staff and semi-skilled staff have to date attended more than 16 480 courses to improve their skills levels. Top management, senior management, middle management and junior management of the Concessionaire have to date attended more than 3 530 training courses.

Customer satisfaction ratings remained high with a Net Promoter Score of 93 at the end of March 2013. Various integration initiatives were completed, particularly in the improvement of information and accessibility around the Park Station precinct where Gautrain, Rea Veya and the Passenger Rail Agency of South Africa's services intersect.

The year was not without its challenges. Primary among these is the fact that the water ingress into the tunnel drainage systems remains unsatisfactory and outside of the contractual specification. The certification of OCD 2 by the IC was, in the view of the Province, in error and prejudicial to its interests. The tunnel water ingress remains a dispute between the Parties and is currently serving before the Arbitration Federation of Southern Africa with a determination expected later in the new financial year.

Operational challenges related to the higher than expected demand for train trips between Tshwane and Johannesburg, in the morning and returning in the afternoon. This required the introduction of additional train sets before the forecast time of

introduction. Even so, overcrowding occurred on certain links in the peak periods. Notwithstanding the increased demand, the Patronage Guarantee for the financial year remained high at R830 million. Reducing this will be a key challenge for the coming years.

The complete report for the Gautrain project is contained in the Annual Report of the Gautrain Management Agency, a public entity of the Department of Roads and Transport tasked with managing the Gautrain project.

Gautrain Bus Rhodesfield Station



Gautrain Train Airport Station





5. Performance information by programme

The section below indicates the manner in which the Department is organised in its quest to pursue and achieve the strategic objectives as set above.

Programmes through which strategic objectives are achieved

- The GDRT pursues its strategic goals through the following four Institutional Programmes:
Programme 1: Administration
- Programme 2: Transport Infrastructure
- Programme 3: Transport Operation
- Programme 4: Transport Regulation.

Each Programme is structured to support the achievement of the Department’s strategic objectives.

Below is the detailed description of each of these programmes:

5.1 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. It comprises of the following sub programmes:

Sub- programmes

The Administration and Support Programme consists of three key sub-programmes as well as the Office of the Member of Executive Council (MEC) and Head of Department (HoD).

- Office of the MEC
- Management of the Department (HOD)
- Corporate Support – Finance
- **Office of the MEC**

The Office of the MEC is responsible for the management and administration support services

to the MEC. The office ensures the programme of the MEC is executed and facilitates cooperative relationships with the Provincial Legislature, Departments and stakeholders.

- **Office of the HoD**

The office of the HoD provides strategic advisory services to the HoD towards the realisation of the strategic mission of the Department, administrative support in executing the programmes of the HoD and good governance. It also manages cross cutting issues in relation to GEYODI programmes and inter-governmental relations programmes.

- **Corporate Support**

The function of this sub-programme is to manage, coordinate and monitor communication for the Department. It further renders human resources management services and is responsible for facilitating good, transparent and accountable governance. The priorities for the Corporate Support sub-programme for the year 2012/13 included increasing the employee and stakeholder satisfaction levels within the work environment and the work of the Department and improving the Information Technology (IT) capacity within the Department. Furthermore, it focused on improving the quality of data and reports for enhancing policy decision-making.

Objectives of the programme

To ensure the availability of overall management and administrative support function.

Strategic objective, performance indicators, planned targets and actual achievement:

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

PROGRAMME NAME: ADMINISTRATION					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS (REASON)
To ensure the availability of overall management and administrative support function.	2 012	1 450	1 346	104 (7.17%)	The bursaries were not awarded and Zwartkop Training Centre accreditation status was not renewed due to insufficient funds for revising of compliance resources.
	185	100	123	+23 (23%)	Additional funding received from PSETA for apprentice / learnership programme.
	100%	100%	100%	0	-
	69.46%	75%	63.16%	11.84%	Only a few of the entities that responded to the advertised tenders were owned by the Historically Disadvantaged Individuals.
	36.42%	25%	18.99 %	6.01%	Only a few entities that responded to the advertised tenders were owned by the women.
	11.83%	8%	4.14%	3.86%	Most of the construction projects require contractors with a CIDB level 4 and higher and most of the Youth owned entities have CIDB level 1 and 2 which resulted in the underachievement of the target by the Department.
	0%	2%	0%	2%	Limited participation of PwD in the Construction Environment.

Performance indicators

PROGRAMME / SUB-PROGRAMME: CORPORATE SERVICES						
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS(REASON)	
Number of employees in designated categories that have undergone the compulsory training programme.	2 012	1 450	1 346	104 (7.17%)	The bursaries were not awarded and the Zwartkop Training Centre accreditation status was not renewed due to insufficient funds for revising of compliance resources.	
Number of Interns and Learners trained.	185	100	123	+23 (23%)	Additional funding received from PSETA for the apprentice / learnership programme.	

PROGRAMME / SUB-PROGRAMME: FINANCE						
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS(REASON)	
Percentage of tenders awarded within 90 days.	100%	100%	100%	-	-	
Percentage of BBBEE expenditure awarded to HDI's.	69.46%	75%	63.16%	11.84%	Few entities that responded to the advertised tenders were owned by the Historically Disadvantaged Individuals.	
Percentage of BBBEE expenditure awarded to Women.	36.42%	25%	18.99 %	6.01%	Few entities that responded to the advertised tenders were owned by the women.	
Percentage of BBBEE expenditure awarded to Youth.	11.83%	8%	4.14%	3.86%	Most of the construction projects require contractors with a CIDB level 4 and higher and most of the Youth owned entities have CIDB level 1 & 2 which resulted in the underachievement of the target by the Department.	
Percentage of BBBEE expenditure awarded to PwD	0%	2%	0%	2%	Limited participation of PwD in the Construction Environment.	

Strategy to overcome areas of under performance

Number of employees in designated categories that have undergone the compulsory training programme: The awarding of bursaries and accreditation of the Zwartkop Training Centre will be completed in the 2013/14 financial year.

Percentage of BBBEE expenditure awarded to HDI: The Department to engage with business groups such as the National African Federation Chamber of Commerce.

Percentage of BBBEE expenditure awarded

to women and youth: Engagements to be undertaken with women and youth organisations such as Women in Construction, etc.

Percentage of BBBEE expenditure awarded to PwD: The service provider database has been advertised as an intervention to encourage people with disabilities to register on the database. The Department will engage with Disability South Africa and ACHIB to assist with the mainstreaming of the targeted group.

Changes to planned targets

None

Sub-programme expenditure

	2012/2013			2011/2012		
SUB- PROGRAMME NAME	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 MEC	13 403	6 935	6 468	10 374	6 035	4 339
Management	30 354	24 987	5 367	25 431	22 877	2 554
Corporate Service	153 315	148 147	5 168	128 298	146 717	-18419
Total	197 072	180 069	17 003	164 103	175 629	-11526

5.2 Programme 2: Transport Infrastructure

Purpose

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

Sub programmes:

The Programme is responsible for the development and maintenance of the roads infrastructure in Gauteng and has made a significant contribution to job creation through the Expanded Public Works Programme (EPWP). In addition, it also provided opportunities for BBBEE and SMME development. The development of rural roads was a major priority. The Programme consisted

of the following sub-programmes and the key priority areas for the 2012/13 financial year have been identified under these sub-programmes.

- Infrastructure Planning
- Infrastructure Design
- Construction Maintenance

Infrastructure Planning

This function provides the roads and transport policy and planning services through managing, co-ordinating and integrating the overall planning of transport and infrastructure in the province. The Department has conducted the review of the Strategic Road Networks (SRN) in line with the Road Infrastructure Strategic Framework of South Africa (RISFSA). This sub-programme is one of the key drivers to ensure change of land- use management, environmental management and that the road networks are



aligned with the Gauteng Spatial Development Framework. Thus, the sub-programme had two major priorities for the 2012/13 planning cycle. It aimed to complete a Gauteng Province Integrated Public Transport Network design and to implement freight projects as identified by the Gauteng Freight Implementation Strategy.

- **Infrastructure Design**

This sub-programme involves the design of the roads infrastructure and deals with the proclamation of road reserves for provincial roads, ensuring alignment to the Provincial Spatial Development Framework, consultation with stakeholders and maintaining the Road Network Management System (RMNS) for the province. The RMNS is used to assess the road conditions for both paved and gravel roads in order to assist in the compilation of the maintenance programme for provincial roads.

The RMNS consists of the following components:

- Road Network Inventory (RNI);
- Traffic Information System (TIS);
- Pavement Management System (PMS);
- Maintenance Management System (MMS);
- Bridge Management System (BMS);
- Road Structures Management System (RSMS); and
- Gravel Management System (GrMS).

The Roads Materials Testing Laboratory is accredited with ISO 17 025 and is certified by the South African National Accreditation System (SANAS). The Roads Laboratory is utilised for quality control tests as well as for way leave determination.

The Department, in collaboration with CSIR is currently involved with research on two types of hand-labour friendly road construction technologies: Ultra-thin Reinforced Concrete Pavement (UTRCP) and Roller Compacted Concrete (RCC) using the Heavy Vehicle Simulator

(HVS). It has identified an in-service, un-surfaced road between Rayton and Nooitgedacht (Road D1814) close to Cullinan as the most appropriate road to construct test pavement sections using the above technologies. The UTRCP is under construction for a 2km stretch of road and will be subjected to normal traffic. Approximately 100m of UTRCP is also constructed with deviation where HVS testing will be conducted without obstructing the normal flow of traffic. This section is constructed under two different traffic classes, viz. 50m section is constructed under 1 million E80'S and the 50m is constructed under 3–10 million E80'S. The aim is to get an appropriate design for the provincial road design standards. Parallel to the UTRCP section is a 100m section of RCC constructed on the road reserve and this section is not subjected to any traffic.

- **Construction**

The function of this sub-programme is to construct, upgrade, rehabilitate and manage the execution of transport infrastructure in order to have a complete transport network, which provides access and mobility for the people of Gauteng in execution of economic and social activities. This is done in pursuit of economic growth and investments through the provision of appropriate transport systems and socio-economic infrastructure.

The Capital Projects Directorate embarked on two project categories, namely, the Capital Projects and the 20 Prioritised Township Projects (20PTP). In both project classes, job creation, skills development and contractor development are priority aspects which are enhanced through the project management systems.

- **Capital Projects**

These projects involved the upgrading, rehabilitation and construction of provincial roads as a way of improving efficiency, effectiveness and safety of the provincial transport system.

- **20PT Projects**

These are township projects involving the upgrading of gravel roads in previously disadvantaged black communities, established before 1994.

The mandate of the programme was also revised to accommodate deteriorated or gravel arterial township roads, regardless of the year the township was established.

- **Maintenance**

Maintenance involves undertaking routine and preventative maintenance on the provincial road infrastructure. It also includes the maintenance of bridges to prevent deterioration.

The roads maintenance programme focuses on the following key sub-programs, namely, **routine road maintenance, preventative maintenance, reactive maintenance and specialized road maintenance**.

- **Routine road maintenance**

It focuses on activities such as pothole patching, grass cutting, guardrails repairs, fencing, road marking, blading of gravel roads and shoulder repairs. This programme is supported by outsourced routine maintenance contractors and consultants.

- **Preventative road maintenance**

It entails fog spray, reseal, light rehabilitation, heavy rehabilitation and re-gravelling. This programme is supported by the S'hamba Sonke programme, which is funded by the Provincial Roads Maintenance Grant.

- **Reactive road maintenance**

It focuses on reacting to non-scheduled road related repairs and maintenance and therefore responds to road safety issues, emergencies and day-to-day queries in order to make roads safe and provide initial temporary repair for safety purposes.

- **Specialised road maintenance**

The core is on the establishment of borrow pits for gravel material, repairs and maintenance of storm water structures, bridges, traffic lights and street lights maintenance.

Objectives of the programme

To provide a balanced and equitable road network.

Strategic objective, performance indicators, planned targets and actual achievement:

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

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To provide a balanced and equitable road network.	SUB PROGRAMME:DESIGN				
	3	4 Designs completed	3 Designs completed	1 (25%)	Delays by Eskom to give approval for the design to continue as the power lines have been constructed within the accepted preliminary design.
	SUB PROGRAMME:CONSTRUCTION				
	Upgrading of Provincial Roads				
	1.88kms	9.2kms	10.216kms	+1.016km (11.04%)	The overachievement is attributed to the R82 which was ahead of schedule.
	Township Roads Upgraded				
	2kms	2.2kms (Cayman Road)	2.2kms	-	-
	2.13kms	2.8kms	3, 549kms	+0.749 (26.75%)	The 0.749km overachievement emanates from Mogo St as a result of the revision of the scope from the planned 0.7km to 1.449km.
	4.13kms	14.2kms	15, 965kms	+1.765 (12.42%)	The overachievement is attributed to the R82 which was ahead of schedule as well as Mogo St change of scope.

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To provide a balanced and equitable road network.	JOB CREATION, TRAINING AND CONTRACTOR DEVELOPMENT				
	342	200	239	+39 (19.5%)	The overachievement of 39 was a result of activities completed on the R82 which warranted job creation.
	0	100	377	+277 (277%)	The overachievement was a result of more training opportunities that were accommodated within the R55 training budget.
	32	20	21	+1 (5%)	The overachievement was a result of the availability of the subcontractor work on the R82.
	SUB PROGRAMME: MAINTENANCE				
	ROUTINE MAINTENANCE				
	5,637.54kms	5,637.54kms	5,637.56kms	-	
	SURFACED ROADS REHABILITATED				
	0	104.33kms	46.9kms	57.43 (55.04%)	P31/9 and Tarlton Road contracts were cancelled due to non-performance by the contractors. Further, some projects were reprioritised due to delays in the finalising of the designs.
	SURFACED ROADS RESEALED				
	77.57kms	4.0kms	0	4.0 (100%)	The appointed Service Provider withdrew from the project and the project was rolled over to the new financial year.

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To provide a balanced and equitable road network.	RE-GRAVEL ROADS				
	144.28kms	128.93kms	0	128.93 (100%)	Borrow pits were not available for the required gravel materials. Therefore a tender advert to reg gravel using commercial borrow pits was issued late and hence the Department could not meet its target.
	RURAL ROAD DEVELOPMENT				
	0	9.5kms	3.9kms	5.6 (58.94%)	The project designs were delayed due to the service provider's non-performance and the contract was discontinued.
	BLACKTOP PATCHING				
	4, 248.44km linear measure	300, 000m²	173, 783.34 m²	126, 216.66 (42.07%)	The Department embarked on a preventative maintenance programme. The programme targeted roads with poor conditions which reduced the occurrence of potholes hence, fewer potholes developed than anticipated.
	ROADS BLADED				
	1, 506.37kms	1, 042kms	6, 493.18kms	+5, 451.18 (523.14%)	More roads deteriorated which therefore required frequent blading to maintain the road.
	JOB CREATION AND CONTRACTOR DEVELOPMENT				
	5, 537	5, 500	2, 019	3, 481 (63.29%)	The funds earmarked for the revised contractor programme were reprioritised due to the sinkholes that developed during the financial year, which required urgent repairing.
	69	169	88	+81 (47.92%)	The funds earmarked for the revised contractor programme were reprioritised due to the sinkholes that developed during the financial year, which required urgent repairing.

Infrastructure Design

Performance indicators

PROGRAMME / SUB-PROGRAMME:				
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013
Number of designs completed.	3	4	3.	1 (25%)
				Delays by Eskom to give approval for the design to continue as the power lines have been constructed within the accepted preliminary design.

ROADS VISUAL ASSESSMENT

PROGRAMME PERFORMANCE INDICATOR	INSTITUTIONAL METRIC			
	AUDITED/ACTUAL PERFORMANCE			
	2008/09	2009/10	2010/11	2012/13
Percentage of surfaced network in very good condition.	0	12% (477km)	9%	9
Percentage of surfaced network in good condition	0	32% (1300km)	27%	27
Percentage of surfaced network in fair condition	0	40% (1633km)	33%	33
Percentage of surfaced network in poor condition	0	12% (511 km)	20%	20
Percentage of surfaced network in very poor condition	0	4% (154km)	11%	11
Percentage of gravel network in good condition	0	0	1%	1
Percentage of gravel network in fair condition	0	8% (103km)	17%	17
Percentage of gravel network in poor condition	0	33% (441 km)	82%	82
Percentage of gravel network in very poor condition	0			73

Strategy to overcome areas of under performance

The Department has submitted draft detail designs to Eskom for the relocation of the power lines and is awaiting their approval.

Changes to planned targets

None

Construction

Performance indicators

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
CONSTRUCTION					
UPGRADING OF PROVINCIAL ROADS					
Number of km of roads upgraded.	1.88kms	9.2kms	10.216kms	+1.016km (11.04%)	The overachievement is attributed to the R82 which was ahead of schedule.
TOWNSHIP ROADS UPGRADED					
Number of rural roads	2kms	2.2kms (Cayman)	2.2kms	-	
Number of 20PTP kilometres of roads completed.	2.13km	2.8kms	3.549kms	+0.749 (26.75%)	The 0.749km overachievement emanates from Mogo Street as a result of the revision of scope from the planned 0.7km to 1.449km.
Total number of roads completed.	4.13kms	14.2kms	15.965kms	+1.765 (12.42%)	The overachievement is attributed to R82 which was ahead of schedule as well as Mogo Street change of scope.
Job Creation, Training and Contractor Development					
Number of jobs created through the implementation of EPWP principles.	342	200	239	+39 (19.5%)	The overachievement of 39 was a result of activities done on the R82 which warranted job creation.
Number of training opportunities created.	0	100	377	+277 (277%)	The overachievement was a result of more training opportunities that were accommodated within the R55 training budget.
Number of opportunities for previously disadvantaged contractors created.	32	20	21	+1 (5%)	The overachievement was a result of the availability of subcontractor work on R82.

Strategy to overcome areas of under performance

There was no underperformance.

Changes to planned targets

None

Maintenance

Performance indicators

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
SUB PROGRAMME: MAINTENANCE					
ROUTINE MAINTENANCE					
Number of km's of existing roads on routine maintenance.	5 637.54kms	5 637.54kms	5 637.56kms	-	-
SURFACED ROADS REHABILITATED					
Number of km's of roads rehabilitated.	0	104.33kms	46.9kms	57.43 (55.04%)	P31/9 and Tarlton Road contracts were cancelled due to non-performance by the contractors. Further, some projects were reprioritised due to delays in the finalising of the designs.
SURFACED ROADS RESEALED					
Number of km's of roads resealed.	77.57kms	4.0kms	0	4.0 (100%)	The appointed Service Provider withdrew from the project and the project was rolled over to the next financial year, 2013/14.
RE-GRAVEL ROADS					
Number of km's of roads re-graveled.	144.28kms	128.93kms	0	128.93 (100%)	Borrow pits were not available for the required gravel materials. Therefore a tender advert to regravelling using commercial borrow pits was issued late and hence the Department could not meet its target.
RURAL ROAD DEVELOPMENT					
Number of km's of rural roads developed.	0	9.5kms	3.9kms	+5.6 (58.94%)	The project designs were delayed due to the Service Provider's non-performance and the contract was discontinued.

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
Blacktop patching					
Number of sqm of roads patched.	4 248,44km linear measure	300 000m2	173 783,34m2	126 216,66 (42,07%)	The Department has embarked on a preventative maintenance programme. The programme targeted roads with poor conditions which reduced the occurrence of potholes hence, fewer potholes developed than anticipated.
ROADS BLADED					
Number of km's of roads bladed.	1 506,37kms	1 042kms	6 493,18kms	+5 451,18 (523,14%)	More roads deteriorated which therefore required frequent blading to maintain the road.
JOB CREATION AND CONTRACTOR DEVELOPMENT					
Number of jobs created through the implementation of EPWP principles.	5 537	5 500	2 019	3 481 (63,29%)	The funds earmarked for the revised contractor programme were reprioritised due to the sinkholes that developed during the financial year which required urgent repairing.
Number of contractors developed (Shamba sonke).	69	169	88	+81 (47,92%)	The funds earmarked for the revised contractor programme were reprioritised due to the sinkholes that developed during the financial year which required urgent repairing.

Strategy to overcome areas of under performance

All the aforementioned projects will be completed in the 2013/2014 financial year.

Changes to planned targets

There were no change in planned targets with regards to job creation but the funds were reprioritised due the sinkholes that developed during the financial year. During budget adjustment, funds were made available for job creation and the Department was able to create a total of 475 jobs in addition to the 2 828 jobs that were created, prior to the reprioritisation of funds.

Sub-programme expenditure

	2012/2013			2011/2012		
SUB- PROGRAMME NAME	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
Planning	59 962	45 342	14 620	35 782	18 793	16 989
Design	132 515	107 585	24 930	101 750	110 927	9 177
Construction	341 590	293 394	48 196	339 921	277 481	62 440
Maintenance	1 337 458	1 351 031	13 573	1 220 124	744 329	475 795
Total	1 871 525	1 797 352	74 173	1 697 577	1 151 530	546 047

5.3 Programme 3: Transport Operations

Purpose

The purpose of the programme is to plan, regulate and facilitate the provision of freight and transport services and infrastructure in partnership with national and local government as well as private sector formations.

The Transport Operations Programme plays a critical role in the process of restructuring the provincial transport system into an integrated, multi-modal and multi-nodal system. It is responsible for the development of the transport policies, strategies and plans required for the integration of the transport infrastructure. The Programme provides policy development and planning with the explicit aim of managing, integrating and coordinating the transport system and infrastructure in the province. Hence, the measurable objective for this branch is to develop the policy framework in support of a modern, integrated and intelligent transport system. The Programme consists of the following-sub-programme with its identified key priorities:

- **Public Transport Services**

This sub-programme focuses on facilitating the provision of subsidised public transport services as well as the finalisation of the of Integrated Public Transport Network (IPTN) designs.

The priorities for the financial year 2012/13 included a focus on increasing the public

transport usage through the subsidisation of busses and reducing the average walking and cycling time to the nearest public transport system. In line with sustainable development, the sub-programme continued to contribute towards the green revolution through the development of the Green Transport policy by piloting green transport technologies (use of alternative fuels) on government vehicles to meet the Gauteng Integrated Energy Strategy prescriptions.

The focus is also on facilitating the provision of support transport infrastructure and systems that contribute positively towards integrating public transport systems in Gauteng. Priority areas for the financial year 2012/13 included a focus on promoting the use of public transport through the development of commuter-oriented intermodal public transport facilities at prioritised public transport nodal points, wherein the facilities will be accessible, use- friendly and a source of employment. The facilities would be supported by a strategic network of Non-Motorised Transport (NMT) infrastructure (walkways and cycle lanes), contributing to a cleaner environment as it promotes walking and cycling.

The use of NMT is extended to three categories of people as per the national criteria, where the Shovakalula bicycle distribution is aimed to meet the Gauteng target of distributing 28 000 bicycles to scholars by 2015. This further adds impetus to the national goal of rural development where scholars, farmers and road workers may benefit from enhanced sustainable mobility.

Objectives of the programme

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

Strategic objective, performance indicators, planned targets and actual achievement.

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

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To plan, regulate and facilitate the provision of public and freight transport services.	PUBLIC TRANSPORT OPERATIONS				
	34	32	34	+2(+6.25%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of contract managed.
	34	32	34	+2 (6.25%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of contracts managed.
	100 956 480.66kms (non-cumulative)	94 734 516.60kms	100 408 723.98kms	+5 674 207.38 (5.989%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of public transport routes subsidised.
	100 956 480.66kms (non-cumulative)	94 734 516.60kms	100 408 723.98kms	+5 674 207.38 (5.989%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of kilometres monitored.

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE						
STRATEGIC OBJECTIVES	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS	
To plan, regulate and facilitate the provision of public and freight transport services.	PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS					
	2	1 (Roodepoort)	0	1 (100%)	PRASAs prolonged procurement process delayed the planning and design of the facility therefore; the construction could not be completed.	
	16kms	20kms (5kms Ekurhuleni, 8kms Sedibeng and 7kms Tshwane)	9.7kms (1km in Ekurhuleni, 6.5kms in Sedibeng and 2.2kms in Tshwane)	10.3 (51.5%)	Delays due to the signing of the Memorandum of Agreement (MoA) between the Department and the Municipalities which impacted on the project implementation.	
	TRANSPORT SAFETY COMPLIANCE					
	3	4	4	0	-	
	22 789	18 480	26 587	+8 107 (+32.0%)	Received more applications than was anticipated. This was influenced by the transportation of major components of the pipeline construction between Durban and Gauteng.	

Performance indicators

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
PUBLIC TRANSPORT OPERATIONS					
Number of subsidised bus transport contracts managed.	34	32	34	+2 (+6.25%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of contract managed.
Number of subsidised bus contracts physically monitored.	34	32	34	+2 (+6.25%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of contracts managed.
Number of kilometres of Public Transport routes subsidised.	100 956 480.66kms (non-cumulative)	94 734 516.60kms	100 408 723.98kms	+5 674 207.38 (5.989%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of public transport routes subsidised.
Number of subsidised kilometres monitored.	100 956 480.66kms (non-cumulative)	94 734 516.60kms	100 408 723.98kms	+5 674 207.38 (5.989%)	An executive decision was taken to include two more contracts (North West contract). This resulted in an increase in the number of kilometres monitored.
Number of Public Transport Operators subsidised.	12	12	12	0	-
PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS					
Number of public intermodal facilities constructed.	2	1 (Roodepoort)	0	1(100%)	PRASA's prolonged procurement process delayed the appointment of the service provider. However, the Department was able to complete the concept/preliminary designs.
Number of km's of NMT Infrastructure (walkways and cycle lanes)	16km	20km (5km Ekurhuleni; 8km Sedibeng and 7kmTshwane)	9.7km (1km in Ekurhuleni; 6.5km in Sedibeng and 2.2km in Tshwane)	10.3 (51.5%)	PRASA's prolonged procurement process delayed the planning and design of the facility therefore; the construction could not be completed.

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
Number of weighbridges maintained.	3	4	4	0	-
Number of abnormal load permits issued.	22 789	18 480	26 587	+8107 (+32.0 %)	Received more applications than anticipated. This was influenced by the transportation of major components of the pipeline construction between Durban and Gauteng.

Strategy to overcome areas of under performance

The Department will accelerate the project execution plan for intermodal facilities and NMTs in the 2013/14 financial year.

Changes to planned targets

None

Sub-programme expenditure

SUB- PROGRAMME NAME	2012/2013			2011/2012		
	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
Public Transport Service	1 852 654	1 808 237	44 417	2 037 028	2 014 775	22 253
Total	1 852 654	1 808 237	44 417	2 037 028	2 014 775	22 253



5.4 Programme 4: Transport Regulation

Purpose

The purpose of the programme is to plan and facilitate the provision of Learner and Driver Licence, registration of operating licences, the establishment of TOLABS and the Provincial Regulatory Entity; public and freight transport services, and infrastructure in partnership with national and local government as well as private sector formations. This focal area of this Programme is the regulation of all modes of road based transport and the two sub-programmes are Transport Administration and Licensing and Operator License and Permits.

Sub programmes

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

- **Transport Administration and Licensing**

This sub-programme is responsible for motor vehicle registration and licensing and issuing of learner and driver licenses. This responsibility includes the expansion and maintenance of a network of licensing centres and service points.

- **Operator License and Permits**

This sub-programme regulates the road public transport sector by registering public transport operators and issuing operating licenses. The focus of this sub-programme for the 2012/13 planning cycle was on increasing the number of operator licenses issued and to ensure effective monitoring of public transport operators.

Objectives of the programme

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

Strategic objective, performance indicators, planned targets and actual achievement:

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

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To plan, regulate and facilitate the provision of public and freight transport services.	REGISTRATION				
	28	25	81	+56 (224%)	There was an increase in the registration of qualifying associations.
	206	100	172	+72 (72%)	Increased interests in the metered taxi industry have resulted in the department over achieving its set target.
	250	130	138	+8 (6.15%)	There was an increase in compliance among learner transport operators to the regulatory and legalisation process.
	93	20	94	+74 (370%)	Increased interests in the bus operators industry resulted in the department over-achieving its set target.
	0	1 171	1 254	+83 (7.08%)	Increasing spatial developments contributed to the increase in operational routes.
TRANSPORT ADMINISTRATION AND LICENSING					
	40% (Resuming construction, breaking and laying brick walls, plastering, electrical work and tiling)	1 (Kliptown)	1 (Kliptown)	0	-
	0	3 (Tembu, Mabopane, Xavier)	0	3 (100%)	Delays in material supply impacted in the achievement of targets.



PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To plan, regulate and facilitate the provision of public and freight transport services.	TRANSPORT ADMINISTRATION AND LICENSING				
	0	5 000	1 278	3 722 (74.44%)	The school holidays during the financial year impacted on the ability of the Department to achieve the set target. Passing and failing and actual bookings is beyond the Departments control.
	120	110	110	0	-
	2 97 629.00	2 69 454.00	313 461	+44 007 (16.33%)	Large number of new vehicles purchased than initially anticipated.
	4 250 917.00	4 384 083.00	4 430 316	+46 233 (1 05%)	Large number registered than initially anticipated.
	4 618 919.00	4 238 797.00	4 267 607	+28 810 (0.67%)	Large number of vehicles licensed due to large number of new vehicles.
	3 381 659	3 391 039.00	3 324 974	66 065 (1.94%)	This is due to non-compliance by motorist as payments are made late.
	109%	97% (4 238 797/4 384083)	96% (4 267 607/4 430 316)	1%	The Department is unable to enforce payment on time due to the enforcement unit being situated in the Department of Community Safety. However, non-complying motorists are charged a penalty.
	82%	80% (3 391 039/4 238 797)	79% (3 324 974/4 188 408)	1%	This is due to non-compliance by motorist as payments are made late.
					The Department is unable to enforce payment on time due to the enforcement unit being situated in the Department of Community Safety. However, non-complying motorists are charged a penalty.

PROGRAMME NAME: TRANSPORT INFRASTRUCTURE					
STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
To plan, regulate and facilitate the provision of public and freight transport services.	TRANSPORT ADMINISTRATION AND LICENSING				
	28%	31% (of 2 144 732)	27% (R815 797 383 +R127 109 056) /R3 483 226 929	+4%	Lower budget expenditure and agency fees paid.
	Operator License and Permits				
	10 307	4 500	12 346 Permits/Operating Licenses issued	+7846 (+174 35%)	The actual output increased due to the issuing of 1 year permits that are aimed at replacing Written Permissions which were not enforceable in law.
	1 699	5 000	3 413 Permits were converted to Operating Licenses.	1 587 (31.74%)	The delay in the finalisation of the permit conversion process is attributed to the constant downtime and unavailability of the NLTIS. Incomplete documentation submitted by Operators necessitated that letters were written to individual Operators requesting for outstanding documentation. This delayed the conversion process.
	Construction of the Vehicle Testing facility commenced	1 Regional TOLAB in Tshwane	0	1 (60%)	A comprehensive assessment on the TOLAB was conducted which revealed that the building had to be demolished and a new building be constructed. However the VTC was completed in January 2013, which was phase 1 of the TOLAB project.
	0	1 Regional TOLAB in Germiston	0	1 (100%)	The identified building was assessed and further damages were found which required the original tender to be revised to incorporate additional aspects of the project scope. This led to the delay in the appointment of the contractor.

Performance indicators

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
REGISTRATION					
Number of fully registered associations in the Gauteng Province.	28	25	81	+56 (224%)	There was an increase in the registration of qualifying associations.
Number of metered taxis regulated and legalised.	206	100	172	+72 (72%)	Increased interests in the metered taxi industry have resulted in the Department over achieving its set target.
Number of learner transport operators regulated and legalised.	250	130	138	+8 (6.15%)	There was an increase in compliance among learner transport operators to the regulatory and legalisation process.
Number of bus operators regulated and legalised.	93	20	94	+74 (370%)	Increased interests in the bus operators industry resulted in the Department over-achieving its set target.
Number of Audited routes.	0	1 171	1 254	+83 (7.08%)	Increasing spatial developments contributed to the increase in operational routes.
TRANSPORT ADMINISTRATION AND LICENSING					
Number of DLTs established.	40%(Resuming construction, breaking and laying brick walls, plastering, electrical work and tiling)	1 (Kliptown)	1 (Kliptown)	0	-

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
TRANSPORT ADMINISTRATION AND LICENSING					
Number of driver license Testing Tracks upgraded.	0	3 (Temba, Mabopane, Xavier)	0	3 (100%)	Delays in material supply impacted in the achievement of targets.
Number of learners registered for learner licenses.	0	6 000	6 225	+225 (3.75%)	Intensified the campaign to support the registration for learner licenses.
Number of learner licenses issued.	0	5 000	1 278	3 722 (74.44%)	The school holidays during the financial year impacted on the ability of the Department to achieve set target. Passing and failing and actual bookings is beyond the departments control.
Number of license compliance inspections executed.	120	110	110	0	-
Number of new vehicle registered.	297 629.00	269 454.00	313 461	+44 007 (16.33%)	Large number new vehicles purchased than initially anticipated.
Number of vehicles registered.	4 250 917.00	4 384 083.00	4 430 316	+46 233 (1.05%)	Large number of vehicles registered than initially anticipated.
Number of vehicles licensed.	4 618 919.00	4 238 797.00	4 267 607	+28 810 (0.67%)	Large number vehicles licensed due to large number of new vehicles.



PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
TRANSPORT ADMINISTRATION AND LICENSING					
Number of licenses paid on time.	3 381 659	3 391 039.00	3 324 974	66 065 (1.94%)	<p>This is due to non-compliance by motorist as payments are made late.</p> <p>The Department is unable to enforce payment on time due to the enforcement unit being situated in the Department of Community Safety. However, non-complying motorists are charged a penalty.</p>
Percentage of registered vehicles licensed.	109%	97% (4 238 797/4 384 083)	96% (4 267 607/4 430 316)	1%	<p>This is due to non-compliance by motorist as payments are made late.</p> <p>The Department is unable to enforce payment on time due to the enforcement unit being situated in the Department of Community Safety. However, non-complying motorists are charged a penalty.</p>
Percentage of licenses paid on time	82%	80% (3 391 039/4 238 797)	79% (3 324 974 / 4 188 408)	1%	<p>This is due to non-compliance by motorist as payments are made late.</p> <p>The department is unable to enforce payment on time due to the lack of an enforcement unit. This enforcement unit is situated in the Department of Community Safety. However, non-complying motorists are charged a penalty.</p>

PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
TRANSPORT ADMINISTRATION AND LICENSING					
Administration costs as a % of total license revenue.	28%	31% (of 2 144 732)	27% (R815 797 383 + R127 109 056) / R3 483 226 929	+4%	Lower budget expenditure and agency fees paid.
Operator License and Permits					
Number of valid operating licenses/Permits issued to Public Transport Operators.	10 307	4 500	12 346 Permits/Operating Licenses issued	+7 846 (+174 35%)	The actual output increased due to the issuing of 1 year permits that are aimed at replacing Written Permissions which were not enforceable in law.
Number of permits converted to operating licenses.	1 699	5 000	3 413 Permits were converted to Operating Licenses.	1 587 (31.74%)	The delay in the finalisation of the Permit conversion process is attributed to the constant downtime and unavailability of the NLTIS. Incomplete documentation submitted by Operators necessitated that letters are written to individual Operators requesting for outstanding documentation. This delayed the conversion process.



PROGRAMME / SUB-PROGRAMME:					
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2011/2012	PLANNED TARGET 2012/2013	ACTUAL ACHIEVEMENT 2012/2013	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2012/2013	COMMENT ON DEVIATIONS
Operator License and Permits					
Number of TOLABs constructed.	Construction of the Vehicle Testing facility commenced	1 Regional TOLAB in Tshwane	0	1 (60%)	A comprehensive assessment on the TOLAB was conducted which revealed that the building had to be demolished and a new building be constructed. However the VTC was completed in January 2013, which was phase 1 of the TOLAB project.
	0	1 Regional TOLAB in Germiston	0	1 (100%)	The identified building was assessed and further damages were found which required the original tender to be revised to incorporate additional aspects of the project scope. This led to the delay in the appointment of the contractor.

Strategy to overcome areas of under performance

The Department issued only 1 261 learner licenses due to the school holidays, which impacted on the achievement of the set target of 5 000 licences. To mitigate this, it will establish strategic relations with school management to eliminate seasonal challenges.

A total of 3 513 Operating Licenses were converted to operating licenses due to the delay in the finalisation of the Permit conversion process. This is attributed to the constant downtime and unavailability of the NLTIS and also incorrect documentation submitted by operators at the commencement of the project. This necessitated that letters be written to individual operators requesting outstanding documentation. The NLTIS will be reviewed by NDOT in the 2013/14 financial year. The Department adopted an approach in which letters are written to operators for submission of the outstanding documentation and if there is no response received within 21 days as prescribed by legislation, it would reject the applications.

The Department will construct the Germiston TOLAB in the 2013/14 financial year and the Tshwane TOLAB in 2014/15.

Changes to planned targets

The Department revised the scope of work on the Tshwane TOLAB due to the decision made by DID to refurbish an already dilapidated building, which delayed the process. A comprehensive assessment on the TOLAB was conducted, which revealed that the building had to be demolished and a new building be constructed.

Sub-programme expenditure

SUB- PROGRAMME NAME	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 Admin & Licensing	134 366	127 434	6 932	172 460	179 598	(7 138)
Operators Licence and Permits	69 489	53 099	16 390	66 965	43 570	23 395
Total	203 855	180 533	23 322	239 425	223 168	16 257



6. SUMMARY OF FINANCIAL INFORMATION

6.1 Departmental receipts

	2012/2013			2011/2012		
DEPARTMENTAL RECEIPTS	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
Tax Receipts	2 348 022	2 401 619	(53 597)	1 775 498	2 227 726	452 227
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences	2 348 022	2 401 619	(53 597)	1 775 498	2 227 725	452 227
Sale of goods and services other than capital assets	54 076	53 698	378	20 125	51 501	31 376
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	618	(134)	484	1 380	589	791
Sale of capital assets						
Financial transactions in assets and liabilities	4 140	1 226	2 914	1 507	3 943	(2436)
Total	2 406 856	2 456 409	(49 553)	1 798 510	2 283 758	(485 248)

Revenue Collection

TARIFF REVIEW - Legislative Context

The National Road Traffic Act (NRTA), 93 of 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 terms of the Treasury Regulation Section 7.1.3, the Accounting Officer of an institution must 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. Tariffs are annually reviewed to comply with this regulation/ legislation.

The Department therefore increased the fees by an average of 10% in the 2012/2013 financial year.

Section 92(2) of National Road Traffic Act, 1996 states, that the fees payable in respect of any application or request made, or document issued, or any other matter referred to this Act, other than the fees which relate to the registration and licensing system of motor vehicles, shall be prescribed.

This means that fees under this section can only be reviewed by the National Department of Transport. As such these fees were not increased in 2012/2013 financial year.

The tariff process

A draft notice detailing the new fees and implementation date thereof is submitted to the State Law Adviser for certification. The notice is published in the Provincial Gazette after certification. The public is given 21 days to comment on the published Provincial Gazette. The notice is tabled before the Legislature as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA). On approval by the Gauteng Scrutiny Committee, the Road Traffic Circular is updated detailing the new fees for Gauteng and the implementation dates thereof.

6.2 Programme Expenditure

	2012/2013			2011/2012		
PROGRAMME NAME	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
Total	5 737 668	5 564 906	172 762	6 357 678	5 784 647	573 031

6.3 Public Entities

6.3.1 The Gautrain Management Agency

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
		R (000)	R (000)	
The Gautrain Management Agency.	The main objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project.	R 1 598 711	R 1 328 098	OCD2 was certified by the Independent Certifier on 6 June 2012, with the Phase 2 Operating Commencement Date from Rosebank to Park Stations being 7 June 2012. A 65% increase in rail passenger trips and a 144% increase in bus passenger trips from the previous financial year with 98% availability and 97% punctuality of all services.



6.3.2 g-FleeT Management Agency

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
		R (000)	R (000)	
g-FleeT Management Agency	Leases out vehicles on the following options: Permanent: Full Maintenance lease on periods ranging from 12 to 36 months; VIP: Luxury Vehicles Rentals and Chauffeur Driven Rentals; Pool: Rental on short term basis not longer than three months; and Vehicle Administration: vehicle selection and procurement, tracking and monitoring, licensing and registration, fuel management to name a few	The entity is self-funded therefore does not receive any voted funds from the Department or Treasury. It generates revenue through the leasing of vehicles and uses it to fund its operations.	During the year under review the entity spent an amount of R722 million of the revenue of R811 million collected.	The entity acquired 1 305 new vehicles during the year under review. The entity disposed-off 1 473 vehicles through auction. This means that the entity decreased its ageing fleet and increased it with a new and more reliable fleet.

Opening Balance:	Additions:	Transfer in:	Transfer out:	Write-off and Disposal	Closing Balance:
R,000	R0,000	R0,000	R0,000	R0,000	R0,000
29 880 126	12 240	0	0	(13 579)	42 092 968

6.4 Capital investment, maintenance and asset management plan

6.4.1 Assets holding as at 31 March 2013

- The assets were bar coded, verified and captured on the asset register.
- Monthly reconciliations between the general ledger (BAS) and the asset register were conducted.
- Asset coordinators were appointed and trained to assist in tracking and reporting on movement of assets.
- Asset management policies were reviewed.

6.4.2 Plans to close down or down-grade any current facilities

There were no plans to close down any facility. The plan in progress is regarding the facility which is in Poly Street and is being converted to a Records Management Centre.

6.4.3 Progress made on the maintenance of infrastructure

The installation of a new back-up generator at Sage Life Building commenced in October 2012 and is nearing completion. There is on-going maintenance on the air-conditioner system at Sage Life Building and minor maintenance is undertaken daily at all departmental facilities as per requests and inspections.

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

The facilities of the Department require major maintenance to meet the required functional performance as stipulated in the OHS Act.

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

Immovable Assets

As from the 2012/13 financial year, the Department has an immovable asset portfolio consisting of 25 facilities, of which 21 are government-owned and four are leased. The immovable asset portfolio is made up of offices, road camps, storage for government vehicles, testing stations and workshops. Two facilities which formed part of the lease portfolio, viz. Batho Pele and Surrey House have since been vacated as leases for both properties have expired. The Department has entered into a new lease agreement through the Department of Infrastructure Development (DID) and now occupies office space at 11 Diagonal Street.

The majority of facilities in the Department's asset portfolio consist of multipurpose type accommodation, where 30% of a facility constitutes administrative space (offices) and the other 70% workshop space. The size of the verified government owned portfolio is 92,376 m² and the verified lease portfolio size is 46,619 m².

During the 2012/13 financial year, the Department embarked on a number of different projects and strives to fulfil its mandate of ensuring that departmental buildings are properly maintained. The following projects were undertaken during the financial year under review:

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

The Department is represented in the quarterly GPG GIAMA Forums led by the Department of Infrastructure Development where the topic of asset management is discussed in detail. Subsequent to the afore-mentioned forums is the Asset Register Forum, where all the Departments in the province assist each other in managing the asset register.

The Department has also been working closely with the Gauteng Department of Finance to obtain, assess, and analyse the municipal valuation rolls for the purpose of updating the asset register.

6.4.7 The state of the Department's capital assets

The results of the functional performance assessment by the Department in conjunction with DID, that required action, are as follows:

- 88% of the Departments portfolio of assets requires preventative maintenance.
- 7% of the portfolio of assets requires a technical condition assessment.
- 11% requires a detailed feasibility study.

Assessments of buildings commenced in April 2012, and are scheduled to be conducted every financial year. The findings of the assessments were utilised to identify sites earmarked for refurbishment.

6.4.8 Major maintenance projects that have been undertaken during the period under review

10.9 % of the assets occupied by the Department were rated very poor in terms of their condition whilst the majority of the facilities were rated as fair (64.6%).

Two regional sites were earmarked for refurbishment, namely, Tshwane TOLAB and the Krugersdorp Regional office. The refurbishment



of Tshwane TOLAB was completed in March 2013, while the Krugersdorp site is set to be completed in the next financial year.

6.4.9 Progress made in addressing the maintenance backlog during the period under review

The maintenance backlog has increased and facilities that were earmarked for the previous financial year were not maintained due to insufficient funds. The Department has since developed the User-Asset Management Plan, which will assist in requesting the funds from the Provincial Treasury for all planned maintenance. Once these funds have been allocated by the Provincial Treasury, the backlog will be reduced.

	2012/2013			2011/2012		
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	84 224	2 180	82 044	144 202	70 214	73 988
Existing infrastructure assets	1 629 253	1 568 905	60 348	1 502 265	774 879	727 386
Upgrades and additions	437 298	398 016	39 282	5 75 046	286 618	288 428
Rehabilitation, renovations and refurbishments	558 767	522 548	36 219	634 634	127 721	506 913
Maintenance and repairs	633 188	648 341	15 153	292 585	360 540	-67 955
Infrastructure transfer						
Current	1 080 289	922 744	157 545	292 585	484 553	191 968
Capital	633 188	648 341	-15 153	1 353 882	360 540	993 342
Total	1 713 477	1 571 085	142 392	1 646 467	845 093	801 374



PART C:

GOVERNANCE





1. INTRODUCTION

The Department is committed to maintaining the highest standards of governance that 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

Nature of risk management

The Department has adopted the Committee of Sponsoring Organisations (COSO) enterprise risk management which requires that focus should be made around following risks:

- Strategic risks
- Program risks
- Operational risks
- Project risks
- IT risks
- Fraud risks

Risk management strategies to identify risks and manage the risks:

- Every fourth quarter of each financial year, a strategic risk workshop is held with an extended management team to identify strategic risks in line with the departmental strategic objective.
- Once risks have been identified, they are categorised and assessed accordingly as inherent and residual.
- Existing controls are documented in relation to the risk identified.
- Enhancement on the existing control is provided through recommendations.
- Risks identified are then assigned to risk owners.

- Monitoring of risks is performed on a monthly basis.
- Quarterly reports are submitted to Audit Committees.

3. FRAUD AND CORRUPTION

- The Department's fraud prevention plan is at a draft stage and once approved, will be communicated.
- Public Service Commissioner (PSC) has been delegated the responsibility to administer hotline queries. All registered allegation are forwarded to the Department for investigation purpose.
- On completion, a report is issued to PSC.
- The Risk and Compliance Unit then follow up on the implementation of recommendations.

4. MINIMISING CONFLICT OF INTEREST

- As part of the Public Service Commission's prescription, the Department of Roads and Transport ensured that every SMS member completes annually a declaration of interests form which covers at least 9 sections, namely, Shares and other Financial Interests, Directorships and Partnerships, Remuneration work outside the Public Service, Consultancies and Retainerships, Sponsorships, Gifts and Hospitality, Land and Property, Moveable Assets and any other relationships or interests. The declaration forms are submitted to the Department by the end of April of each year, and are in turn submitted to the PSC after it has been scrutinised and signed by the Executive Authority.
- Those queried by the PSC after submission is followed up with the individual SMS member for clarity and answers to queries. Last year (2012) the PSC forwarded a list of SMS members who needed to explain their Directorships of companies. SMS members

responded and there will be a follow-up to assess whether information provided by SMS members concur with latest developments and declarations of interests.

- The Auditor-General's annual audit of the Department identifies SMS members whose financial declarations require further clarifications and perhaps warrant investigation.
- Due to the intensified focus of the PSC on SMS members doing business with the State, the Department has submitted a list of companies of which SMS members are Directors or have an interest in, to its Supply Chain Management Unit for verification as to whether any of those companies have been given tender opportunities or do business with the Department.
- It is expected that once SMS members e-File their financial disclosures the PSC will be able to vet all submissions rather than a random vetting of only 30% SMS financial disclosures across government.
- Unfortunately, due to the lack of regulation non- SMS members are not required to submit financial disclosures annually. However, the Department is working towards advocating the importance of financial disclosure through communications mediums, e.g. the Department's internal newsletter indicating the requirement to disclose whether they perform any remunerative work outside the Public Service. Some of the non- SMS members have come forward to declare their involvement in work outside of the Public Service and have asked for the Executive Authority's permission.
- It should be noted that the MEC has delegated the function to grant Executive Authority permission to SMS members to perform remunerative work outside the Public Service to the HoD.

- In the event that a SMS member seems to be conducting remunerative work outside of the Public Service without Executive Authority permission, the Department will pursue the matter further.

5. CODE OF CONDUCT

The Department is in the process of appointing an Ethics Office that will assist the Department with the technical skill of evaluating the following:

- Adequacy and effectiveness of the code of conduct.
- Compliance to the code of conduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department of Roads and Transport has appointed an Occupational Health and Safety (OHS) Specialist. During the 2013/14 financial year the OHS Specialist will conduct an audit on all departmental buildings and compile an Occupational Health and Safety report for implementation and also ensure compliance to the OHS Act.

7. INTERNAL CONTROL UNIT

The Internal Control Unit is responsible for the following:

- Co-ordination of internal and external audits; and
- Follow up on the implementation of the recommendations made by the internal audit and the Auditor General.



8. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee and Attendance

The Audit Committee and is required to meet as a Committee a minimum of 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 discuss the

Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Report of the Auditor-General.. This Committee comprises of three non-executive Members and four Executive Members, as reflected in the table below. In terms of the GPG Audit Committee Charter, the Executive Committee members, comprising of officials from the Department, are obliged to attend all the meetings of the Audit Committee:.

Name of Member	Number of Meetings Attended
Non-Executive Members	
Lorraine Francois (Chairperson)	05
Masaccha Mbonambi (Member)	05
Zakhele Mkhize (Member)	05
Executive Members	
Compulsory Attendees	Number of Meetings Attended
Margaret-Ann Diedricks (Acting Head of Department)	00
Ronald Swartz (Head of Department)	01
Sanele Zondo (Chief Financial Officer)	04
Delicia Kgage (Chief Risk Officer)	05

During the year under review, the Head of Department, Mr. Mavela Dlamini resigned and the Director-General of the Province, Ms. Margaret Ann-Diedricks acted in this position, until the appointment of Mr. Ronald Swartz in the third quarter of the financial year. The Audit Committee noted that there was no full attendance of the Audit Committee meetings from the Head of Department and the Acting Head. Letters of apology were tendered and a duly authorised representative attended. Head of Departments are expected to prioritise and attend all future Audit Committee meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)

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

The effectiveness of internal control

The system of internal control was not entirely effective in the year under review. Several deficiencies in the system of internal control and deviations were reported by the Internal Audit department and confirmed by the Auditor-General of South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

Governance and Risk Management

Due to a lack of adequate resources, Internal Audit did not review the Department's IT Governance structures and therefore the right assurance was not provided to the Audit Committee in this regard. However, the general IT and application controls were reported to be inadequate.

Progress on Departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee was not satisfied that the actual management of risk was receiving attention. Management should take full responsibility for the entire Enterprise Risk Management process and support the Chief Risk Officer.

The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.

The Audit Committee is satisfied with the quarterly performance information as submitted by the Accounting Officer of the Department. to the Audit Committee during the year under review. However, the content and quality requires some improvements to ensure the effective achievement of all departmental objectives.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited / unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer.
- Reviewed the Auditor-General's management report and Management's response thereto.
- Reviewed the Departments compliance with legal and regulatory provisions.
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be

accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively, however it notes that it does require additional capacity in order to cover all critical risks identified and to provide consulting reviews in areas where internal controls do not exist.

Forensic Investigations

The Audit Committee has stated that forensic investigations should be reported with age-analysis of all reported issues indicated. Details of results in respect of investigations conducted as a result of calls through the fraud hotline should be provided to the Committee.

One-on-One with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to ensure that there are not unresolved issues.

One-on-One Meetings with the Executive Authority

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

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are not unresolved issues.



Lorraine Francois (Ms.)

Chairperson of the Audit Committee

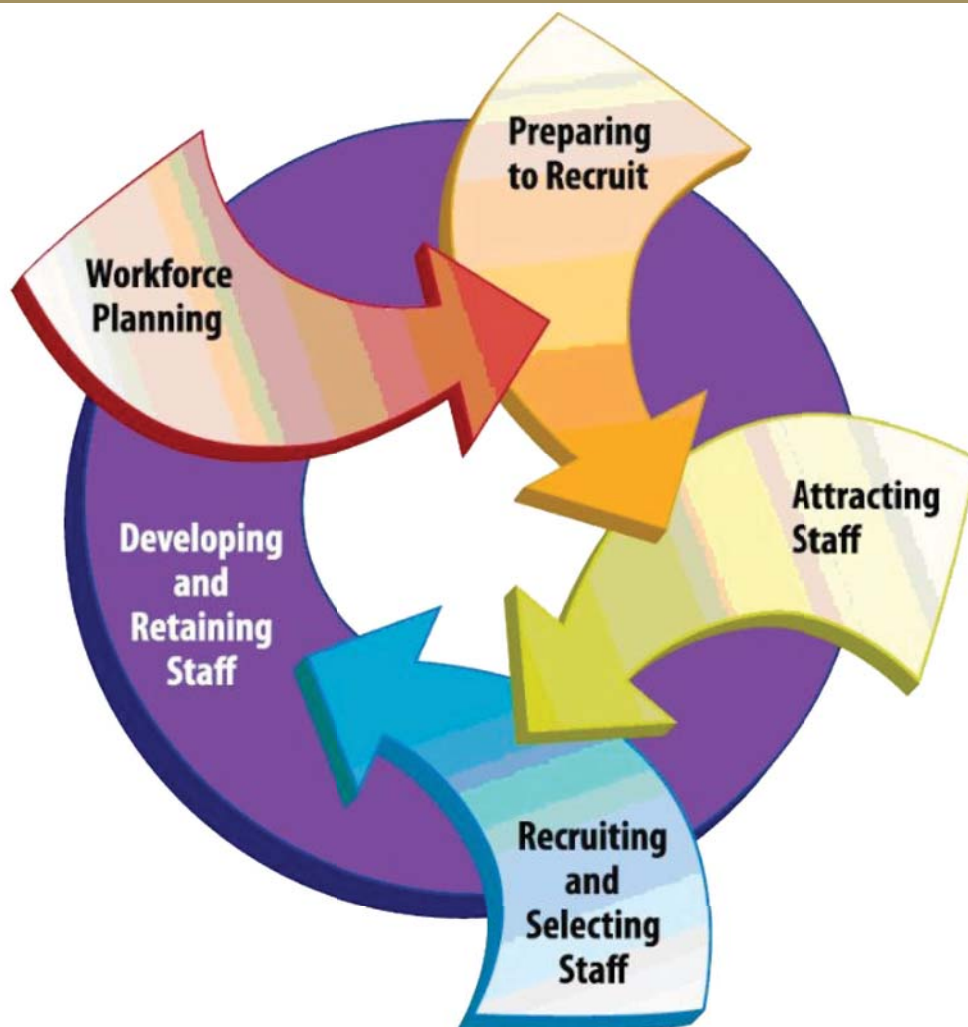
Date:





PART D:

HUMAN RESOURCE MANAGEMENT





1. LEGISLATURE THAT GOVERNS HR MANAGEMENT

The information provided in this section is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. INTRODUCTION

Overview of Human Resource (HR) matters in the Department

Set HR priorities for the year under review and the impact of these priorities

The Human Resource Management priorities for the 2012/13 financial year manifested themselves in the following areas of concern:

- The approval of the organisational structure with the concomitant result of realigning the structure
- Reconfiguring the Department as per Resolution 1 of 2010.
- Achieving the equity target of 50% of women in Senior Management positions.
- Recruitment drive to capacitate the Department with core critical skills in the Engineering and related fields.
- Policy development on HIV/AIDS for the taxi Industry.
- Strengthening the handling of grievance and disciplinary cases.
- Developing a Skills Work Plan for the Department.
- Empowering SMS members through the Management Development Programmes.
- The induction of newly recruited and existing employees.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

As per DPSA prescripts, the Department developed a Human Resource Plan with the

objective of establishing and analysing the workforce needs. The needs analysed culminated in the Department's recruitment drive to fill all vacant funded posts within the core functions in the Department. The National Department of Transport, in this, granted the Department an amount of R10 million through the DORA Fund in order to recruit 38 Engineering and related professionals for the Road Asset Management Systems (RAMS). The implementation of RAMS will strengthen service delivery in the maintenance of Provincial Roads in Gauteng.

Performance management is a tool that helps line managers and the Department to monitor and evaluate performance progress towards attaining planned targets.

The Department aims to improve the performance management process by consulting line managers about this system and encourages them to:

- Set performance expectations, performance goals and developing goals; and completing appraisals against stated goals and development plans.
- Establish criteria, collect data, compare and make value judgements. The managers will be encouraged to implement normal general management principles so as to render the required services (include performance, conditions and criterion in performance contracts).

Employee wellness programmes

The Department hosted two events in the financial year under review to improve awareness on both breast and prostate cancer, and a total of 381 employees participated in the events.

Employee Wellness Day

The Department's Employee Health and Wellness Unit has joined forces with the provincial health institution to drive the Breast Cancer Awareness Campaign in the Department. It hosted a Wellness Day as part of the October Breast Cancer Awareness Month to help create and raise

understanding of the importance of examinations, early detection, development and various forms of treatment of the disease.

In hosting the Wellness Day, the Department's objectives included empowering officials with information on Breast Cancer, in particular, but also other forms of cancer and encouraging them to look after their health and well-being.

The Cancer Association of South Africa (CANSA) officials provided more information on all forms of cancer and GEMS provided health screening services including BMI tests, checking blood pressure, cholesterol and blood sugar levels as well as the HIV Counselling and Testing.

DRT makes a mark at national tournament

Our football teams delivered two trophies after a tough National Sports Tournament held in Kimberley in the Northern Cape from 03 to the 06 October 2012. The tournament is held annually with the Departments of Public Works and Roads and Transport competing for honours.

The competition is divided into four categories: open and veteran soccer groups as well as adult and veteran netball sections. In the adult soccer stream, the Departmental team played six matches, winning four games and losing two to their North West counterparts on penalty shootout in the final, thus finishing as runners up. The veteran soccer team played five matches; winning four games and losing once to North West.

The football teams handed over the two trophies to MEC Vadi on 11 October 2012 and the 2012 tournament was won by the North West Department of Roads and Public Works.

Employee Health and Wellness Framework Readiness Assessment Tool

The DPSA developed the framework to guide departments on appropriate and relevant programmes on health and wellness. All departments are required to develop and implement their strategies in line with this

framework. A readiness assessment tool was also developed by DPSA to measure readiness by each department to implement the framework

The Department conducted an assessment in respect of its readiness to implement the Employee Health and Wellness framework. The report was compiled and submitted to the Department of Public Service and Administration (DPSA). It is in compliance with the DPSA requirement that all departments complete the readiness assessment tool and submit to DPSA on an annual basis.

Occupational Health and Safety (OHS)

The purpose of this training is to equip employees and supervisors with safety skills as part of OHS legislative requirements, which seeks to provide for the health and safety of employees at work. A total of 107 employees participated in the Occupational Health and Safety training, whilst 71 employees participated in the health screening and education programme.

HIV and AIDS Operational Plan

The President launched a new National Strategic Plan (NSP) on HIV, STI, and TB 2012-2016 (NSP 2012-2016). All departments were requested by DPSA to develop and submit an operational plan to implement the NSP 2012-2016. This plan will form part of the government's response to combat HIV in the next five years. To this effect, the DRT's operational plan was developed and approved by the Head of Department (HoD), and submitted to DPSA.

HIV and AIDS Programme

The Department has developed a draft HIV/AIDS policy for the taxi industry. A total of 78 employees and members of the taxi committee on HIV and AIDS were provided with HIV, AIDS, STI and TB (HAST) education.

In its effort to fight against HIV and Aids, 144 employees participated in HIV testing and counselling. In addition, 35 employees participated in Gauteng Provincial Government (GPG) World Aids Day commemoration.



Policy development

In the 2012/13 financial year, the Department reviewed all HR Policies to be in line with the changes and/or amendments made on the Public Service Act and Regulations in as far as the Disciplinary Code is concerned. This was completed in consultation with Organised Labour and a draft policy on HIV/AIDS for the Taxi Industry was developed and consultation with the stakeholders is continuing.

Challenges faced by the department

The challenge faced by the Department to fulfil its mandate especially for the Employee Health and Wellness Programmes is mainly the budget. Identified programmes in this area could not be fulfilled due to budget constraints. The completion of the Reconfiguration Process was delayed as the Organisational Structure was only ratified by the Minister of Public Service and Administration (MPSA) in November 2012.

Future HR plans /goals

The approval of the Departmental Organisational Structure will have far reaching implications in the reduction of the vacancy rate. The 2013/14 HR Plan will be submitted to the DPSA in June 2013

and will reflect specific targets to be achieved. These will inter-alia focus on the recruitment of People with Disabilities (PWD's), the filling of critical posts of DDG: Roads Infrastructure, Directors for Construction and Maintenance, Traffic Engineering, Design and the Chief Director: Management Accounting.

The posts of Specialist Ethics Officers have been created on the Organisational Structure and job evaluated will be advertised in the 2013/14 financial year.

3. HUMAN RESOURCE
OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise 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; and
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme

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)
Gautrain management agency (GMA)	10	10	0	0	100	0
Grt: Transport operations	1 814 032	18 379	0	0	1	11
Grt: Transport regulation	180 503	89 266	0	0	49.5	54
Gtr: Administration	183 082	106 761	0	0	58.3	64
Gtr: Gautrain rapid rail link	1 598 711	0	0	0	0	0
Gtr: Transport infrastructure	1 791 883	222 071	0	0	12.4	134
Impophoma infrast sup ent	3	0	0	0	0	0
Z=Total as on Financial Systems (BAS)	5 568 224	436 487	0	0	7.8	263

Table 3.1.2 Personnel costs by salary band

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)	50	0	0	457 322
Skilled (level 3-5)	118 471	25.9	135 087	457 322
Highly skilled production (levels 6-8)	118 071	25.8	235 671	457 322
Highly skilled supervision (levels 9-12)	87 016	19	470 357	457 322
Senior and Top management (levels 13-16)	51 448	11.2	857 467	457 322
Contract (Levels 1-2)	38	0	38 000	457 322
Contract (Levels 3-5)	143	0	143 000	457 322



SALARY BAND	PERSONNEL EXPENDITURE	% OF TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
	(R'000)			(R'000)
Contract (Levels 6-8)	921	0.2	230 250	457 322
Contract (Levels 9-12)	12 896	2.8	678 737	457 322
Contract (Levels 13-16)	14 140	3.1	1 087 692	457 322
Periodical Remuneration	30 806	6.7	162 137	457 322
Abnormal Appointment	9 175	2	59 194	457 322
Total	443 175	96.9	220 925	457 322

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

PROGRAMME	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT	HOA AS A % OF PERSONNEL COSTS	AMOUNT	MEDICAL AID AS A % OF PERSONNEL COSTS
	(R'000)		(R'000)		(R'000)		(R'000)	
Administration**old	73 062	67.3	83	0.1	3 373	3.1	3 396	3.1
Gt. trading entities**old	636	14.8	0	0	6	0.1	7	0.2
Public transport	25 918	63.9	0	0	1 469	3.6	2 073	5.1
Road infrastructure**old	197 901	66.6	0	0	13 987	4.7	16 238	5.5
TOTAL	297 517	65.1	83	0	18 835	4.1	21 714	4.7

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

SALARY BANDS	SALARIES		OVERTIME		HOME OWNERS ALLOWANCE		MEDICAL AID	
	AMOUNT	SALARIES AS A % OF PERSONNEL COSTS	AMOUNT	OVERTIME AS A % OF PERSONNEL COSTS	AMOUNT	HOA AS A % OF PERSONNEL COSTS	AMOUNT	MEDICAL AID AS A % OF PERSONNEL COSTS
	(R'000)		(R'000)		(R'000)		(R'000)	
Skilled (level 1-2)	4	3.1	0	0	1	0.8	0	0
Skilled (level 3-5)	77 849	63.8	17	0	9 295	7.6	11 057	9.1
Highly skilled production (levels 6-8)	85 084	71.2	47	0	4 732	4	6 931	5.8
Highly skilled supervision (levels 9-12)	67 792	73.1	19	0	2 110	2.3	2 684	2.9
Senior management (level 13-16)	42 409	81	0	0	1 693	3.2	652	1.2
Contract (Levels 1-2)	30	78.9	0	0	4	10.5	0	0
Contract (Levels 3-5)	120	83.9	0	0	0	0	0	0
Contract (Levels 6-8)	719	78.1	0	0	22	2.4	62	6.7
Contract (Levels 9-12)	11 760	84.1	0	0	316	2.3	109	0.8
Contract (Levels 13-16)	11 746	78.7	0	0	663	4.4	219	1.5
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	4	0	0	0	0	0	0	0
Total	297 517	65.1	83	0	18 836	4.1	21 714	4.7

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- 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 3.2.1 Employment and vacancies by programme

PROGRAMME	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administration**old, Permanent	521	251	51.8	0
Gt: trading entities**old, Permanent	57	0	100	0
Public transport, Permanent	466	142	69.5	0
Road infrastructure**old, Permanent	2 550	1 268	50.3	9
TOTAL	3 594	1 661	53.8	9

Table 3.2.2 Employment and vacancies by salary band

SALARY BAND	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Lower skilled (1-2)	340	3	99.4	0
Skilled(3-5)	1 314	877	33.3	0
Highly skilled production (6-8)	1 226	505	59	9
Highly skilled supervision (9-12)	615	203	69.1	0
Senior management (13-16)	99	73	30.2	0
Total	3 594	1 661	53.8	9

Table 3.2.3 Employment and vacancies by critical occupations

CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Administrative related, Permanent	394	162	58.9	0
All artisans in the building metal machinery etc., Permanent	27	27	0	0
Artisan project and related superintendents, Permanent	52	10	80.8	0
Attorneys, Permanent	2	2	0	0
Auxiliary and related workers, Permanent	72	33	54.2	0
Building and other property caretakers, Permanent	31	15	51.6	0
Bus and heavy vehicle drivers, Permanent	18	18	0	0
Cartographers and surveyors, Permanent	1	1	0	0
Cartographic surveying and related technicians, Permanent	3	3	0	0
Civil engineering technicians, Permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., Permanent	89	21	76.4	0
Client inform clerks (switchboard reception inform clerks), Permanent	5	4	20	0
Communication and information related, Permanent	1	1	0	0
Computer system designers and analysts., Permanent	10	6	40	0
Economists, Permanent	6	4	33.3	0
Engineering sciences related, Permanent	59	36	39	0
Engineers and related professionals, Permanent	219	62	71.7	9
Finance and economics related, Permanent	62	15	75.8	0
Financial and related professionals, Permanent	21	3	85.7	0
Financial clerks and credit controllers, Permanent	92	16	82.6	0
Food services aids and waiters, Permanent	4	1	75	0
General legal administration & rel. professionals, Permanent	2	2	0	0
Head of department/chief executive officer, Permanent	1	0	100	0
Human resources & organisational development & relate prof, Permanent	65	33	49.2	0
Human resources clerks, Permanent	26	14	46.2	0
Human resources related, Permanent	24	16	33.3	0
Identification experts, Permanent	9	1	88.9	0



CRITICAL OCCUPATION	NUMBER OF POSTS ON APPROVED ESTABLISHMENT	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF EMPLOYEES ADDITIONAL TO THE ESTABLISHMENT
Information technology related, Permanent	4	2	50	0
Inspectors of apprentices works and vehicles, Permanent	1	0	100	0
Language practitioners interpreters and other commun, Permanent	3	3	0	0
Legal related, Permanent	9	6	33.3	0
Library mail and related clerks, Permanent	19	10	47.4	0
Light vehicle drivers, Permanent	9	2	77.8	0
Logistical support personnel, Permanent	14	3	78.6	0
Material-recording and transport clerks, Permanent	61	17	72.1	0
Medical specialists, Permanent	1	1	0	0
Messengers porters and deliverers, Permanent	51	23	54.9	0
Motor vehicle drivers, Permanent	10	10	0	0
Motorised farm and forestry plant operators, Permanent	1	0	100	0
Other administration & related clerks and organisers, Permanent	579	219	62.2	0
Other administrative policy and related officers, Permanent	298	121	59.4	0
Other information technology personnel, Permanent	23	10	56.5	0
Other occupations, Permanent	114	114	0	0
Photographic lithographic and related workers, Permanent	2	2	0	0
Printing and related machine operators, Permanent	1	1	0	0
Risk management and security services, Permanent	8	0	100	0
Road superintendents, Permanent	29	7	75.9	0
Road trade workers, Permanent	38	20	47.4	0
Road workers, Permanent	808	460	43.1	0
Secretaries & other keyboard operating clerks, Permanent	77	37	51.9	0
Security guards, Permanent	3	3	0	0
Senior managers, Permanent	66	37	43.9	0
Trade labourers, Permanent	47	31	34	0
Trade related, Permanent	8	3	62.5	0
Trade/industry advisers & other related profession, Permanent	1	0	100	0
Water plant and related operators, Permanent	11	10	9.1	0
TOTAL	3 594	1 661	53.8	9

3.3 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table 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 3.3.1 Job Evaluation by Salary band

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)	817	817	100	0	0	817	100
Skilled (Levels 3-5)	797	207	26	2	1	0	0
Highly skilled production (Levels 6-8)	1 308	1	0.1	0	0	1	100
Highly skilled supervision (Levels 9-12)	604	0	0	0	0	0	0
Senior Management Service Band A	47	0	0	0	0	0	0
Senior Management Service Band B	15	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Contract (Levels 1-2)	0	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0



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
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 B)	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
Total	3 594	1 025	28.5	2	0.2	818	79.8

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

BENEFICIARY	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
Female	1	1	0	0	2
Male	0	0	0	0	0
Total	1	1	0	0	2
Employees with disability					1

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 3.3.3 Employees with salary levels higher than those determined by job evaluation by occupation

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
-	0	0	0	0
-	0	0	0	0
Total	0	0	0	0
Percentage of total employed				0

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

Table 3.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

BENEFICIARY	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 disability	0	0	0	0	0

Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	-
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3.4 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 3.4.1 Annual turnover rates by salary band

SALARY BAND	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	926	5	43	4.5
Highly skilled production (Levels 6-8)	503	24	30	5.4
Highly skilled supervision (Levels 9-12)	192	1	12	3.6
Senior Management Service Bands A	44	0	1	2.3
Senior Management Service Bands B	10	0	0	0
Senior Management Service Bands C	6	0	2	16.7
Senior Management Service Bands D	1	0	0	0
Contract (Levels 1-2), Permanent	0	1	0	0
Contract (Levels 3-5), Permanent	1	0	0	0
Contract (Levels 6-8), Permanent	4	0	0	0
Contract (Levels 9-12), Permanent	20	0	1	5
Contract (Band A), Permanent	14	0	0	0
Contract (Band B), Permanent	0	0	1	0
Contract (Band D), Permanent	2	0	2	100
Total	1 723	31	92	4.8



Table 3.4.2 Annual turnover rates by critical occupation

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Administrative related, Permanent	183	0	16	8.7
All artisans in the building metal machinery etc., Permanent	27	0	0	0
Artisan project and related superintendents, Permanent	12	0	1	8.3
Attorneys, Permanent	1	0	0	0
Auxiliary and related workers, Permanent	29	0	0	0
Building and other property caretakers, Permanent	15	0	0	0
Bus and heavy vehicle drivers, Permanent	18	0	0	0
Cartographers and surveyors, Permanent	1	0	0	0
Cartographic surveying and related technicians, Permanent	5	0	0	0
Civil engineering technicians, Permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	26	0	4	15.4
Client inform clerks(switchboard reception inform clerks), Permanent	4	0	0	0
Communication and information related, Permanent	2	0	1	50
Computer system designers and analysts., Permanent	6	0	0	0
Economists, Permanent	4	0	0	0
Engineering sciences related, Permanent	38	0	2	5.3
Engineers and related professionals, Permanent	59	4	2	3.4
Finance and economics related, Permanent	15	0	0	0
Financial and related professionals, Permanent	4	0	1	25
Financial clerks and credit controllers, Permanent	17	0	1	5.9
Food services aids and waiters, Permanent	0	1	0	0

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
General legal administration & rel. professionals, Permanent	3	0	0	0
Head of department/chief executive officer, Permanent	3	0	2	66.7
Human resources & organisational development & relate prof, Permanent	33	0	2	6.1
Human resources clerks, Permanent	16	0	2	12.5
Human resources related, Permanent	14	1	0	0
Identification experts, Permanent	1	0	0	0
Information technology related, Permanent	2	0	0	0
Language practitioners interpreters and other commun, Permanent	3	0	0	0
Legal related, Permanent	3	1	0	0
Library mail and related clerks, Permanent	12	0	1	8.3
Light vehicle drivers, Permanent	2	0	0	0
Logistical support personnel, Permanent	3	0	0	0
Material-recording and transport clerks, Permanent	18	0	1	5.6
Medical specialists, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	17	4	0	0
Motor vehicle drivers, Permanent	13	0	2	15.4
Other administration & related clerks and organisers, Permanent	225	1	9	4
Other administrative policy and related officers, Permanent	105	17	5	4.8
Other information technology personnel., Permanent	9	2	1	11.1
Other occupations, Permanent	125	0	7	5.6
Photographic lithographic and related workers, Permanent	1	0	0	0
Printing and related machine operators, Permanent	1	0	0	0



CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF PERIOD-APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE
Road superintendents, Permanent	7	0	0	0
Road trade workers., Permanent	22	0	2	9.1
Road workers, Permanent	489	0	26	5.3
Secretaries & other keyboard operating clerks, Permanent	40	0	1	2.5
Security guards, Permanent	4	0	1	25
Senior managers, Permanent	37	0	2	5.4
Trade labourers, Permanent	32	0	0	0
Trade related, Permanent	3	0	0	0
Water plant and related operators, Permanent	10	0	0	0
TOTAL	1 723	31	92	5.3

The table below identifies the main reasons why staff left the employ of the Department.

Table 3.4.3 Reasons why staff left the employ of the Department

TERMINATION TYPE	NUMBER	% OF TOTAL RESIGNATIONS
Death	16	17.4
Resignation	24	26.1
Expiry of contract	1	1.1
Dismissal – operational changes	0	0
Dismissal – misconduct	5	5.4
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	1.1
Retirement	35	38
Transfer to other Public Service Departments	10	10.9
Other	0	0
Total	92	100
Total number of employees who left as a % of total employment		4.8

Table 3.4.4 Promotions by critical occupation

OCCUPATION	EMPLOYEES 1 APRIL 2012	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	183	1	0.5	143	78.1
All artisans in the building metal machinery etc.	27	0	0	21	77.8
Artisan project and related superintendents	12	0	0	9	75
Attorneys	1	0	0	2	200
Auxiliary and related workers	29	5	17.2	19	65.5
Building and other property caretakers	15	0	0	15	100
Bus and heavy vehicle drivers	18	0	0	18	100
Cartographers and surveyors	1	0	0	0	0
Cartographic surveying and related technicians	5	0	0	5	100
Civil engineering technicians	3	0	0	3	100
Cleaners in offices workshops hospitals etc.	26	0	0	23	88.5
Client inform clerks(switchboard reception inform clerks)	4	0	0	2	50
Communication and information related	2	0	0	1	50
Computer system designers and analysts.	6	0	0	6	100
Economists	4	0	0	4	100
Engineering sciences related	38	0	0	23	60.5
Engineers and related professionals	59	0	0	28	47.5
Finance and economics related	15	0	0	14	93.3
Financial and related professionals	4	0	0	2	50
Financial clerks and credit controllers	17	0	0	13	76.5
General legal administration & rel. professionals	3	0	0	1	33.3
Head of department/chief executive officer	3	0	0	0	0
Human resources & organisational development & relate prof	33	1	3	27	81.8
Human resources clerks	16	0	0	13	81.3



OCCUPATION	EMPLOYEES 1 APRIL 2012	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
Human resources related	14	0	0	12	85.7
Identification experts	1	0	0	1	100
Information technology related	2	0	0	2	100
Language practitioners interpreters and other commun	3	0	0	3	100
Legal related	3	0	0	2	66.7
Library mail and related clerks	12	0	0	5	41.7
Light vehicle drivers	2	0	0	1	50
Logistical support personnel	3	0	0	3	100
Material-recording and transport clerks	18	0	0	14	77.8
Medical specialists	1	0	0	0	0
Messengers porters and deliverers	17	0	0	17	100
Motor vehicle drivers	13	0	0	6	46.2
Other administration & related clerks and organisers	225	0	0	91	40.4
Other administrative policy and related officers	105	6	5.7	85	81
Other information technology personnel	9	0	0	8	88.9
Other occupations	125	0	0	102	81.6
Photographic lithographic and related workers	1	0	0	0	0
Printing and related machine operators	1	0	0	1	100
Road superintendents	7	0	0	3	42.9
Road trade workers.	22	0	0	13	59.1
Road workers	489	0	0	429	87.7
Secretaries & other keyboard operating clerks	40	0	0	34	85
Security guards	4	0	0	3	75
Senior managers	37	2	5.4	7	18.9
Trade labourers	32	0	0	31	96.9
Trade related	3	0	0	3	100
Water plant and related operators	10	0	0	10	100
TOTAL	1 723	15	0.9	1 278	74.2

Table 3.4.5 Promotions by salary band

SALARY BAND	EMPLOYEES 1 APRIL 2012	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)	0	0	0	0	0
Skilled (Levels 3-5)	926	2	0.2	702	75.8
Highly skilled production (Levels 6-8)	503	9	1.8	400	79.5
Highly skilled supervision (Levels 9-12)	192	1	0.5	141	73.4
Senior Management (Level 13-16)	61	2	3.3	12	19.7
Contract (Levels 3-5), Permanent	1	0	0	0	0
Contract (Levels 6-8), Permanent	4	0	0	3	75
Contract (Levels 9-12), Permanent	20	1	5	12	60
Contract (Levels 13-16), Permanent	16	0	0	8	50
Total	1 723	15	0.9	1 278	74.2

3.5 Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	0	1	2	13	0	1	2	38
Professionals	95	3	3	15	73	1	4	8	202
Technicians and associate professionals	145	5	2	11	132	5	4	20	324
Clerks	94	4	1	7	163	9	3	37	318
Service and sales workers	3	0	0	0	0	0	0	0	3
Craft and related trades workers	32	0	0	32	3	0	1	1	69
Plant and machine operators and assemblers	41	0	0	0	0	0	0	0	41
Elementary occupations	549	3	0	27	75	2	0	8	664
Other Permanent	1	0	0	0	1	0	0	0	2
Total	979	15	7	94	460	17	13	76	1661
Employees with disabilities	5	1	0	1	1	0	0	0	8

Table 3.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2013

OCCUPATIONAL BAND	MALE				FEMALE			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Top Management(L15-L16)	3	0	1	0	1	0	0	0
Senior Management(L13-L14)	22	0	1	5	19	4	2	2
Professionally qualified and experienced specialists and mid-management	69	3	3	23	66	1	4	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	184	8	1	36	210	9	5	48
Semi-skilled and discretionary decision making	673	4	0	30	153	3	2	11
Unskilled and defined decision making	1	0	0	0	1	0	0	0
Contract (Senior Management), Permanent	12	0	0	0	1	0	0	0
Contract (Professionally qualified), Permanent	15	0	0	0	4	0	0	0
Contract (Skilled technical), Permanent	0	0	1	0	3	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0
Total	979	15	7	94	460	17	13	76
								1661

Table 3.5.3 Recruitment

OCCUPATIONAL BAND	MALE				FEMALE			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	0	1	0	11	0	0	0
Semi-skilled and discretionary decision making	4	0	0	0	1	0	0	0
Unskilled and defined decision making	0	0	0	0	1	0	0	0
Total	17	0	1	0	13	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0

Table 3.5.4 Promotions

OCCUPATIONAL BAND	MALE				FEMALE			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	2	0	0	0
Professionally qualified and experienced specialists and mid-management	1	1	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	3	0	0	0	0
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0
Total	9	1	0	3	2	0	0	0
Employees with disabilities	3	1	0	1	1	0	0	0

Table 3.5.5 Terminations

OCCUPATIONAL BAND	MALE				FEMALE			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Top Management	1	0	1	0	0	0	0	0
Senior Management	0	0	0	1	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	0	0	1	7	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	15	0	0	0	11	1	0	3
Semi-skilled and discretionary decision making	36	0	0	0	7	0	0	0
Contract (Top Management), Permanent	1	0	1	0	0	0	0	0
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	1	0	0	0	0	0	0
Total	58	1	2	2	25	1	0	3
Employees with Disabilities	0	0	0	0	0	0	0	0



Table 3.5.6 Disciplinary action

DISCIPLINARY ACTION	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	27	1	0	0	10	3	1	0	
									42

Table 3.5.7 Skills development

OCCUPATIONAL CATEGORY	MALE				FEMALE				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	95	2	0	5	43	9	6	2	162
Professionals	60	0	1	6	8	0	0	0	75
Technicians and associate professionals	53	0	0	0	40	0	0	0	93
Clerks	355	9	1	3	283	15	3	22	691
Service and sales workers	99	0	0	1	68	0	0	2	170
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	15	0	0	1	12	0	0	0	28
Plant and machine operators and assemblers	8	0	0	0	2	0	0	0	10
Elementary occupations	200	0	0	0	40	0	0	0	240
Total	885	11	2	16	496	24	9	26	1469
Employees with disabilities	4	0	0	0	1	0	0	0	5

3.6 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability, salary bands and critical occupations.

Table 3.6.1 Performance Rewards by race, gender and disability

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	338	459	73.6	1 743	5 156
African Male	879	974	90.2	3 402	3 870
Asian Male	11	13	84.6	65	5 942
Asian Female	3	7	42.9	32	10 737
Coloured Female	13	17	76.5	70	5 387
Coloured Male	9	14	64.3	41	4 606
Total Blacks Female	362	489	74	1 878	5 189
Total Blacks Male	891	995	89.5	3 475	3 900
White Female	73	76	96.1	407	5 582
White Male	83	93	89.2	494	5 946
Employees with a disability	6	8	75	35	5 804
TOTAL	1 415	1 661	85.2	6 289	4 445

Table 3.6.2 Performance Rewards by salary band for personnel below Senior Management Service,

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)	11	0	0	28	2 545
Skilled (level 3-5)	757	877	86.3	2 193	2 897
Highly skilled production (level 6-8)	443	501	88.4	2 294	5 178
Highly skilled supervision (level 9-12)	158	185	85.4	1 253	7 930
Contract (Levels 6-8)	3	4	75	14	4 667
Contract (Levels 9-12)	18	19	94.7	182	10 111
Total	1 390	1 933	71.9	5 964	4 291



Table 3.6.3 Performance Rewards by critical occupation

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	123	162	75.9	730	5 935
All artisans in the building metal machinery etc.	25	27	92.6	140	5 600
Artisan project and related superintendents	12	10	120	81	6 750
Attorneys	2	2	100	27	13 500
Auxiliary and related workers	32	32	100	123	3 844
Building and other property caretakers	15	15	100	39	2 600
Bus and heavy vehicle drivers	18	18	100	56	3 111
Cartographers and surveyors	1	1	100	13	13 000
Cartographic surveying and related technicians	3	3	100	15	5 000
Civil engineering technicians	3	3	100	27	9 000
Cleaners in offices workshops hospitals etc.	23	21	109.5	64	2 783
Client inform clerks(switchboard reception inform clerks)	3	4	75	9	3 000
Communication and information related	2	1	200	20	10 000
Computer system designers and analysts.	6	6	100	34	5 667
Economists	4	4	100	23	5 750
Engineering sciences related	35	36	97.2	351	10 029
Engineers and related professionals	53	62	85.5	384	7 245

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Finance and economics related	13	15	86.7	116	8 923
Financial and related professionals	3	3	100	18	6 000
Financial clerks and credit controllers	14	16	87.5	66	4 714
Food services aids and waiters	0	1	0	0	0
General legal administration & rel. professionals	1	2	50	13	13 000
Human resources & organisational development & relate prof	27	32	84.4	171	6 333
Human resources clerks	11	14	78.6	56	5 091
Human resources related	14	16	87.5	105	7 500
Identification experts	1	1	100	6	6 000
Information technology related	0	2	0	0	0
Language practitioners	3	3	100	16	5 333
interpreters and other commun					
Legal related	1	6	16.7	5	5 000
Library mail and related clerks	7	10	70	27	3 857
Light vehicle drivers	1	2	50	3	3 000
Logistical support personnel	3	3	100	17	5 667
Material-recording and transport clerks	16	17	94.1	68	4 250
Medical specialists	0	1	0	0	0
Messengers porters and deliverers	16	23	69.6	48	3 000
Motor vehicle drivers	12	10	120	41	3 417



CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Other administration & related clerks and organisers	116	219	53	525	4 526
Other administrative policy and related officers	97	121	80.2	543	5 598
Other information technology personnel.	8	10	80	44	5 500
Other occupations	105	114	92.1	374	3 562
Photographic lithographic and related workers	1	2	50	3	3 000
Printing and related machine operators	1	1	100	3	3 000
Rank: Unknown	0	2	0	0	0
Road superintendents	3	7	42.9	35	11 667
Road trade workers.	20	20	100	94	4 700
Road workers	475	460	103.3	1 336	2 813
Secretaries & other keyboard operating clerks	32	37	86.5	161	5 031
Security guards	4	3	133.3	10	2 500
Senior managers	9	37	24.3	109	12 111
Trade labourers	28	31	90.3	76	2 714
Trade related	3	3	100	22	7 333
Water plant and related operators	10	10	100	42	4 200
TOTAL	1 415	1 661	85.2	6 289	4 445

Table 3.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile		Cost		
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST (R'000)	AVERAGE COST PER EMPLOYEE
Band A	6	39	15.4	73	12 167
Band B	1	29	3.4	18	18 000
Band C	0	4	0	0	0
Band D	0	1	0	0	0
Total	7	73	9.6	91	13 000
					0.2

3.7 Foreign Workers

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

Table 3.7.1 Foreign workers by salary band

SALARY BAND	1 APRIL 2012		31 MARCH 2013		CHANGE	
	Number	% of total	Number	% of total	Number	% Change
Skilled	1	3	1	3.4	-1	33.3
Highly skilled supervision (Lev. 9-12)	1	3	0	0	-1	33.3
Senior management (Levels 13-16)	1	3	0	0	-1	33.3
Contract (Levels 9-12)	17	51.5	29	96.7	0	0
Contract (Levels 13-16)	13	39.4	0	0	0	100
Total	33	100	30	100	-3	100



Table 3.7.2 Foreign workers by major occupation

MAJOR OCCUPATION	1 APRIL 2012		31 MARCH 2013		CHANGE	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	1	3	1	3.1	0	0
Professionals and managers	32	97	29	90.6	-3	100
TOTAL	33	100	30	93.8	-3	100

3.8 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 3.8.1 Sick leave

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 (Level 1-2)	4	100	2	0.2	2	1
Skilled (levels 3-5)	2 781	85.9	438	46.4	6	893
Highly skilled production (levels 6-8)	2 319	78.8	349	37	7	1 407
Highly skilled supervision (levels 9 -12)	540	74.8	100	10.6	5	771
Top and Senior management (levels 13-16)	170	75.9	35	3.7	5	532
Contract (Levels 6-8)	12	91.7	4	0.4	3	7
Contract (Levels 9-12)	19	26.3	10	1.1	2	44
Contract (Levels 13-16)	50	84	5	0.5	10	169
Total	5 895	81.6	943	100	6	3 824

Table 3.8.2 Disability leave (temporary and permanent)

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)	510	50.45%	35	1.60%	14.57	R110,858.29
Skilled (Levels 3-5)	335	33.14%	16	0.73%	20.93	R323,454.81
Highly skilled production (Levels 6-8)	166	16.41%	4	0.18%	41.5	R90,835.00
Highly skilled supervision (Levels 9-12)	1011	100%	55	2.51%	18.4	R525,148.10
Senior management (Levels 13-16)	510	50.45%	35	1.60%	14.57	R110,858.29
Total	335	33.14%	16	0.73%	20.93	R323,454.81

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires the management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.8.3 Annual Leave

SALARY BAND	TOTAL DAYS TAKEN	AVERAGE PER EMPLOYEE	NUMBER OF EMPLOYEES USING ANNUAL LEAVE
Lower skilled (Levels 1-2)	79	10	8
Skilled (Levels 3-5)	18 334.17	898	20
Highly skilled production (Levels 6-8)	9 966	506	20
Highly skilled supervision (Levels 9-12)	3 632	193	19
Senior management (Levels 13-16)	1237	61	20
Contract (Levels 3-5)	23	1	23
Contract (Levels 6-8)	54	4	14
Contract (Levels 9-12)	329	20	16
Contract (Levels 13-16)	287	16	18
Not Available	16	4	4
Total	33 957.17	1 713	20



Table 3.8.4 Capped leave

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)	96	21	5	24 511
Highly skilled production (Levels 6-8)	26	7	4	9 749
Highly skilled supervision(Levels 9-12)	36	7	5	3 927
Senior management (Levels 13-16)	22	3	7	976
Total	180	38	5	39 163

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

Table 3.8.5 Leave pay-outs

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PER EMPLOYEE (R'000)
Leave pay-out for 2011/12 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2012/13	981	86	11 407
Current leave pay-out on termination of service for 2012/13	460	24	19 167
Total	1 441	110	13 100

3.9 HIV/AIDS & Health Promotion Programmes

Table 3.9.1 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	HCT Campaign
Taxi Drivers	Education on HIV/AIDS
	Counselling and referral
	Draft policy on HIV/AIDS

Table 3.9.2 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		The designated SMS member is Mr. Tsambo Robert, who is the Director. HRP
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		Employee Health and Wellness with seven staff members: 1 x Deputy Director (Supervisor); 3 x specialists; 1 x responsible for HIV/AIDS/TB/STI's; 1 x responsible for OHS and 1 x responsible for Health and productivity.
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		Counselling services (face to face and telephone counselling), Training, Education, Referral system, Sports and Recreation, Disease management, HIV/AIDS/STI Management, Occupational Health and safety management.
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		Taxi Industry HIV/AIDS Programme Committee: List of members attached The objective is to coordinate the implementation of HIV and the strategic planner in the taxi industry. Employee Health and Wellness Coordinators Committee: List of members attached The objective is to coordinate the departmental strategic plan in the Region.
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		HIV/AIDS Policy (draft)
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		HIV Policy, Labour Relations, Open door policy (Managers) Awareness workshops.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		Report attached.
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		GEMS report, Surveys, Sick leave trends report, HIV prevalence study, Gauteng KYE report.



3.10 Labour Relations

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.10.2 Misconduct and disciplinary hearings finalised

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	2	6
Verbal warning	0	0
Written warning	9	19
Final written warning	9	19
Suspended without pay	5	10
Fine	0	0
Demotion	0	0
Dismissal	10	21
Not guilty	5	10
Case withdrawn	7	15
Total	47	100

Table 3.10.3 Types of misconduct addressed at disciplinary hearings

TYPE OF MISCONDUCT (BASED ON ANNEXURE A)	NUMBER	% OF TOTAL
Fraud	19	38
Corruption	8	16
Theft	2	4
Sexual harassment	1	2
Procurement irregularities	0	0
Other	20	40
TOTAL	50	100

Table 3.10.4 Grievances logged

	NUMBER	% OF TOTAL
Number of grievances resolved	53	100
Number of grievances not resolved	0	0

Table 3.10., 5 Disputes logged

	NUMBER	% OF TOTAL
Number of disputes upheld	10	55.6
Number of disputes dismissed	8	44.4
Total number of disputes lodged	18	

3.11 Skills development

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

Table 3.11.1 Training needs identified

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			Leaverships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	68	0	68
	Male	0	0	112	0	112
Professionals	Female	0	0	6	2	8
	Male	0	0	60	7	67
Technicians and associate professionals	Female	0	0	37	3	40
	Male	0	0	41	12	53
Clerks	Female	0	0	208	105	313
	Male	0	0	124	99	223
Service and sales workers	Female	0	0	100	0	100
	Male	0	0	70	0	70
Skilled agriculture and fishery workers	Female	0	0	0	0	0



OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF THE REPORTING PERIOD			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	12	0	0	12
	Male	0	16	0	0	16
Plant and machine operators and assemblers	Female	0	0	2	0	2
	Male	0	0	8	0	8
Elementary occupations	Female	0	0	40	0	40
	Male	0	0	200	0	200
Sub Total	Female	0	12	461	110	583
	Male	0	16	615	118	749
Total		0	28	1 076	228	1 332

Table 3.11.2 Training provided for the period

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	60	0	60
	Male	0	0	102	0	102
Professionals	Female	0	0	6	2	8
	Male	0	0	60	7	67
Technicians and associate professionals	Female	0	0	37	3	40
	Male	0	0	41	12	53
Clerks	Female	0	0	258	65	323
	Male	0	0	319	49	368
Service and sales workers	Female	0	0	100	0	100
	Male	0	0	70	0	70

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	12	0	0	12
	Male	0	16	0	0	16
Plant and machine operators and assemblers	Female	0	0	2	0	2
	Male	0	0	8	0	8
Elementary occupations	Female	0	7	33	0	40
	Male	0	33	167	0	200
Sub Total	Female	0	19	496	70	585
	Male	0	49	767	68	884
Total		0	68	1 263	138	1 469

3.12 Injury on duty

The following tables provide basic information of injury on duty.

Table 3.12.1 Injury on duty

	NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only		13	92.9
Temporary Total Disablement		-	0
Permanent Disablement		-	0
Fatal		1	7.1
Total		14	



3.13 Utilisation of Consultants

Table 3.13.1 Report on consultant appointments using appropriated funds

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON PROJECT	DURATION WORK DAYS	CONTRACT VALUE IN RAND
Route Determination - K105 and K142	3	MTEF	2 001 794
SRN - Strategic Road Network	2	MTEF	1 444 950
Maize Triangle Transport Plan	6	MTEF	1 295 000
ITMP - 25 Year Integrated Transport Master Plan	Consortium	255	19 875 000
DRT 187/03/2012, Site supervision of construction of road K154 in Gauteng Highlands (project is under maize triangle)	1	154	573 000.00
DRT 135/10/2011, Site supervision of construction of road Mogo St in Soshanguve (project is under maize triangle)	1	252	475 237.50
DRT 79/09/2012, Site supervision of construction of road K14 in Cullinan	1	176	6 000 000.00
DRT 83/11/2012, Site supervision of construction of road P4-1 Nerderveen Road in Boksburg	1	440	pending
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION WORK DAYS	TOTAL CONTRACT VALUE IN RAND
4	14	MTEF	R 24 616 744
4	4	1 022	R 7 048 237.50

Table 3.13.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Route Determination - K105 and K142	51%	40%	0
SRN - Strategic Road Network	40%	38%	2
Maize Triangle Transport Plan	45%	50%	2
ITMP - 25 Year Integrated Transport Master Plan	N/A	N/A	NA
DRT 187/03/2012, Site supervision of construction of road K154 in Gauteng Highlands (project is under maize triangle)	0%	0%	0

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
DRT 135/10/2011, Site supervision of construction of road Mogo St in Soshanguve (project is under maize triangle)	100%	100%	1
DRT 79/09/2012, Site supervision of construction of road K14 in Cullinan	0%	0%	0
DRT 83/11/2012, Site supervision of construction of road P4-1 Nerderveen Road in Boksburg	88%	88%	1

SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

1. Departments must in their Annual Reports, with effect from the 2008/09 financial year; under the main heading "Human Resource Management" include the following headings:
 - 1.1 Signing of Performance Agreements by SMS Members; and
 - 1.2 Filling of SMS Posts.

INFORMATION AND REPORTING FORMAT

1. **Signing of Performance Agreements by SMS Members** (This new heading must be inserted in the Annual Report before the heading "Performance Rewards" and paragraphs must be numbered accordingly)

Sub-Par. No. 1.1... **TABLE No. 1.1 - Signing of Performance Agreements by SMS Members as at 31 March 2012**

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS MEMBERS PER LEVEL	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS PER LEVEL	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS PER LEVEL
Director- General / Head of Department	1	1	1	100%
Salary Level 16, but not HOD	0	2	2	100%
Salary Level 15	6	7	6	85.71%
Salary Level 14	16	11	11	100 %
Salary Level 13	54	43	41	95.34%
Total	77	64	61	95.31%

Sub-Par. No. 1.2 TABLE No. 1.2 - Reasons for not having concluded Performance Agreements for all SMS members as on 31-05-2012

1.	Ms Buthelezi: Director: GAUTRAIN – on maternity leave
2.	Mr Mochothli: On suspension
3.	Ms Ngcobo: Director: g-Fleet – on maternity leave

Departments must indicate good cause or reason for not having concluded and filed signed performance agreements for all SMS members. See paragraphs 4 and 5 of Circular.

Sub-Par. No. 1.3 TABLE No. 1.3-Disciplinary steps taken against SMS members for not having concluded Performance Agreements as at 31 March 2012

1.	None
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2. Filling of SMS Posts

Sub-Par. No. 2.1... TABLE No. 2.1 - SMS posts information as at 31 March 2012 (31 March of each financial year end)

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	TOTAL NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Director- General / Head of Department	1	1	100%	0	0
Salary Level 16, but not HOD	0	2	0	0	0
Salary Level 15	6	7	117%	0	0
Salary Level 14	16	11	69%	5	31%
Salary Level 13	54	43	80%	11	20%
Total	77	64	83%	16	21%

Sub-Par. No. 2.2... TABLE No. 2.2 - SMS posts information as at 30 September 2011. (30 September of each financial year)

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	TOTAL NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Director- General / Head of Department	1	1	100%	0	0
Salary Level 16, but not HOD	0	2	0	0	0
Salary Level 15	6	7	117%	0	0
Salary Level 14	16	11	69%	5	31%
Salary Level 13	54	43	80%	11	20%
Total	77	64	83%	16	21%

Sub-Par. No. 2.3... TABLE No. 2.3 – Advertising and Filling of SMS posts as at 31 March 2012

SMS LEVEL	ADVERTISING	FILLING OF POSTS		
		NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS AFTER BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director- General / Head of Department	1		1	0
Salary Level 16, but not HOD	0		0	0
Salary Level 15	0		0	0
Salary Level 14	1		0	0
Salary Level 13	2		0	0
Total	4		1	0

Sub-Par. No. 2.4 TABLE No 2.4 - Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

REASONS FOR VACANCIES NOT ADVERTISED WITHIN SIX MONTHS:
1. The Department is currently in the process of reconfiguration and awaiting ratification of the proposed organisational structure by DPSA. After ratification by DPSA final placement of employees will be done and all vacant SMS posts will be advertised and filled.
2. It should also be noted that on implementation of the proposed organisational structure, other SMS posts will cease to exist on the new structure.
REASONS FOR VACANCIES NOT FILLED WITHIN 12 MONTHS:
1. The Department is currently in the process of reconfiguration and awaiting ratification of the proposed organisational structure by DPSA. After ratification by DPSA final placement of employees will be done and all vacant SMS posts will be advertised and filled.
2. It should also be noted that on implementation of the proposed organisational structure, other SMS posts will cease to exist on the new structure.



Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. See paragraph 8 of Circular.

Sub-Par. No. 2.5 **TABLE No 2.5 - Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

1. None

See paragraph 6 of Circular.

3. The above information is certified as correct.

Mr. Ronald Swartz

Head of Department: Department of Roads and Transport

31 May 2013



PART E:

FINANCIAL INFORMATION





Table of Contents

Report of the Accounting Officer	137
OFFICER'S STATEMENT OF RESPONSIBILITY	153
Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013 to be included	
Report of the Auditor-General	154
Appropriation Statement	158
Notes to the Appropriation Statement	169
Statement of Financial Performance	172
Statement of Financial Position	173
Cash Flow Statement	174
Accounting Policies	175
Notes to the Annual Financial Statements (including Accounting policies)	182
Disclosures Notes to the Annual Financial Statements	191
Annexures	209

1. REPORT OF THE ACCOUNTING OFFICER

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

1. General review of the state of financial affairs

Important policy decisions and strategic issues facing the Department

The Department has consistently aimed to reach its goal of a modern, world class, integrated transport system for the people of Gauteng. To this effect, it has completed a Five Year Transport Implementation Plan (GTIP5).

The GTIP5 provides a uniform planning platform that will enable the Department, in collaboration with other spheres of government to regulate, plan, develop and implement transport imperatives that would achieve an efficient and integrated transport system. It highlights some of the critical areas that will require immediate interventions and thus serves as a building block towards the 25 Year Integrated Transport Master Plan.

The GTIP5 has been approved by the Executive Council and the Department has adopted the GTIP 5 as its “blue print” for the development of key strategic transport imperatives that would form the flagship projects for implementation. The GTIP5 has identified the following 13 priorities for implementation:

1. Transport Authority for Gauteng
 - a. Provincial-wide Public Transport Information Centre
 - b. “One Province One Ticket”
2. Integration with the Commuter Rail Corridor Modernisation Project of PRASA
3. Restructured Subsidised Road-based Public Transport

4. Transformation of the Taxi Industry
5. Greener Public Transport Vehicles Technologies
6. Travel Demand Management, Less Congestions and Shorter Travel Times
7. Access to Major Freight Nodes
8. International and City Airports
9. Pedestrian Paths and Cycle Ways
10. Continued Provincial Wide Mobility
11. Effective Law enforcement to ensure public transport operation
12. Law enforcement
13. Accessible Transport

Driving the implementation of the GTIP5 is the Department's 2013/14 APP, which focuses on the execution of these 13 priorities.

Bus Rapid Transit (BRT) Strategy

The Gauteng City Region (GCR) is recognised by the Metropolitan/Municipalities as a single transport functional area. The objective of the GCR is to make the province a globally competitive economic hub. An integrated and coordinated public transport system provides the necessary foundation for a globally competitive economic hub. One aspect of an integrated transport system is a GCR Bus Rapid Transit (BRT) Strategy.

The Department therefor identified the need to develop a GCR BRT strategy, which will address coordination and integration across the City of Johannesburg, City of Tshwane and Ekurhuleni Metropolitan Municipality through the implementation of key strategic pillars and interventions. The strategy highlights the



following:

- Strategic pillars and interventions for the implementation of an integrated BRT.
- Institutional approaches towards implementation of the strategy.

The BRT strategy was presented to the Provincial Executive Committee and was adopted and approved in September 2012.

Gauteng Transport Laws Repeal Act, 2012

During the 2012/13 financial year, the Department tabled the Gauteng Transport Laws Repeal Act No.4 of 2012, which was adopted by the Gauteng Provincial Legislature. The Act repeals laws and provisions that have become redundant or obsolete, namely, the Gauteng Passenger Road Transport Act, (Act No.7 of 2001), the Gauteng Transport Framework Revision Amendment Act, (Act No.3 of 2008), and the Urban Transport Act, (Act No.78 of 1977).

Gauteng Regulations on Procedures to be followed in Promoting Public Participation in Transport Planning Process, 2012

The Gauteng Regulations on Procedures to be followed in promoting public participation in the Transport Planning Process, 2012 were promulgated during the financial year. These regulations are intended to encourage public participation in transport planning to ensure that transport planning reflects the wishes of the people of Gauteng

Motor Vehicle License Fees

The National Road Traffic Act, (Act no.93 of 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. To comply with this legislation, the

MEC promulgated the Motor Vehicle License Fees Regulations, 2012.

Road Construction

1. R55/K71 (Voortrekker Road)

Voortrekker Road is a section of a provincial road between Wierda Road and Laudium and located in Tshwane Municipality. It provides an alternative link to Tshwane accommodating traffic which may not prefer to use the N1 Freeway. The project commenced in November 2010 and involved the construction of a 4.2km dual carriage-way between Wierda Road and Laudium, including the construction of two major bridges, the installation of street lights and crash barriers and the construction of related storm water infrastructure. The project was officially opened to traffic in November 2012.

2. D2529 (Cayman Road)

This is the access road to the Eye of Africa Estate development and was upgraded from gravel to an all – weather surfaced road. This project formed part of the Gauteng Highlands Project and the network improvement endeavour around the Maize Belt. The developments in the Sedibeng area contribute towards the growth of the economic node on the southern side of Gauteng along the R59 (Sybrand van Niekerk), R82 (Old Johannesburg/Vereeniging) and N3 (Heidelberg/ Durban highway) roads. The project commenced in August 2009 and was successfully completed within budget by the construction unit in August 2012.

3. 20 Priority Township Projects (20PTP)

During the financial year the 20PTPs being executed were Mogo Street, Sekweri Street and Thulani B. All the projects were completed during the year.

Road Maintenance

The Department completed the following road maintenance heavy rehabilitation projects:

1. P6/1 (R25 - Bapsfontein to Bronkhorstspuit)

The road P6/1 (R25) is a high mobility road that is utilised by traffic from Kempton Park to Bronkhorstspuit as well as Kwa-Mhlanga in the Mpumalanga Province. Due to the high traffic volume, the surfacing of the road had deteriorated beyond acceptable standards. The project involved the rehabilitation of 8km and the activities on the project included the reseal of the road and improvement of the drainage structures. The project commenced in February 2012 and was completed in March 2013.

2. Ben-Schoeman (Between Brakfontein Interchange and Potgieter Street in Pretoria)

The Ben Schoeman Highway (N14) is an alternative link to the GFIP between Johannesburg and Pretoria. The project involved the resealing of 14km road P158/1 from Potgieter Street in Pretoria to the N1/N14 interchange (Brakfontein interchange), the milling and replacement of the asphalt surface on the road from the Brakfontein Interchange in Centurion to Potgieter Street in Pretoria. The project included the upgrade of the drainage system on this section of the road, capacity improvements such as re-marking the road to provide additional lanes, and the upgrading of Jean Avenue on and off ramps. The project was completed with the assistance of the South African National Roads Agency (SANRAL) as project managers.

3. Heavy Rehabilitation of Road D2442 (Zithobeni Road)

Road D2442 is a 7km road which falls within the former Kungwini Local Municipality, (currently part of Tshwane Metropolitan Municipality,) and is one of Eskom's coal haulage routes. The project involved the rehabilitation of a 3.9km section of the road which had deteriorated to unacceptable standards. Activities on the project included

the reseal of the road and improvement of the drainage structures. In addition, a public transport lay-bye has been constructed to improve the safety on the roads for passengers embarking and disembarking from the public transport vehicles. It commenced in April 2012 and was completed in March 2013.

4. Rehabilitation of the road M1

The Department completed the rehabilitation and upgrade of road P206/1 (the M1) between the Corlett Drive and Buccleuch Interchanges in the second quarter of 2012/13. The scope of the project involved a combination of measures to replace the existing deteriorated asphalt surface (milling and resurfacing) and to increase the capacity of the M1 by re-marking the road surface to provide additional lanes. The project was implemented with SANRAL as project managers.

Establishment of Kliptown Driver Learner Testing Centre (DLTC)

The Kliptown DLTC was opened on the 3 December 2012 at the Walter Sisulu Square of Dedication in Kliptown. The Centre offers registration of motor vehicles and driving license testing services. It renders services to the communities of Soweto, Eldorado Park, Lenasia, Ennerdale, Freedom Park, Zakariya Park and Klipspruit West. Since its opening, and until 31 March 2013, it has serviced 4 333 clients and has collected R885 859, 00 in revenue. The centre complies with the requirements for people with disabilities.

Spending trends

The spending within the Department has drastically improved in comparison with the previous financial year. The Department had under-spent the allocated budget by R573 million in the 2011/12 financial year, whilst in 2012/13, this amount has been reduced to R172 762 million.

The Department's budget was not fully spent as a result of cash management issues as well as the outstanding debt from the Department



of Infrastructure Development (DID). The Department managed to identify issues with the infrastructure spending earlier in the financial year and instituted a recovery plan to ensure that the spending was managed accordingly. The Department therefore effected adjustments on the infrastructure projects' budget ensuring that more funding was shifted to projects that were indicating the ability to be accelerated and therefore reduce the budget on the projects that were delayed.

Compensation of employees

There were other factors that impacted the spending of the Department, such as the organisational structure that was only approved in November 2012 and was therefore not fully implemented. There was under-spending within the compensation of employees' item within all the programmes that resulted in a total under-spending for the Department of R20.675 million. The majority of this under-spending was because of the delays experienced in recruiting engineers and other specialist skills, for which the Provincial Treasury had allocated R20 million..

The organisational structure will be fully implemented in the 2013/14 financial year to

ensure that the budget for compensation of employees is fully spent, including the additional allocation that has been made to the Department for the recruitment of engineers and other specialists.

Goods and Services

The over-spending within the goods and services items was mainly as a result of payment for contractual obligation for escalation on the routine maintenance contracts and Roads Maintenance Professional Teams (RMPTs) not honoured by the Department in prior financial years. This was done as part of closure of these contracts by 31 March 2013, and to avoid further litigation claims made against the Department by these service providers.

Transfers and Subsidies

The under-spending within this item was mainly as a result of the payments to the North-West Star demarcated contracts.

Capital Payments

The under-spending in 2012/13 for the infrastructure projects constituted R172 041 million of this total under-spending of R181 358 million. The major projects that under-spent were the following:

PROJECTS	BUDGET (R)	EXPENSES (R)	AVAILABLE BUDGET (R)
Implementing contracts (crack seals) 2	44 246 000.00	8 307 014.03	35 938 985.97
Routine maintenance. contractual Krugersdorp	162 514 000.00	145 765 449.43	16 748 550.57
K154 phase 1	24 000 000.00	7 873 289.97	16 126 710.03
P73/1 Potchefstroom (9km	10 226 000.00	-	10 226 000.00
Implementing contracts (crack seals) 1	9 643 000.00	-	9 643 000.00
Repair of construction fleet & plant	32 006 000.00	22 928 274.46	9 077 725.54
R42 (P101/ Delmas)	9 410 000.00	670 803.91	8 739 196.09
Routine maintenance. contractual Vereeniging	85 349 000.00	77 209 070.97	8 139 929.03
Construction of walkways and cycle lanes - Tshwane	9 061 000.00	1 001 273.40	8 059 726.60
TOTAL	386 455 000.00	263 755 176.17	122 699 823.83

There were projects that under-spent and others that over-spent on their total allocation for the 2012/13 financial year.

The management of the infrastructure programme is set to continue in the same rigorous manner in

in financial years to ensure that under-spending is not repeated at the same magnitude as in the 2011/12 financial year.

The tables below include the details as explained above.

2011/12

Programmes	Final appropriation	Expenditure	Variance	
	R'000			%
1.Administration	164 103	175 629	(11 526)	(7%)
2.Transport Infrastructure	1 697 577	1 151 530	546 047	32%
3.Transport Operations	2 037 028	2 014 775	22 253	1%
4.Transport Regulation	239 425	223 168	16 257	7%
5.Gautrain	2 219 545	2 219 545	0	0%
Total payments and estimates	6 357 678	5 784 647	573 031	9%

Economic Classification	Final appropriation	Expenditure	Variance	
	R'000			%
Current payments	2 111 755	1 613 207	498 548	24%
Compensation of employees	418 949	433 527	(14 578)	(3)%
Goods and services	1 683 133	1 170 086	513 047	30%
Interest and rent on land	9 673	9 594	79	1%
Transfers and subsidies	4 126 709	4 126 433	276	0%
Provinces and municipalities	1 500	1 127	373	25%
Departmental agencies and accounts	2 219 545	2 219 545	0	0%
Public corporations and private enterprises	1 902 052	1 901 728	324	0%
Households	3 612	4 033	(421)	(12)%
Payment for capital assets	116 651	42 462	74 189	64%
Buildings and other fixed structures	61 901	0	61 901	100%
Machinery and equipment	22 250	19 849	2 401	11%
Land and subsoil assets	32 500	18 053	14 447	44%
Software and other intangible assets	0	4 560	(4 560)	
Payment for financial assets	2 563	2 545	18	1%
Total payments and estimates	6 357 678	5 784 647	573 031	9%



2012/13

	Final appropriation	Expenditure	Variance	
Programmes	R'000			%
1. Administration	197 072	180 069	17 003	9%
2. Transport Infrastructure	1 880 140	1 797 355	82 785	4%
3. Transport Operations	1 852 654	1 808 238	44 416	2%
4. Transport Regulation	209 091	180 533	28 558	14%
5. Gautrain	1 598 711	1 598 711	0	0%
Total payments and estimates	5 737 668	5 564 906	172 762	3%

	Final appropriation	Expenditure	Variance	
Economic Classification	R'000			%
Current payments	1 321 889	1 339 974	(18 085)	(1)%
Compensation of employees	457 714	437 039	20 675	5%
Goods and services	862 478	897 303	(34 825)	(4)%
Interest and rent on land	1 697	5 632	(3 935)	(232)%
Transfers and subsidies	3 300 937	3 291 464	9 473	0%
Provinces and municipalities	5 446	5 345	101	2%
Departmental agencies and accounts	1 598 711	1 598 711	0	0%
Public corporations and private enterprises	1 694 074	1 684 866	9 208	1%
Households	2 706	2 542	164	6%
Payment for capital assets	1 113 756	932 398	181 358	16%
Buildings and other fixed structures	1 090 847	918 806	172 041	16%
Machinery and equipment	18 224	9 032	9 192	50%
Software and other intangible assets	4 685	4 560	125	3%
Payment for financial assets	1 086	1 070	16	1%
Total payments and estimates	5 737 668	5 564 906	172 762	3%

Virement:

The shifts and virements were implemented mainly to shift savings or available budget into programmes and items to clear over-spending in other programmes and items. The shifts and virements resulted in no additional funding for

the Department as no further resources were allocated. There were only shifts within and between the programmes. The application for virements and shifts as per the table below was assessed and approved by the Provincial Treasury.

Programmes	Shifts	Virements
	R'000	
1. Administration	0	(13 851)
2. Transport Infrastructure	0	8 615
3. Transport Operations	0	0
4. Transport Regulation	0	5 236
5. Gautrain	0	0
Total payments and estimates	0	0

Economic Classification	Shifts	Virements
	R'000	
Current payments	31 959	(10 285)
Compensation of employees	23 869	(60 216)
Goods and services	8 120	49 931
Interest and rent on land	(30)	0
Transfers and subsidies	(25 342)	5 182
Provinces and municipalities	13	4 260
Public corporations and private enterprises	(26 000)	350
Households	645	572
Payment for capital assets	(6 925)	4 425
Buildings and other fixed structures	(9 145)	0
Machinery and equipment	1 960	0
Software and other intangible assets	260	4 425
Payment for financial assets	308	678
Total payments and estimates	0	0



The Department has incurred the following expenditure:

Description	Amount	Reasons	Steps to be taken to address and prevent recurrence
Unauthorised Expenditure	R 0		
Fruitless and Wasteful Expenditure	R 27 139 000	See below	

Reasons	Steps to be taken to address and prevent recurrence
Expenditure incurred on project which did not yield any result	
Poor project management skills.	Capacitate the infrastructure units with appropriate project management skills.
Lack of oversight by project managers.	Disciplinary action to be taken against project managers signing-off substandard work performed by contractors or consultants.
Interest charged on late payments	
Cash flow constraints.	The Department has implemented cost containment measures to avoid over commitments and thus improve cash flow position. Furthermore, constant discussions are held with Department of Infrastructure Development to recover the outstanding debt;
Lengthy payment processes.	The Department has taken a decision to automate all the contracts in the 2013/14 financial year. This will mean that all contracts will have purchase order numbers and will be paid against approved purchase orders;
Delays in submitting invoices by managers.	<p>The finance branch has developed a process flow manual to ensure consistent understanding of the process. This will be shared with all the branches within the Department to ensure that there is adherence to this.</p> <p>All payments made after 30 days will be investigated.</p> <p>Officials found responsible will be charged for financial misconduct.</p>

2. Service rendered by the department

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

2.1 Tariff policy

The tariff process

A draft notice detailing the new fees and implementation date thereof is submitted to the State Law Adviser for certification. The notice is published in the Provincial Gazette after certification. The public is given 21 days to comment on the published Provincial Gazette. The notice is tabled before the Legislature as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA). On approval by Gauteng Scrutiny Committee, the Road Traffic Circular is updated detailing the new fees for Gauteng and implementation dates thereof.

Tariff review - Legislative Context

The National Road Traffic Act (NRTA), 93 of 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 terms of the Treasury Regulation, Section 7.1.3, the Accounting Officer of an institution must 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. Tariffs are annually reviewed to comply with this regulation/legislation.

The Department therefore increased the fees by an average of 10% in the 2012/2013 financial year.

2.2 Capacity constraints

There are two main constraints that adversely affected the Department's ability to perform at a higher level. These are classified under two main categories, i.e. forward planning and budgetary challenges.

- Lack of proper planning within the Department resulted in delays in project implementation and other challenges. This is mainly due to the capacity challenges on project management, demand management, and monitoring and evaluation. Consequently infrastructure projects tended to lag behind schedule and roll-over to subsequent financial years. In order to remedy the situation, the Department has undertaken to train all senior managers, and this has already commenced. Furthermore, a team has been seconded from the Gautrain Management Agency to assist with project management within the Department.
- The Department has developed a Performance Improvement Programme that is envisaged to assist with performance. This is currently being discussed with senior managers,

and once approved, will be implemented accordingly.

- The human resource capacity constraints at the Driver License Testing Centres (DLTC), has led to slow delivery of services at these centres, i.e. the issuing of learners' and drivers' licenses. In order to mitigate this, the Department has developed a turn-around strategy, which is currently being implemented in phases in line with the available budget resources.

3. Trading entities and public entities

3.1 Trading Entity: g-Fleet Management

G-Fleet Management is the trading entity of the Department. It was established and is administered in terms of the Public Finance Management Act (PFMA), No. 1 of 1999 and the Treasury Regulations. The main objective of G-Fleet is to hire out motor vehicles to Client Departments within government on either of the following basis:

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

3.2 Gautrain Management Agency

Gautrain Management Agency is a listed Schedule 3C public entity under the control of the Department. The objective of the agency is to actively promote public transport as per the National Land Transport Transition Act of 2000. This will assist in alleviating the traffic congestion on existing roads, mainly between Johannesburg and Tshwane.

With the implementation of the Gautrain Rapid Rail Link project the GPG also strongly considered the improvement of transport and land use co-ordination and the integration of the different modes of transport. The image of public transport will also be improved with the Gautrain.



Other objectives of this project include:

- Strengthening of existing development nodes in Gauteng;
- Promotion of urban restructuring and redevelopment;
- Facilitation of the revitalisation of the Johannesburg and Tshwane central business districts; and
- Integrating the different modes of transport.

4. Organisations to whom transfer payments have been made

The transfers that the Department made during the financial year were in relation to the Gautrain Management Agency (GMA) and the public transport operators through the Public Transport Operations Grant (PTOG), as well as the transfer of the ceded contracts from the North-West Province.

Transfer	Amount (R'000)
Gautrain	1 598 711
Public Transport Operators (incl. NW Star)	1 719 224
TOTAL	3 317 935

GMA – R1.599 billion

The GMA is a Schedule 3 C Public Entity. The accounting arrangements are supported by the Gauteng Department of Finance where the transfer of funds is effected monthly, depending on the milestones and other administrative payments. The entity's finances are reported separately, and the Department only reports on the transfer to GMA and not on the spending items of GMA.

Public Transport Operators – R1.719 billion

The payments to the operators is partly funded through the PTOG and voted funding to the operators within the province as well as to the North-West Star Demarcation contracts. The PTOG is a Schedule 4 conditional grant that

is allocated by the National Treasury to the Department, whilst the North-West Star is funded by the Provincial Treasury.

5. Public private partnerships (PPP)

Gautrain Rapid Rail Link is the only PPP registered under the Department. The construction of this project has been completed in the year under review.

6. Corporate governance arrangements

The Department of Roads and Transport follows a Corporate Governance framework as governed and instructed by the PFMA, Section 38 and Section 40. This governs the actions of an Accounting Officer and that of an official within the Department.

6.1 The risk assessment and fraud prevention plan of the Department

The risk management approach followed by the Department is through the establishment and maintenance of appropriate risk management systems and processes. These have ensured the effective and efficient management of risks facing the Department and its trading entity. The Department's Risk Management unit is responsible for Enterprise Wide Risk Management through the co-ordination of the identification, analysis, and mitigation and monitoring of all risks facing the Department and its Trading entity to ensure compliance with the PFMA and other related legislature. The Risk Management unit has inculcated a risk philosophy in the Department that every employee of the Department has the responsibility to manage risks that are identified to ensure that the system of internal control is managed effectively and efficiently. There are dedicated risk champions within each business unit, whose role is to enhance this risk management philosophy. The Risk Management unit maintains a risk register on BarnOwl (an enterprise wide risk management system) of all

the identified risks within the department and ensures that these risks are mitigated against through a risk management implementation plan.

The Department has an approved Fraud Prevention Plan that is aligned with PFMA and Treasury Regulations.

The Department is in the process of appointing an Ethics Officer whose role and responsibility will be to develop, implement and monitor the activities pertaining to the Code of Conduct applicable to all officials.

The Department's Directorate: Risk and Compliance Unit also facilitates both external and internal audits to ensure compliance with the PFMA. It is also guided by the principles of the King III report in respect of corporate governance.

6.2 Internal Audit Unit

The Internal Audit Unit is operational, with skilled staff members, and functions effectively, as required by the Public Finance Management Act (PFMA). An audit plan was developed from the risk assessment conducted in the Department, and it has been approved by the Audit Committee. During the period under review, internal audit engagements were performed in accordance with the audit plan. The Department implemented the recommendations made in the Internal Audit reports. Internal Audit quarterly reports were compiled and submitted to the Audit Committee.

6.3 Audit Committee

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

To ensure its effectiveness the audit committee has in terms of its role and functions reviewed the following:

- a. The effectiveness of the internal control systems of the Department.

- b. The effectiveness of the internal audit function.
- c. The risk areas of the department's operations to be covered in the scope of internal and external audits.
- d. The adequacy, reliability and accuracy of financial information provided by the Accounting Officer and Chief Financial Officer.
- e. Accounting and auditing concerns identified as a result of internal and external audits.
- f. The Department's compliance with legal and regulatory provisions.
- g. The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

6.4 Management processes for minimising conflict of interest

All senior managers in the Department are compelled to declare their financial interests to the Member of the Executive Council on an annual basis. In addition all employees are compelled to request permission from the Accounting Officer before they do any work that generates additional remuneration outside of the Department. All senior managers sign annual performance agreements and have undergone security vetting through the South African State Security Agency.

6.5 Implementation of a code of conduct

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



6.6 Other Governance Structures

Senior Executive Management Team (SEMT)

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

The mandate of the SEMT is to make decisions and recommendations regarding:

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

Audit Queries, Policy and Legislative, Finance and Entity reports.

Executive Management Team (EMT)

The purpose of this team is to assist the HoD in decision making, including decisions on policy matters, monitoring of progress and performance, risk management and accountability and reporting. This committee meets bi monthly.

Broad Management Team (BMT)

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

Disposal committee

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

Departmental Adjudication Committee (DAC)

This Committee is responsible for considering recommendations made by the Bid Evaluation Committee (BEC) on the evaluation process, scrutinising the terms of reference of bids, and awarding of projects. The Committee also ensures that bid processes are fair, equitable, transparent, competitive and cost-effective. The committee ensures compliance with the PFMA; Treasury regulations and guidelines, Preferential Procurement Policy Framework Act and regulations and other relevant legislation.

Other committees that the Department has include:

- Bid Specification Committee- responsible for developing specifications;

- Bid Evaluation Committee - responsible for evaluation of bids;
- Audit Steering Committee – responsible for all audit matters and is chaired by Auditor-General;
- Human Resource Committee – responsible for all human resource matters of the department;
- Inspection and Maintenance Committee – responsible for inspecting conditions of roads and maintenance;
- Intergovernmental relations – responsible for discussing matters that cut across the departments with the aim of resolving them;
- Project Management Committee – responsible for monitoring project performance throughout the Department.

7. Discontinued activities/activities to be discontinued

None

8. New/proposed activities

None

9. Asset Management

Section 38(1)(d) of the Public Finance Management Act (PFMA) of 1999 gives the Accounting Officer the responsibility for the management, including the safeguarding and the maintenance of the assets of the Department. Since 1 April 2002, it was required of Public entities to record assets in the Asset Register and henceforth recognise the assets in the disclosure notes and annexures of the annual financial statements. According to the Treasury Guideline on Asset Management, assets are recorded and valued to allow performance to be measured both internally for management purposes and externally for accountability.

- The Department has an electronic Fixed Asset Register (BAUD) where assets of the Department are recorded and the record is

updated on a regular basis. The assets of the Department are bar coded and captured on BAUD.

- Due to the fact that BAUD does not interface with the General Ledger (BAS); monthly reconciliations between the Asset Register and the General Ledger (BAS) are compiled to ensure that information recorded on the FAR reconciles to the GL.
- To ensure the accuracy of the information on the FAR; regular physical asset verifications are conducted and the FAR is updated with any movement that takes place during the life cycle of the assets. Redundant assets are disposed of and lost assets are written-off to the loss register.
- The Department's asset management policies were reviewed and approved by management during the current financial year and the Asset Management Plan for moveable assets has been completed.
- The Department had to dispose of 114 vehicles that formed part of the Yellow Fleet. The fleet was old, been optimally utilised and had exceeded its useful life. It was therefore uneconomical for the Department to repair and maintain.
- A total of 116 metered taxis were written-off during the year. These vehicles were procured during the 2006/07 financial year, by the erstwhile Department of Public Transport, Roads and Works to facilitate transportation service during the FIFA Confederations Cup held in South Africa as a prelude to the FIFA World Cup.

The vehicles were allocated to various individuals belonging to the Gauteng Provincial Metered Taxi Association. The South African Transport Solutions (SATS) Holdings was appointed to manage the project and to collect the agreed upon monthly repayments from the users.

Due to the fact that the project had many



challenges, a decision was then taken to stop the project and request the users to surrender the vehicles to the Department. Various attempts by the Department to engage with the current users of the vehicles (the Gauteng Metered Taxi Association) were fruitless. This meant that the Department was unable to manage the assets as required by the Public Finance Management Act (PFMA). Furthermore, during the inspection of the assets in 2011, it was discovered that most of the vehicles had accident damages and are no longer operational whilst others have been written-off. It was further discovered that another percentage of the assets could not be traced by the Department even after several attempts were made.

The assets were six years old and as per the National Treasury Guideline for Asset Management, the estimated useful life of a vehicle is five years and according to the Departmental Fixed Asset Management Disposal policy; assets will not be disposed of by the Department unless the following have been met:

- Past its economical useful life;
- Unable to be used in another directorate/region;
- Damaged and not economically repairable, and not under warranty;
- The approved procedures for fixed asset disposals are complied with.
- The Department is in the process of transferring Gautrain assets to the Gautrain Management Agency (GMA) and the process is planned to be finalised by 1 July 2013. Since the establishment of the Gautrain Management Agency (GMA) as a Section 3c Public Entity in accordance with the PFMA and in terms of the Gautrain Management Agency Act of 2006 ("the GMA Act"); the GMA is mandated by Section 4(c) of the GMA Act which states that one of the objectives of the Agency is to manage assets relating to the

Project and promote their preservation and maintenance.

The Gauteng Department of Roads and Transport acted upon the instruction from the Provincial Treasury issued in 2012 to transfer the Gautrain Rapid Rail System from the Department of Roads and Transport to the GMA.

10. Inventories

The value of stock on hand at year end amounted to R5.7 million. The costing method used to determine the value of the stock was based on average price per item in store. All inventory opening and closing balances, together with movements for the year have been reflected in the Annexure 5 on Inventory.

11. Events after the reporting date

The Department formally transferred the Gautrain system assets and other administrative assets to Gautrain Management Agency (GMA) with effect from 1 July 2013. At the time of transfer, the project cost for the Gautrain system was R29.4 billion.

12. Information on predetermined objectives

The Department's predetermined objectives and corresponding planned targets for the year are presented in its Annual Performance Plan. During the year, these objectives are monitored to report on progress achieved on a quarterly and annual basis. The Quarterly reports, compiled as per National Treasury guidelines, provide the actual progress achieved against the set targets. The Annual Report is a consolidation of the Quarterly reports. These reports are utilised by the senior management of the Department to assess departmental performance and informs all stakeholders of the Department's achievements.

13. SCOPA resolutions

At the time of the completion of this report,

SCOPA resolutions for the financial year 2011/12 were not finalised.

The Department received an unqualified audit report with the following matters of emphasis and non-compliance issues:

14. 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
Matter of emphasis		
Understated amount on assets on the Annual Financial Statement	2009	On-going verification of assets. Monthly assets reconciliations are performed. Un-reconciled items are investigated.
Unapproved organisation structure	2009	The structure was approved in 2012/13 financial year.
Fraud implementation plan no communicate	2010	The HOD is reviewing the fraud policy for approval and implementation.
Incomplete irregular amount disclosed	2009	On discovery, finance Unit will inform SCM a probable irregular transaction. The irregular register will be updated.
Non-compliance issues		
Unapproved Leave	2009	The Department has implemented an electronic leave system. On weekly basis, Human resource monitors the system to check if there is any unapproved leave. HR will then inform respective management to approved outstanding leave.
Non-compliance to SCM processes	2009	A checklist was designed and is in use to ensure that all the SCM processes are adhered to.
No evidence to corroborate performance information	2009	Management was trained on how to compile Portfolio of evidence.
No policy for inventory management	2009	The Department is in a process of drafting the inventory policy.



15. Exemptions and deviations received from the National Treasury

None

16. Interim Financial Statements

In line with the practise note number 1 of 2012/13, the department has prepared and submitted the quarterly IFS to the Provincial Treasury. Furthermore, the half yearly IFS ending 30 September 2012 were submitted to the Auditor-General.

17. Other

None

18. Approval

The Annual Financial Statements set out on pages 158 to 219 have been approved by the Accounting Officer.

Mr. Ronald Swartz

Head of Department: Department of Roads and Transport

31 May 2013

2. ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the department's 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 designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the department for the financial year ended 31 March 2013

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Department of Roads and Transport Annual Financial Statement for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 154.

The Annual Financial Statements of the Department set out on page 158 to page 219 have been approved.



3. REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 8: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 158 to 219, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, and the cash flow statement for the year then ended, the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA), and for such internal control as 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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 31 to the financial statements, the corresponding figures for the 31 March 2012 have been restated as a result of an error discovered during 31 March 2013 financial statements of the Gauteng Department of Roads and Transport for the year ended, 31 March 2012.
9. As disclosed in note 18 to the financial statements, the corresponding figures for the 31 March 2012 have been restated as a result of an error discovered during 31 March 2013 financial statements of the Gauteng Department of Roads and Transport for the year ended, 31 March 2012.

Financial reporting framework

10. As disclosed in note 23 to the financial statements, the National Treasury has exempted the department from the measurement and disclosure of receivables relating to motor vehicle license fees for the year ended, 31 March 2013.

Material under-spending of the budget

11. As disclosed in the appropriation statement, the department has materially under-spent the budget on programme 1: Administration to the amount of R17 003 000, programme 2: Transport infrastructure to the amount of R82 785 000, programme 3: Transport operations to the amount of R44 416 000 and programme 4: Transport regulations to the amount of R28 553 000. As a consequence, the department has not achieved all its targets and objectives relating to the above-mentioned programmes.

Accruals

12. The Department incurred accruals amounting to R256 402 000 for the financial year

ended 31 March 2013. This amount, in turn, exceeds the voted funds to be surrendered of R184 288 000 as per the statement of financial performance by R72 114 000. The amount of R72 114 000 would have resulted in unauthorised expenditure if the balance was settled at year end.

Additional matters

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

Unaudited supplementary schedules

14. The supplementary information set out on pages 209 to 219 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

15. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.



Predetermined objectives

- 17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 21 to 82 of the annual report.
- 18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned programmes. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
- 19. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

- 20. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

Achievement of planned targets

- 21. Of the total number of 53 targets planned for the year, 20 targets were not achieved during the year under review. This represents 38% of total planned targets that were not achieved during the year under review. The cash constraints experienced by the department over the years has resulted in the under-spending of the budget relevant to programme 1: (Administration) amounting to R17 003 000, programme 2: (Transport infrastructure) amounting to R82 785 000 and programme 3: (Transport operations) amounting to R44 416 000 and programme 4: (Transport regulations) amounting to R28 553 000.

Compliance with laws and regulations

- 22. I performed procedures to obtain evidence that the department has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Expenditure management

- 23. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation (TR) 8.2.3.
- 24. The accounting officer did not take effective steps to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
- 25. The accounting officer did not take effective and appropriate steps to prevent fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA.

Annual financial statements

26. The financial statements submitted for auditing were not prepared fully in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.

Asset management

27. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).

Internal control

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

29. The accounting officer did not adequately monitor the approval, updating and implementation of documented policies and procedures. This identified internal control weakness together with the accounting officer's inadequate reviews of monthly and quarterly prepared financial information has resulted in the reported material adjustments to financial statements and instances of non-compliance with applicable laws and regulations

Financial and performance management

30. Management does not adequately monitor and review the preparation of monthly and quarterly financial information thus resulting in the material misstatements being identified by auditors.
31. Management has not adequately implemented documented policies and procedures to guide the effectiveness of the operations of the department resulting in

instances of non-compliance with applicable laws and regulations.

Governance

32. The effectiveness of the communication and implementation of the fraud prevention plan and ethical business practices to all officials of the department was not adequately monitored within the department which is evident by the outdated fraud prevention plan and enterprise risk management policy of the department.
33. The reliability of the department's financial and performance reports were not adequately reviewed by the internal audit function prior to its submission to both the audit committee and external auditors thus resulting in material audit adjustments being made to the financial statements.

OTHER REPORTS

Investigations

34. Several investigations are being conducted to probe possible financial misconduct and deviations in supply chain management processes which may have taken place. The investigations were still ongoing at reporting date.

155

Auditor-General

Johannesburg

31 July 2013



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



4. ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT

for the year ended 31 March 2013

APPROPRIATION STATEMENT	Appropriation per programme									
	2012/13					2011/12				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	as % of final appropriation	Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000
1. ADMINISTRATION										
Current payment	206,374	(2,390)		190,133	176,073	14,060	92.6%	168,498	156,921	168,498
Transfers and subsidies	420	30	-	450	262	188	58.2%	1,865	1,900	1,865
Payment for capital assets	4,029	2,220	-	6,249	3,510	2,739	56.2%	3,537	3,550	3,537
Payment for financial assets	100	140	-	240	224	16	93.3%	1,729	1,732	1,729
2. TRANSPORT INFRASTRUCTURE										
Current payment	883,249	9,069	2,191	894,509	949,542	(55,033)	106.2%	1,117,146	1,585,206	1,117,146
Transfers and subsidies	2,722	53	5,182	7,957	7,888	69	99.1%	3,265	3,310	3,265
Payment for capital assets	985,554	(9,145)	564	976,973	839,219	137,754	85.9%	30,471	108,401	30,471
Payment for financial assets	-	23	678	701	706	(5)	100.7%	648	660	648
3. TRANSPORT OPERATIONS										
Current payment	46,869	25,971	-	72,840	59,480	13,360	81.7%	112,858	134,645	112,858
Transfers and subsidies	1,719,244	(25,988)	-	1,693,256	1,684,051	9,205	99.5%	1,901,510	1,901,672	1,901,510
Payment for capital assets	86,541	-	-	86,541	64,690	21,851	74.8%	397	700	397
Payment for financial assets	-	17	-	17	17	-	100.0%	10	11	10
4. TRANSPORT REGULATION										
Current payment	163,723	(691)	1,375	164,407	154,879	9,528	94.2%	214,706	234,983	214,706
Transfers and subsidies	-	563	-	563	552	11	98.0%	248	282	248
Payment for capital assets	40,132	-	3,861	43,993	24,979	19,014	56.8%	8,057	4,000	8,057
Payment for financial assets	-	128	-	128	123	5	96.1%	157	160	157
5. GAUTRAIN										
Transfers and subsidies	1,598,711	-	-	1,598,711	1,598,711	-	100%	2,219,545	2,219,545	2,219,545
Subtotal	5,737,668	-	-	5,737,668	5,564,906	172,762	97.0%	5,784,647	6,357,678	5,784,647

APPROPRIATION STATEMENT

for the year ended 31 March 2013

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance				
ADD: Departmental receipts	2,466,851		2,283,877	
Actual amounts per statement of financial performance (total revenue)	8,204,519		8,641,555	
Actual amounts per statement of financial performance (total expenditure)		5,564,906		5,784,647

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Appropriation per economic classification									
	2012/13					2011/12			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	494,061	23,869	(60,216)	457,714	437,039	20,675	95.5%	418,949	433,527
Goods and services	804,427	8,120	49,931	862,478	897,303	(34,825)	104.0%	1,683,133	1,170,086
Interest and rent on land	1,727	(30)	-	1,697	5,632	(3,935)	331.9%	9,673	9,594
Transfers and subsidies									
Provinces and municipalities	1,173	13	4,260	5,446	5,345	101	98.1%	1,500	1,127
Departmental agencies and accounts	1,598,711	-	-	1,598,711	1,598,711	-	100%	2,219,545	2,219,545
Public corporations and private enterprises	1,719,724	(26,000)	350	1,694,074	1,684,866	9,208	99.5%	1,902,052	1,901,728
Households	1,489	645	572	2,706	2,542	164	93.9%	3,612	4,033
Payments for capital assets									
Buildings and other fixed structures	1,099,992	(9,145)	-	1,090,847	918,806	172,041	84.2%	61,901	-
Machinery and equipment	16,264	1,960	-	18,224	9,032	9,192	49.6%	22,250	19,849
Land and subsoil assets	-	-	-	-	-	-	-	32,500	18,053
Software and other intangible assets	-	260	4,425	4,685	4,560	125	97.3%	-	4,560
Payments for financial assets	100	308	678	1,086	1,070	16	98.5%	2,563	2,545
Total	5,737,668	-	-	5,737,668	5,564,906	172,762	97.0%	6,357,678	5,784,647

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 OFFICE OF THE MEC									
Current payment	12,470	-	-	12,470	6,911	5,559	55.4%	10,087	5,762
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	933	-	-	933	24	909	2.6%	285	272
Payment for financial assets	-	-	-	-	-	-		2	1
1.2 MANAGEMENT									
Current payment	32,441	(3,420)	(1,000)	28,021	24,594	3,427	87.8%	23,301	20,748
Transfers and subsidies	150	-	-	150	63	87	42.0%	-	-
Payment for capital assets	2,163	-	-	2,163	317	1,846	14.7%	680	680
Payment for financial assets	-	20	-	20	13	7	65.0%	1,450	1,449
1.3 CORPORATE SERVICES									
Current payment	161,463	1,030	(12,851)	149,642	144,568	5,074	96.6%	123,533	141,988
Transfers and subsidies	270	30	-	300	199	101	66.3%	1,900	1,865
Payment for capital assets	933	2,220	-	3,153	3,169	(16)	100.5%	2,585	2,585
Payment for financial assets	100	120	-	220	211	9	95.9%	280	279
Total	210,923	-	(13,851)	197,072	180,069	17,003	91.4%	164,103	175,629



APPROPRIATION STATEMENT
for the year ended 31 March 2013

Economic classification		2012/13						2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	100,749	-	6,370	107,119	106,782	337	99.7%	92,769	104,922
Goods and services	104,725	(2,390)	(20,221)	82,114	69,026	13,088	84.1%	63,952	63,450
Interest and rent on land	900	-	-	900	265	635	29.4%	200	125
Transfers and subsidies to:									
Provinces and municipalities	170	-	-	170	75	95	44.1%	-	-
Households	250	30	-	280	187	93	66.8%	1,900	1,865
Payment for capital assets									
Machinery and equipment	4,029	1,960	-	5,989	3,255	2,734	54.3%	3,550	3,527
Software and other intangible assets	-	260	-	260	255	5	98.1%	-	10
Payments for financial assets	100	140	-	240	224	16	93.3%	1,732	1,730
Total	210,923	-	(13,851)	197,072	180,069	17,003	91.4%	164,103	175,629

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 INFRASTRUCTURE PLANNING									
Current payment	59,437	-	(11,000)	48,437	45,245	3,192	93.4%	33,667	18,461
Transfers and subsidies	-	-	-	-	19	(19)		10	46
Payment for capital assets	525	-	-	525	72	453	13.7%	2,000	184
Payment for financial assets	-	-	-	-	6	(6)		105	102
2.2 INFRASTRUCTURE DESIGN									
Current payment	61,192	-	233	61,425	61,210	215	99.6%	66,990	91,765
Transfers and subsidies	3	-	270	273	270	3	98.9%	200	161
Payment for capital assets	71,320	-	356	71,676	46,004	25,672	64.2%	34,500	18,945
Payment for financial assets	-	-	102	102	101	1	99.0%	60	56
2.3 CONSTRUCTION									
Current payment	70,190	(76)	(34,500)	35,614	33,435	2,179	93.9%	334,816	277,057
Transfers and subsidies	-	53	-	53	52	1	98.1%	100	218
Payment for capital assets	271,400	-	-	271,400	259,884	11,516	95.8%	5,000	202
Payment for financial assets	-	23	-	23	23	-	100.0%	5	4
2.4 MAINTENANCE									
Current payment	692,430	9,145	47,458	749,033	809,652	(60,619)	108.1%	1,149,733	729,863
Transfers and subsidies	2,719	-	4,912	7,631	7,547	84	98.9%	3,000	2,840
Payment for capital assets	642,309	(9,145)	208	633,372	533,259	100,113	84.2%	66,901	11,140
Payment for financial assets	-	-	576	576	576	-	100.0%	490	486
Total	1,871,525	-	8,615	1,880,140	1,797,355	82,785	95.6%	1,697,577	1,151,530

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Economic classification	2012/13					2011/12			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	245,671	23,869	(45,500)	224,040	222,246	1,794	99.2%	196,430	238,493
Goods and services	637,081	(14,800)	47,691	669,972	722,059	(52,087)	107.8%	1,379,576	869,476
Interest and rent on land	497	-	-	497	5,237	(4,740)	1053.7%	9,200	9,177
Transfers and subsidies to:									
Provinces and municipalities	1,003	-	4,260	5,263	5,258	5	99.9%	1,500	1,126
Public corporations and private enterprises	500	-	350	850	845	5	99.4%	500	335
Households	1,219	53	572	1,844	1,785	59	96.8%	1,310	1,804
Payment for capital assets									
Buildings and other fixed structures	977,929	(9,145)	-	968,784	836,564	132,220	86.4%	61,901	-
Machinery and equipment	7,625	-	-	7,625	2,210	5,415	29.0%	14,000	12,418
Land and subsoil assets	-	-	-	-	-	-	-	32,500	18,053
Software and other intangible assets	-	-	564	564	445	119	78.9%	-	-
Payments for financial assets									
	-	23	678	701	706	(5)	100.7%	660	648
Total	1,871,525	-	8,615	1,880,140	1,797,355	82,785	95.6%	1,697,577	1,151,530

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1PUBLIC TRANSPORT SERVICES									
Current payment	46,869	25,971	-	72,840	59,480	13,360	81.7%	134,645	112,858
Transfers and subsidies	1,719,244	(25,988)	-	1,693,256	1,684,051	9,205	99.5%	1,901,672	1,901,510
Payment for capital assets	86,541	-	-	86,541	64,690	21,851	74.8%	700	397
Payment for financial assets	-	17	-	17	17	-	100.0%	11	10
Total	1,852,654	-	-	1,852,654	1,808,238	44,416	97.6%	2,037,028	2,014,775
Economic classification	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	31,001	-	-	31,001	18,382	12,619	59.3%	28,774	17,032
Goods and services	15,788	25,971	-	41,759	41,098	661	98.4%	105,853	95,807
Interest and rent on land	80	-	-	80	-	80		18	19
Transfers and subsidies to:									
Public corporations and private enterprises	1,719,224	(26,000)	-	1,693,224	1,684,021	9,203	99.5%	1,901,552	1,901,393
Households	20	12	-	32	30	2	93.8%	120	117
Payment for capital assets									
Buildings and other fixed structures	85,449	-	-	85,449	64,591	20,858	75.6%	-	-
Machinery and equipment	1,092	-	-	1,092	99	993	9.1%	700	397
Payments for financial assets									
	-	17	-	17	17	-	100.0%	11	10
Total	1,852,654	-	-	1,852,654	1,808,238	44,416	97.6%	2,037,028	2,014,775



APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 TRANSPORT ADMINISTRATION AND LICENSING									
Current payment	106,859	(638)	8,530	114,751	113,930	821	99.3%	170,178	172,163
Transfers and subsidies	-	563	-	563	552	11	98.0%	232	228
Payment for capital assets	27,507	-	3,861	31,368	12,880	18,488	41.1%	2,000	7,159
Payment for financial assets	-	75	-	75	72	3	96.0%	50	48
4.2 OPERATORS LICENCE AND PERMITS									
Current payment	56,864	(53)	(7,155)	49,656	40,949	8,707	82.5%	64,805	42,543
Transfers and subsidies	-	-	-	-	-	-	-	50	20
Payment for capital assets	12,625	-	-	12,625	12,099	526	95.8%	2,000	898
Payment for financial assets	-	53	-	53	51	2	96.2%	110	109
Total	203,855	-	5,236	209,091	180,533	28,558	86.3%	239,425	223,168

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Economic classification	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	116,640	-	(21,086)	95,554	89,629	5,925	93.8%	100,976	73,080
Goods and services	46,833	(661)	22,461	68,633	65,120	3,513	94.9%	133,752	141,353
Interest and rent on land	250	(30)	-	220	130	90	59.1%	255	273
Transfers and subsidies to:									
Provinces and municipalities	-	13	-	13	12	1	92.3%	-	1
Households	-	550	-	550	540	10	98.2%	282	247
Payment for capital assets									
Buildings and other fixed structures	36,614	-	-	36,614	17,651	18,963	48.2%	-	-
Machinery and equipment	3,518	-	-	3,518	3,468	50	98.6%	4,000	3,507
Software and other intangible assets	-	-	3,861	3,861	3,860	1	100.0%	-	4,550
Payments for financial assets									
	-	128	-	128	123	5	96.1%	160	157
Total	203,855	-	5,236	209,091	180,533	28,558	86.3%	239,425	223,168



APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	2012/13						2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
5.1 GAUTRAIN RAPID LINK Transfers and subsidies	1,598,711	-	-	1,598,711	1,598,711	-	100.0%	2,219,545
Total	1,598,711	-	-	1,598,711	1,598,711	-	100.0%	2,219,545

Economic classification	2012/13						2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers and subsidies to: Departmental agencies and accounts	1,598,711	-	-	1,598,711	1,598,711	-	100.0%	2,219,545
Total	1,598,711	-	-	1,598,711	1,598,711	-	100.0%	2,219,545

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

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-H) to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	197,072	180,069	17,003	8.6%
Transport Infrastructure	1,880,140	1,797,355	82,785	4.4%
Transport Operations	1,852,654	1,808,238	44,416	2.4%
Transport Regulations	209,091	180,533	28,558	13.7%
Gautrain	1,598,711	1,598,711	-	0.0%

The Department has a total under-spending of R172.762 million. This was within the programmes as follows:

1. Administration - R17.003 million

This was mainly as a result of savings within the items that could not be paid by the end of the financial year as a result of cash flow issues. The cash flow issues will be better managed in the 2013/14 financial year to ensure that these are reduced.

2. Transport Infrastructure - R82.785 million

The under-spending within this programme was mainly as a result of the consolidated report on the projects expenditure, which indicated under-spending on some projects, while others were over-spending. This was mainly as a result of cancellation of contracts as a result of non-performance, late implementation of projects as well as delays in the commencement of tender processes within the Department.

3. Transport Operations - R44.416 million

The under-spending was mainly as a result of compensation of employees item and building

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):

and other fixed structures. This was as a result of the non-implementation of the organisational structure that was approved in November 2012 by the Minister within the Department of Public Service and Administration (DPSA) as well as projects that were late in terms of implementation because of delays with the signing of the MOAs with the respective municipalities.

4. Transport Regulation - R28.558 million

This was mainly as a result of projects, i.e. the DLTCs that were not implemented as per the plan and the allocated budget for the year.

5. Gautrain - R0

The expenditure that is reflected in the report is actually the transfer that is made to Gautrain and not the expenditure by the entity. The expenditure is reported separately in the Financial Statements that they prepare independently.



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

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				
Compensation of employees	457,714	437,039	20,675	4.5%
Goods and services	862,478	897,303	(34,825)	-4.0%
Interest and rent on land	1,697	5,632	(3,935)	-231.9%
Transfers and subsidies				
Provinces and municipalities	5,446	5,345	101	1.9%
Departmental agencies and accounts	1,598,711	1,598,711	-	0.0%
Public corporations and private enterprises	1,694,074	1,684,866	9,208	0.5%
Households	2,706	2,542	164	6.1%
Payments for capital assets				
Buildings and other fixed structures	1,090,847	918,806	172,041	15.8%
Machinery and equipment	18,224	9,032	9,192	50.4%
Software and other intangible assets	4,685	4,560	125	2.7%
Payments for financial assets	1,086	1,070	16	1.5%

1. Compensation of employees - R20.675 million

The under-spending was as a result of the organisational structure that was approved in November 2012 and was therefore not fully implemented by the end of the financial year. The majority of this was because of the delays experienced in recruiting engineers and other specialist skills, the Provincial Treasury had allocated R20 million for this.

The organisational structure will be fully implemented in the 2013/14 financial year to ensure that the budget for compensation of employees is fully spent, including the additional allocation that has been made to the Department for the recruitment of engineers and other specialist skills.

2. Goods and services – (R34.825 million)

The over-spending was mainly as a result of payment for contractual obligation for escalation on the routine maintenance contracts and Roads Maintenance Professional Teams (RMPTs) not honoured by the Department in prior financial

years. This was done as part of closure these contracts by 31 March 2013, and to avoid further litigation claims made against the Department by these service providers.

3. Interest and rent on land – (R3.935 million)

The over-spending within this item was as a result of invoices from service providers that were paid later than the required period. This was mainly as a result of the cash-flow issues that the Department has been experiencing since the reconfiguration process in 2009, that resulted in a debt by the Department of Infrastructure Development (DID).

4. Public Corporations and private enterprises - R9.208 million

This item is utilised for the payments to the public transport providers in terms of the Public Transport Operations Grant (PTOG) as well as the North-West Star demarcated contracts. The under-spending within this item is mainly for the NW-Star contracts that were allocated additional R50 million during the main Adjustments budget process.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

5. Buildings and other fixed structures - R172.041 million

The majority of the projects within the Department, other than the maintenance related projects, are budgeted for and paid within this item. This was mainly as a result of cancellation of contracts as a result of non-performance, late implementation of projects as well as delays in the commencement of tender processes within the Department.

6. Machinery and equipment - R9.192 million

This was as a result of the organisational structure that was not fully implemented, which meant that no furniture could be purchased for new recruits/employees.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Public Works				
EPWP Incentive Grant	9,145	5,037	4,108	44.9%
Transport				
Provincial Roads Maint Grant	1,003,119	1,000,168	2,951	0.3%
Public Transport Operations Grant	1,626,271	1,624,592	1,679	0.1%

1. EPWP Incentive Grant – R4.108 million

The under-spending within this grant was mainly as a result of the amount that was allocated to the Department late in the financial year (March), which then meant that payments could not be made in time.

2. Provincial Roads Maintenance Grant - R2.951 million

The under-spending was very minimal in relation to the total allocation from this grant.

3. Public Transport Operations Grant - R1.679 million

The under-spending was very minimal in relation to the total allocation from this grant.



STATEMENT OF THE FINANCIAL PERFORMANCE

for the year ended 31 March 2013

PERFORMANCE	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	5,737,668	6,357,678
Departmental revenue	2	2,466,851	2,283,877
TOTAL REVENUE		8,204,519	8,641,555
EXPENDITURE			
Current expenditure			
Compensation of employees	3	437,039	433,527
Goods and services	4	897,303	1,170,086
Interest and rent on land	5	5,632	9,594
Total current expenditure		1,339,974	1,613,207
Transfers and subsidies			
Transfers and subsidies	6	3,291,464	4,126,433
Unauthorised expenditure approved without funding	7	-	-
Total transfers and subsidies		3,291,464	4,126,433
Expenditure for capital assets			
Tangible capital assets	8	927,928	37,902
Software and other intangible assets	8	4,470	4,560
Total expenditure for capital assets		932,398	42,462
Payments for financial assets	6	1,070	2,545
TOTAL EXPENDITURE		5,564,906	5,784,647
SURPLUS/(DEFICIT) FOR THE YEAR		2,639,613	2,856,908
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		172,762	573,031
Annual appropriation		164,024	140,185
Conditional grants		8,738	432,846
Unconditional grants		-	-
Departmental revenue and NRF Receipts	13	2,466,851	2,283,877
SURPLUS/(DEFICIT) FOR THE YEAR		2,639,613	2,856,908

STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

POSITION	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		427,941	817,660
Unauthorised expenditure	9	281,453	281,453
Cash and cash equivalents	10	48	338,519
Receivables	11	146,440	197,688
TOTAL ASSETS		427,941	817,660
LIABILITIES			
Current liabilities		427,941	817,660
Voted funds to be surrendered to the Revenue Fund	12	184,288	584,557
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	152,104	156,097
Bank overdraft	14	29,818	-
Payables	15	61,731	77,006
TOTAL LIABILITIES		427,941	817,660
NET ASSETS		-	-



CASH FLOW STATEMENT

for the year ended 31 March 2013

CASH FLOW	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		8,194,357	8,641,555
Annual appropriated funds received	1.1	5,737,668	6,357,678
Statutory appropriated funds received		-	-
Departmental revenue received	2	2,456,689	2,283,877
Direct Exchequer Receipts		-	-
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		35,973	83,152
Surrendered to Revenue Fund		(3,043,875)	(2,659,522)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1,339,974)	(1,597,573)
Payments for financial assets		(1,070)	(2,545)
Transfers and subsidies paid		(3,291,464)	(4,126,433)
Net cash flow available from operating activities	16	553,947	338,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(932,398)	(42,462)
Proceeds from sale of capital assets	2.3	10,162	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(922,236)	(42,462)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(368,289)	296,172
Cash and cash equivalents at beginning of period		338,519	42,347
Cash and cash equivalents at end of period	14	(29,770)	338,519

ACCOUNTING POLICIES

for the year ended 31 March 2013

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

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

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



ACCOUNTING POLICIES

for the year ended 31 March 2013

2.2 Departmental revenue

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

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

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

2.3 Direct Exchequer receipts

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

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

2.4 Direct Exchequer payments

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

2.5 Aid assistance

Aids assistance is recognised as revenue when received

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

The cash payments made during the year

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

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

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

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

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

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

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

Other employee benefits that give rise to a present legal or constructive obligation are disclosed

in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more

ACCOUNTING POLICIES

for the year ended 31 March 2013

than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

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

3.2 Goods and services

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

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

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

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is

effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

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

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

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

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



ACCOUNTING POLICIES

for the year ended 31 March 2013

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

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

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

4.2 Other financial assets

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

4.3 Prepayments and advances

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

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

4.4 Receivables

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

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

4.5 Investments

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

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

4.6 Loans

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

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

4.7 Inventory

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

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

ACCOUNTING POLICIES

for the year ended 31 March 2013

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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

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

Subsequent recognition

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

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

4.8.2 Immovable assets

Initial recognition

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

Subsequent recognition

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

Repairs and maintenance is expensed as current

"goods and services" in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

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

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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



ACCOUNTING POLICIES

for the year ended 31 March 2013

5.3 Contingent assets

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

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

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

Operating lease

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

5.8 Impairment

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

5.9 Provisions

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

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. Net Assets

7.1 Capitalisation reserve

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

ACCOUNTING POLICIES

for the year ended 31 March 2013

7.2 Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	2012/13 Actual Funds Received	Funds not requested/ not received	2011/12 Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	197,072	197,072	-	164,103
TRANSPORT INFRASTRUCTURE	1,880,140	1,880,140	-	1,697,577
TRANSPORT OPERATIONS	1,852,654	1,852,654	-	2,037,028
TRANSPORT REGULATION	209,091	209,091	-	239,425
GAUTRAIN	1,598,711	1,598,711	-	2,219,545
Total	5,737,668	5,737,668	-	6,357,678

180

1.2 Conditional grants

	Note	2012/13 R'000	2011/12 R'000
Total grants received	47	2,637,800	2,376,929

2. Departmental revenue

Tax revenue*		2,401,619	2,227,726
Sales of goods and services other than capital assets*	2.1	53,711	51,421
Interest, dividends and rent on land	2.2	133	596
Sales of capital assets	2.3	10,162	-
Transactions in financial assets and liabilities	2.4	1,226	4,134
Total revenue collected		2,466,851	2,283,877
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		2,466,851	2,283,877

**The prior year figures for Tax revenue and Sales of good and services other than capital assets have been restated to ensure fair presentation. Due to changes in the Standard Chart of Accounts (SCOA) a total amount of R46,315,000 was reclassified from "Tax revenue" to "Sales of goods and services other than capital assets".*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of scrap, waste and other used current goods		53,711	51,421
Total		53,711	51,421
2.2 Interest, dividends and rent on land	2		
Interest		133	596
Total		133	596
2.3 Sale of capital assets	2		
Tangible assets		10,162	-
Machinery and equipment		10,162	-
Total		10,162	-
2.4 Transactions in financial assets and liabilities	2		
Receivables		1,172	4,039
Stale cheques written back		54	95
Total		1,226	4,134
3. Compensation of employees			
3.1 Salaries and Wages	3		
Basic salary		277,118	284,358
Performance award		6,457	6,139
Service Based*		1,302	990
Compensative/circumstantial		3,927	2,396
Periodic payments		30,354	20,209
Other non-pensionable allowances*		60,794	61,223
Total		379,952	375,315
*The prior year figures for Service based and Other non-pensionable allowances have been restated to ensure fair presentation. Due to changes in the Standard Chart of Accounts (SCOA) an amount of R21, 773,000 was reclassified from "Service Based" to "Other non-pensionable allowance".			
3.2 Social contributions	3		
Employer contributions			
Pension		35,297	36,082
Medical		21,700	22,033
Bargaining council		90	97
Total		57,087	58,212
Total compensation of employees		437,039	433,527
Average number of employees		1,882	1,866

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

4. Goods and services	Note	2012/13 R'000	2011/12 R'000
Administrative fees		529	611
Advertising		4,955	11,057
Assets less than R5,000	4.1	506	1,737
Bursaries (employees)		780	444
Catering		645	826
Communication		21,119	13,319
Computer services	4.2	8,108	2,763
Consultants, contractors and agency/outsourced services*	4.3	714,092	969,375
Entertainment		1	-
Audit cost – external	4.4	3,761	4,670
Fleet services		23,102	55,156
Inventory	4.5	43,495	34,580
Operating leases		16,386	20,873
Property payments	4.6	31,380	15,268
Rental and hiring		17	-
Transport provided as part of the departmental activities		82	231
Travel and subsistence	4.7	14,619	22,075
Venues and facilities		1,057	1,285
Training and staff development		1,599	2,512
Other operating expenditure	4.8	11,070	13,304
Total*		897,303	1,170,086

*Due to changes in Standard Chart of Accounts (SCOA) in 2012/13 financial year some of the items that were only available under Goods and Services were extended to Expenditure for Capital Assets as such this created a disproportion in comparison to prior year balances.

4.1 Assets less than R5,000

4

Tangible assets	506	1,720
Machinery and equipment	506	1,720
Intangible assets	-	17
Total	506	1,737

4.2 Computer services

4

SITA computer services	-	64
External computer service providers	8,108	2,699
Total	8,108	2,763

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
4.3 Consultants, contractors and agency/outsourced services			
Business and advisory services		42,681	131,471
Infrastructure and planning		30,322	170,261
Legal costs		30,583	9,222
Contractors		607,826	642,514
Agency and support/outsourced services		2,680	15,907
Total		714,092	969,375
4.4 Audit cost – External	4		
Regularity audits		3,193	3,227
Investigations		243	1,352
Computer audits		325	91
Total		3,761	4,670
4.5 Inventory	4		
Learning and teaching support material		-	20
Food and food supplies		67	118
Fuel, oil and gas		248	2,997
Other consumables		8,176	2,846
Materials and supplies		19,424	17,156
Stationery and printing		15,576	11,443
Medical supplies		4	-
Total		43,495	34,580
4.6 Property payments	4		
Municipal services		13,744	8,489
Property maintenance and repairs		124	-
Other		17,512	6,779
Total		31,380	15,268
4.7 Travel and subsistence	4		
Local		14,483	21,989
Foreign		136	86
Total		14,619	22,075
4.8 Other operating expenditure	4		
Learnerships		9,842	13,129
Resettlement costs		-	21
Other		1,228	154
Total		11,070	13,304



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

5.	Interest and rent on land	Note	2012/13	2011/12
			R'000	R'000
	Interest paid		5,632	9,594
	Total		5,632	9,594
6.	Payments for financial assets			
	Debts written off	6.1	1,070	2,545
	Total		1,070	2,545
6.1	Debts written off	6		
	Nature of debts written off			
	Breach of Contract		-	12
	Ex-employee		1,065	1,461
	Other Motor Vehicle Penalties		-	837
	Other		-	38
	Suppliers		5	197
	Total		1,070	2,545
7.	Transfers and subsidies			
	Provinces and municipalities	Annex 1A	5,346	1,062
	Departmental agencies and accounts	Annex 1B	1,598,711	2,219,545
	Public corporations and private enterprises	Annex 1C	1,684,865	1,901,394
	Households	Annex 1D	2,542	4,432
	Total		3,291,464	4,126,433
8.	Expenditure for capital assets			
	Tangible assets		927,928	37,902
	Buildings and other fixed structures*	31	918,792	-
	Machinery and equipment	29	9,136	19,849
	Land and subsoil assets	29	-	18,053
	Software and other intangible assets		4,470	4,560
	Computer software	30	4,470	4,560
	Total*		932,398	42,462
	The following amounts have been included as project costs in Expenditure for capital assets			
	Goods and services*	4	-	486,372
	Total*		-	486,372

*Due to changes in Standard Chart of Accounts (SCOA) in 2012/13 financial year some of the items that were only available under Goods and Services were extended to Expenditure for Capital Assets as such this created a disproportion in comparison to prior year balances.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

8.1 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	927,928	-	927,928
Buildings and other fixed structures	918,792	-	918,792
Machinery and equipment	9,136	-	9,136
Software and other intangible assets	4,470	-	4,470
Computer software	4,470	-	4,470
Total	932,398	-	932,398

8.2 Analysis of funds utilised to acquire capital assets – 2011/12

Tangible assets	37,902	-	37,902
Machinery and equipment	19,849	-	19,849
Land and subsoil assets	18,053	-	18,053
Software and other intangible assets	4,560	-	4,560
Computer software	4,560	-	4,560
Total	42,462	-	42,462

9. Unauthorised expenditure

185

9.1 Reconciliation of unauthorised expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance*		281,453	271,681
Unauthorised expenditure – discovered in current year*	9	-	11,526
Less: Amounts approved by Parliament/Legislature with funding		-	(1,754)
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation / written off		281,453	281,453
Analysis of awaiting authorisation per economic classification			
Capital		11,526	11,526
Current		269,927	269,927
Total		281,453	281,453

*The prior year figure for unauthorised expenditure has been restated to ensure fair presentation. The amounts disclosed as "Unauthorised expenditure – discovered in current year" was calculated based on the economic classification of transactions as opposed to programme level, this led to overstatement of unauthorised expenditure by R4, 108,000.00.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification	Note	2012/13 R'000	2011/12 R'000
Capital		11,526	11,526
Current		269,927	269,927
Total		281,453	281,453

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		281,453	281,453
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division		-	-
Total		281,453	281,453

10. Cash and cash equivalents

Consolidated Paymaster General Account		-	338,476
Cash on hand		48	43
Total		48	338,519

11. Receivables

		2012/13			2011/12	
	Note	R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	R'000 Total
Claims recoverable	11.1	748	-	121,273	122,021	176,006
	Annex 3					
Recoverable expenditure	11.2	286	-	2,008	2,294	2,054
Staff debt	11.3	-	1,038	-	1,038	1,812
Other debtors	11.4	5,797	16	15,274	21,087	17,816
Total		6,831	1,054	138,555	146,440	197,688

	Note		
11.1 Claims recoverable	11		
Provincial departments		121,273	175,797
Public entities		748	209
Total		122,021	176,006

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
11.2 Recoverable expenditure (disallowance accounts)	11		
Deposit Account		93	-
Sal: Deduction Disall. Account		-	8
Sal: Reversal control		65	24
Sal: Tax Debt		1	4
Sal: Recoverable		127	10
Other		2,008	2,008
Total		2,294	2,054
11.3 Staff debt	11		
Breach of contract		2	7
Employee		31	110
Ex-Employee		849	1,844
Breach of contract Ex-Employee		40	43
Debt Receivable Income and Interest		(357)	(635)
Supplier		441	413
Other		32	30
Total		1,038	1,812
11.4 Other debtors	11		
Other Debtors		6,605	786
Fraud		14,466	16,937
Staff debts - March 2012 COSATU Industrial Action		16	93
Total		21,087	17,816
12. Voted funds to be surrendered to the Revenue Fund			
Opening balance		584,557	347,602
Transfer from statement of financial performance		172,762	573,031
Add: Unauthorised expenditure for current year	9	-	11,526
Paid during the year		(573,031)	(347,602)
Closing balance		184,288	584,557
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		156,097	184,140
Transfer from Statement of Financial Performance		2,466,851	2,283,877
Paid during the year		(2,470,844)	(2,311,920)
Closing balance		152,104	156,097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
14. Bank Overdraft			
Consolidated Paymaster General Account		29,818	-
Total		29,818	-
15. Payables – current			
Amounts owing to other entities		59,560	75,075
Advances received	15.1	1,000	-
Other payables	15.2	1,171	1,931
Total		61,731	77,006
15.1 Advances received	15		
National Departments of Transport	Annex 8B	1,000	-
Total		1,000	-
15.2 Other payables	15		
Cheques Payables: Dom		8	70
Sal: Persal EBT Control Account		-	459
Sal: ACB Recalls		58	20
Other payables		1,105	1,382
Total		1,171	1,931
16. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		2,639,613	2,856,908
Add back non cash/cash movements not deemed operating activities		(2,085,666)	(2,518,274)
(Decrease) in receivables – current		51,248	106,867
(Decrease) in prepayments and advances		-	65
(Decrease) in other current assets		-	1,754
(Decrease) in payables – current		(15,275)	(9,900)
Proceeds from sale of capital assets		(10,162)	-
Expenditure on capital assets		932,398	42,462
Surrenders to Revenue Fund		(3,043,875)	(2,659,522)
Net cash flow generated by operating activities		553,947	338,634
17. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(29,818)	338,476
Cash on hand		48	43
Total		(29,770)	338,519

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2012/13 R'000	2011/12 R'000
Liability to Nature			
Housing loan guarantees Employees	Annex 2A	10	52
Claims against the department	Annex 2B	808,279	980,378
Inter-governmental payables (unconfirmed balances)	Annex 4	1,569	-
Other**	Annex 2B	5,542	-
Total		815,400	980,430

18.2 Contingent assets

	18		
Construction of a single carriageway between K54 and K220		16,117	16,117
Construction of Road K46 (William Nicole Drive)*		113,054	113,054
Total		129,171	129,171

*The prior year figure for contingent assets has been restated to ensure fair presentation. The figure disclosed last year excluded the construction of Road K46.

** Patronage Guarantee is paid on a monthly basis to the Concessionaire if for any month after OCD 2 the actual rail 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. GMA is unable to provide a reliable estimate of the Patronage Guarantee for the next year; however the Patronage Guarantee payment for the 2012-13 financial year is included in Note 28. For additional information and disclosure on the Patronage guarantee please refer to Gauteng Management Agency Annual Report on Contingent Liabilities and Commitments.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

19. Commitments	Note	2012/13	2011/12
		R'000	R'000
Current expenditure			
Approved and contracted		2,935	71,009
Approved but not yet contracted		-	-
		2,935	71,009
Capital expenditure			
Approved and contracted		843,153	1,540,939
Approved but not yet contracted		-	-
		843,153	1,540,939
Total Commitments #		846,088	1,611,948
Analysis of commitments	19		
Commitments less than 1 year		768,924	1,412,102
Commitments longer than 1 year		77,164	199,846
Total Commitments		846,088	1,611,948

The department has entered into a binding long term concession agreement with Bombela Concession Company (Pty) Ltd (Concessionaire) for the design, procure, construct, test, commission, operate and maintain the Gautrain asset under the terms and conditions of the concession agreement. For this purpose the department established Gauteng Management Agency (GMA) a schedule 3C public entity as per PFMA, to manage, co-ordinate and oversee the project (among other things) on behalf of the Department.

The department as a representative of the provinces was mainly committed in funding the development and construction phase of the project in line with the milestone payments, in that respect the OCD 2 signified the end of the construction phase of the Gautrain project.

In terms of the Gauteng Management Agency Act No. 5 of 2006 para 30 (1) "The agency is funded primarily by money appropriated from the Provincial Revenue Fund". In that accord the department has the obligations to make transfer payments to GMA to ensure the Agency achieves its objects and performs the functions as assigned by the GMA Act No 5 of 2006 in terms of overseeing the development and operational phase of the Gautrain project. It is improbable to determine the reliable estimates of the total amount to be paid over the period of concession agreement.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

20. Accruals

			2012/13	2011/12
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	32,380	22,164	54,544	94,948
Interest and rent on land	1	-	1	51
Transfers and subsidies	8,775	384	9,159	7,652
Capital assets	147,987	14,655	162,642	166,406
Other	30,089	15	30,104	51,759
Total	219,232	37,218	256,450	320,816

Listed by programme level

Administration	22,193	20,905
Transport Infrastructure	180,405	172,215
Transport Operations	15,506	19,301
Transport Regulations	38,346	108,395
Total	256,450	320,816

Confirmed balances with other departments	Annex 4	86,278	67,493
Confirmed balances with other government entities	Annex 4	24,605	7,582
Total		110,883	75,075

21. Employee benefits

Leave entitlement	23,774	23,181
Service bonus (Thirteenth cheque)	11,603	11,233
Performance awards	6,729	6,433
Capped leave commitments	22,843	22,152
Total	64,949	62,999

22. Lease commitments

22.1 Operating leases expenditure

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	9,492	1,323	10,815
Later than 1 year and not later than 5 years	-	-	43,945	1,875	45,820
Total lease commitments	-	-	53,437	3,198	56,635

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	15,832	-	15,832
Later than 1 year and not later than 5 years	-	-	43,643	-	43,643
Later than five years	-	-	9,794	-	9,794
Total lease commitments	-	-	69,269	-	69,269

22.2 Finance leases expenditure**

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	5,077	5,077
Later than 1 year and not later than 5 years	-	-	-	977	977
Total lease commitments	-	-	-	6,054	6,054

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	9,019	9,019
Later than 1 year and not later than 5 years	-	-	-	3,603	3,603
Total lease commitments	-	-	-	12,622	12,622
LESS: finance costs	-	-	-	(727)	(727)
Total present value of lease liabilities	-	-	-	11,895	11,895

23. Receivables for departmental revenue

	Note	2012/13 R'000	2011/12 R'000
Tax revenue #		207,488	202,264
Total		207,488	202,264

23.1 Analysis of receivables for departmental revenue

23

Opening balance #	202,264	169,825
Less: amounts received**	(2,401,619)	(2,427,501)
Add: amounts recognised**	2,406,843	2,459,940
Closing balance	207,488	202,264

Included in the opening balance is an amount of R3, 537,965.08 that was erroneously omitted in the previous financial year. To ensure fair presentation the opening balance has been restated.

**The amounts disclosed above are net of direct charges and do not include motor vehicle licence fees receivable as at year end, in terms of the National Road Traffic Act, 1996. The deviation was properly sanctioned by National Treasury and is only applicable for 2012/13 financial year.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

24. Irregular expenditure

	Note	2012/13	2011/12
	24	R'000	R'000
24.1 Reconciliation of irregular expenditure			
Opening balance		2,337,204	2,228,453
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		2,357,225	2,484,528
Less: Amounts condoned		(2,337,312)	(2,375,777)
Irregular expenditure awaiting condonation		2,357,117	2,337,204

Analysis of awaiting condonation per age classification 24

Current year	19,913	108,751
Prior years	2,337,204	2,228,453
Total	2,357,117	2,337,204

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2012/13
		R'000
Various contracts extended and awarded without proper procurement procedures	None	2,357,225
Total		2,357,225

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
Various contracts extended and awarded without proper procurement procedures	Accounting Officer, through the Departmental Acquisition Council (DAC)	2,337,312
Total		2,337,312

24.4 Details of irregular expenditure recoverable (not condoned)

Incident		2012/13
		R'000
Total		

24.5 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	
Total		



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

25. Fruitless and wasteful expenditure	Note	2012/13	2011/12
25.1 Reconciliation of fruitless and wasteful expenditure	25	R'000	R'000
Opening balance		122,706	16,541
Fruitless and wasteful expenditure – relating to prior year*		6,145	113,424
Fruitless and wasteful expenditure – relating to current year*		27,139	10,105
Less: Amounts resolved		(3,033)	(17,364)
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting resolution		152,957	122,706

25.2 Analysis of awaiting resolution per economic classification

	25		
Current		1,103	1,153
Capital		151,854	121,553
Transfers and subsidies		-	-
Total		152,957	122,706

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2012/13 R'000
Municipalities – Interest paid on late payments	None	81
Eskom – Interest paid on late payments	None	7
Capital projects – Interest paid on late payments	None	26,617
Various suppliers – Interest paid on late payments	None	434
Total		27,139

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

26. Related party transactions

Revenue received	2012/13 R'000	2011/12 R'000
Tax revenue/ User charges		
Sales of goods and services other than capital assets		
Fines, penalties and forfeits		
Interest, dividends and rent on land		
Transfers		
Total		
Payments made		
Goods and services		
Interest and rent on land		
Transfers		
Total		
Year end balances arising from revenue/payments		
Receivables from related parties		
Payables to related parties		
Total		
In kind goods and services provided/received		
Department of Infrastructure Development building (Sage Life Building – Occupied by DRT for free)	9,033	
Operating lease payments (Office buildings)	10,180	
Cleaning services (Office buildings)	2,799	
Total	22,012	

The Gauteng Department of Roads and Transport is related to all Gauteng Provincial Government (GPG) Departments and entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature.

Department of Infrastructure Development (DID) in particular paid on behalf of the Department (DRT) for the following services during 2012/13 financial year:

Operating lease payments (Buildings) – R10,179,631.84; and

Cleaning services (Office buildings – R2, 799,734.60.

In addition to the above the Department is occupying Sage Life Building for free, the building in question is part of the Gauteng Kopanong Precinct Buildings under the custody of DID. The estimated annual rental for this building based on open market is R9, 033,000.

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 year (2012/13):

g-FleeT Management

R8, 232,417.46 payments made for fleet service, these transactions were at arm's length.

Gautrain Management Agency (GMA)

R1, 598,711,000 (Total value of transfer payments made during the year).

The GMA has carried out work on behalf of the Department to the value of R 12,291,000. These transactions were at arm's length. As at 31 March 2013 R 12,291,000 was payable to GMA.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

27. Key management personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office bearers (provide detail below)	1	1,652	1,566
Officials:		-	-
Level 15 to 16	8	6,939	9,095
Level 14 (incl. CFO if at a lower level)	11	10,170	10,824
Family members of key management personnel		-	-
Total		18,761	21,485

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

28. Public Private Partnership

A concession agreement with Bomblea 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 R 80km of rail and 10 stations.

	Note	2012/13 R'000	2011/12 R'000
Contract fee received		1,218,348	1,927,868
DORA		-	5,300
MTEF – Equitable Share		1,207,506	1,852,301
Borrow		-	26,015
Other Income		10,842	44,252
Contract fee paid		1,763,843	1,446,834
Fixed component		1,763,843	1,446,834
Indexed component		-	-
Analysis of indexed component		-	-
Compensation of employees		-	-
Goods and services (excluding lease payments)		-	-
Operating leases		-	-
Interest		-	-
Balance Sheet			-
Total Assets		31,030,450	1,429,158
Cash and cash equivalents		1,493,820	1,418,856
Prepayments and advances		36,357	8,805
Intangible rights		160	240
Property		27,748,061	-
Plant and equipment		1,752,052	1,257
Total Liabilities and Accumulated surplus/(deficit)		1,533,132	1,429,158
Other payables and liabilities		1,751,545	1,820,406
Accumulated Surplus (Deficit)		(218,413)	(391,0248)
Net Assets		29,497,318	-

Any guarantees issued by the department are disclosed in Note 18.

29. Non-adjusting events after reporting date

The Department formally transferred the Gautrain system assets and other administrative assets to Gautrain Management Agency (GMA) with effect from 1 July 2013. At the time of transfer the project cost for Gautrain system was R29.4 billion.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,925,614	(1,748,356)	5,833	18,645	164,446
Transport assets	1,855,244	(1,749,067)	850	17,316	89,711
Computer equipment	39,995	376	1,567	705	41,233
Furniture and office equipment	9,685	62	2,111	496	11,362
Other machinery and equipment	20,690	273	1,305	128	22,140
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1,925,614	(1,748,356)	5,833	18,645	164,446

The adjustment to the opening balance relates to Gautrain Rapid Rail transport assets which were included in the prior year total, however, it should not be included in the movable asset disclosure note, but in the PPP disclosure as reflected in note 28 above.

Computer equipment and other assets were adjusted due to previously being disposed of, but verified during the 2012/13 financial year end verification project.

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	9,136	309	(4,505)	893	5,833
Transport assets	174	-	-	676	850
Computer equipment	2,498	15	-	(946)	1,567
Furniture and office equipment	980	50	-	1,081	2,111
Other machinery and equipment	5,484	244	(4,505)	82	1,305
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	9,136	309	(4,505)	893	5,833

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	14,022	4,623	18,645	10,162
Transport assets	14,022	3,294	17,316	10,162
Computer equipment	-	705	705	-
Furniture and office equipment	-	496	496	-
Other machinery and equipment	-	128	128	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	14,022	4,623	18,645	10,162

An auction was held during the beginning of the 2012/13 financial year where vehicles and yellow fleet were disposed. These included assets such as Bulldozers, Trucks, Cranes and others. Furthermore 27 vehicles were written off during this financial year. The Department maintains a loss control register to ensure assets not verified during the verification process, are appropriately investigated and addressed. During the current year 6 915 assets could not be verified during the verification project and was included in the loss control register for further investigation and action. The monetary value of these assets amounts to R82 million.

30.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 900 416	26 202	(1 004)	1 925 614
Transport assets	1,833,521	21,723	-	1,855,244
Computer equipment	37,972	3,027	(1,004)	39,995
Furniture and office equipment	8,920	765	-	9,685
Other machinery and equipment	20,003	687	-	20,690
TOTAL MOVABLE TANGIBLE ASSETS	1,900,416	26,202	(1,004)	1,925,614



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	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	-	17	-	26,459	-	26,476
Curr Year Adjustments to Prior Year balances	-	90	-	925	-	1,015
Additions	-	1	-	2,372	-	2,373
Disposals	-	1	-	1,243	-	1,244
TOTAL MINOR ASSETS	-	107	-	28,513	-	28,620

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1,094	-	1,094
Number of minor assets at cost	-	132	-	24,046	-	24,178
TOTAL NUMBER OF MINOR ASSETS	-	132	-	25,140	-	25,272

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	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	-	-	-	29,886	-	29,886
Additions	-	17	-	1,768	-	1,785
Disposals	-	-	-	(5,195)	-	(5,195)
TOTAL MINOR ASSETS	-	17	-	26,459	-	26,476

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	4	-	23,339	-	23,343
TOTAL NUMBER OF MINOR ASSETS	-	4	-	23,339	-	23,343

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

30.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	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
--	--	-------------------------------	-----------------------------	--	-------------------------------	----------------

Assets written off	-	-	-	-	-	-
--------------------	---	---	---	---	---	---

TOTAL MOVABLE ASSETS

WRITTEN OFF	-	-	-	-	-	-
-------------	---	---	---	---	---	---

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012

	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
--	--	-------------------------------	-----------------------------	--	-------------------------------	----------------

Assets written off	-	-	-	5,195	-	-
--------------------	---	---	---	-------	---	---

TOTAL MOVABLE ASSETS

WRITTEN OFF	-	-	-	5,195	-	-
-------------	---	---	---	-------	---	---

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	19,431	(17)	4,471	-	23,885
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	19,431	(17)	4,471	-	23,885



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	4,470	1	-	-	4,471
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	4,470	1	-	-	4,471

31.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

31.3 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	46,173	4,560	(31,302)	19,431
TOTAL INTANGIBLE CAPITAL ASSETS	46,173	4,560	(31,302)	19,431

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Curr Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	27,240,814	-	-	-	27,240,814
Other fixed structures	27,240,814	-	-	-	27,240,814
LAND AND SUBSOIL ASSETS	3,804,433	(3,696,627)	10,253	-	118,059
Land*	3,804,433	(3,696,627)	10,253	-	118,059
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	31,045,247	(3,696,627)	10,253	-	27,358,873

*The opening balance of land has been adjusted to remove the land that was included in the annual financial statements that were previously transferred to the Department of Infrastructure Development, during 2009/10 after the split of the erstwhile Department of Public Transport, Roads and Works. They were included by error in the prior year. Further to this Gautrain land parcels have also been removed from the disclosure notes on immovable assets to as the figure is disclosed in note 28, Public Private Partnership.

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	908,539	-	(908,539)	-	-
Other fixed structures	908,539	-	(908,539)	-	-
LAND AND SUBSOIL ASSETS	10,253	-	-	-	10,253
Land	10,253	-	-	-	10,253
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	918,792	-	(908,539)	-	10,253

The amount reflected above refers to projects currently being implemented by the Department.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

32.3 Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	27,240,814	-	-	27,240,814
Other fixed structures	27,240,814	-	-	27,240,814
LAND AND SUBSOIL ASSETS	3,698,082	106,351	-	3,804,433
Land	3,698,082	106,351	-	3,804,433
TOTAL IMMOVABLE TANGIBLE ASSETS	30,938,896	106,351	-	31,045,247

32.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2013

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	41	-	-	41
TOTAL	41	-	-	41

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2012

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

32.5 Immovable assets written off

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	R'000	Total R'000
Assets written off	-	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-	-



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					Amount received by department	SPENT		Under / (Overspending)	% of available funds spent by department	2011/12	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available		Amount spent by department	Division of Revenue Act			Amount spent by department	
	R'000	R'000	R'000	R'000	R'000		R'000	R'000			R'000	
Gautrain Rapid Link	-	-	-	-	-	-	-	-	-	-	5,300	5,300
Public Transport Operation Grant	1,625,746	525	-	-	1,626,271	1,626,271	1,624,592	1,679	100%	1,804,712	1,804,187	
Provincial Roads Maintenance Grant	579,081	424,038	-	-	1,003,119	1,003,119	1,000,168	2,951	100%	566,917	134,596	
Expanded Public Works Incentive Grant	-	-	-	9,145	9,145	9,145	5,037	4,108	55%	-	-	-
	2,204,827	424,563	-	9,145	2,638,535	2,638,535	2,629,797	8,738		2,376,929	1,944,083	

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	% of available funds spent by municipality
Mun B/Acc:Vehicle Licenses Mun	-	-	-	-	19	-	-	-	-	1,062
PD:Claims agst state	-	-	-	-	5,261	-	-	-	-	-
P:Pmt/Refund&Rem-Act/Grace	-	-	-	-	11	-	-	-	-	-
PD:Vehicle Licence	-	-	-	-	55	-	-	-	-	-
	-	-	-	-	5,346	-	-	-	-	1,062

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.



ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2011/12 Appro- priation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	% Transferred
Gautrain Rapid Rail Link	1,598,711	-	-	1,598,711	1,598,711	100%
	1,598,711	-	-	1,598,711	1,598,711	2,219,545

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2011/12 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public Corporations								
Subsidies								
Public Transport Operations Grant	1,626,271	-	-	1,626,271	1,624,592	100%	-	1,624,592
North-West Star	92,953	-	-	92,953	59,428	64%	-	59,428
Sub-total	1,719,224	-	-	1,719,224	1,684,020		-	1,684,020
Private Enterprises								
Transfers								
Claims Against State Prv Ent	-	-	-	-	845		-	-
Sub-total	-	-	-	-	845		-	-
TOTAL	1,719,224	-	-	1,719,224	1,684,865		-	1,684,020
								1,901,394



ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Appropriation Act
	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	220	-	-	220	122	55%	319
H/H:Empl S/Ben:Leave Gratuity	1,269	-	-	1,269	1,692	133%	1,856
H/H:Empl S/ben:Severance Package	-	-	-	-	-	-	1,742
H/H:Claims Against State (Cash)	-	-	-	-	728	-	515
Total	1,489	-	-	1,489	2,542		4,432

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in kind			
3M South Africa (Pty) Ltd	Sponsor of Roads Safety Awareness day	-	48
South African Breweries Limited	Promotional items - for October Transport Month	-	43
Vodacom	Promotional items - for October Transport Month	-	202
Volkswagen Group South Africa	Gala Dinner	-	59
EQSTRA Fleet Management	Transport provided - for October Transport Month	-	85
NRF/University of Jhb/Stuttgart	Official trip to Stuttgart	-	30
Road Mac	Sponsorship for Galar	140	-
KPMM	Sponsorship for Galar	25	-
Steffanutti Stocks	Sponsorship for Galar	17	-
Well Earned Trading		7	-
Tasima (Pty) Ltd		30	-
Midvaal Local Municipality	Sponsorship for refreshment- for opening of Cayman Road	2	-
Bondev Midrand (Pty) Ltd	Sponsorship of the Post State of the Province Media brief and Ceremonial opening of the K109	12	-
Nes Designs Interior Architecture	Sponsorship of tenant installation opening launch @ Diagonal Str.	10	-
Gauteng Department of Sports, Recreation, Arts and Culture	AFCON 2013 Opening match and ceremony	6	-
TOTAL		249	467

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Standard Bank of SA		1,251	34	-	(24)	-	10	-	-
Nedbank Limited		507	-	-	-	-	-	-	-
Firstrand Bank Limited: FNB		2,936	10	-	(10)	-	-	-	-
ABSA		1,368	8	-	(8)	-	-	-	-
Company Unique Finance		156	-	-	-	-	-	-	-
Old Mutual Finance Limited		188	-	-	-	-	-	-	-
Peoples Bank Limited (Former FBC)		348	-	-	-	-	-	-	-
Nedbank Limited Incorporation NB		512	-	-	-	-	-	-	-
First Rand Bank Ltd (FNB-Former)		464	-	-	-	-	-	-	-
Old Mutual Bank DIV- of Nedbank		1,053	-	-	-	-	-	-	-
Investec Bank Limited		-	-	-	-	-	-	-	-
BoE Bank Ltd		158	-	-	-	-	-	-	-
TOTAL		8,941	52	-	(42)	-	10	-	-

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013

Nature of Liability	Opening Balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department from various entities	980,378	192,623	(364,722)	-	808,279
Other					
Invoices disputed by the Department	-	5,542	-	-	5,542
TOTAL	980,378	198,165	(364,722)	-	813,821



ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 3

CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Gauteng Department of Infrastructure Development	121,273	175,797	-	-	121,273	175,797
Gauteng Department of Education	17	-	-	-	17	-
Office of the Premier	86	-	-	-	86	-
Gauteng Department of Finance	27	-	-	-	27	-
	121,403	175,797	-	-	121,403	175,797
Other Government Entities						
g-Fleet Management	748	209	-	-	748	209
	748	209	-	-	748	209
TOTAL	122,151	176,006	-	-	122,151	176,006

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Cradle of Humankind	-	7,644	-	-	-	7,644
Gauteng Department of Finance***	80,038	59,560	-	-	80,038	59,560
Department of Health	-	289	-	-	-	289
Office of the Premier	46	-	-	-	46	-
Department of Justice and Constitutional Development	6,194	-	1,569	-	7,763	-
Total Department	86,278	67,493	1,569	-	87,847	67,493

OTHER GOVERNMENT ENTITY

Current						
g-Fleet Management	12,314	7,582	-	-	12,314	7,582
Gautrain Management Agency (GMA)	12,291	-	-	-	12,291	-
Total Other Government Entities	24,605	7,582	-	-	24,605	7,582
TOTAL INTERGOVERNMENTAL	110,883	75,075	1,569	-	112,452	75,075

***Included in the current year's confirmed balance of R80, 038,000.00 is an amount of R59, 559,856.00 being a book entry payable to Gauteng Department of Finance. The imbalance on the department's exchequer grant account emanates from an aggregate amount of R59, 559,856.00 that was allocated / paid over by the Provincial Treasury to Gautrain Management Agency (GMA) as a third budget adjustment but it was never properly appropriated on the books of the department during 2010/11 financial year. In all the years subsequent to 2010/11 the department has always reported a book entry payable of the same amounts. This balance will be cleared during 2012/13 financial year.



ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 5
INVENTORY

Inventory	Note	Quantity	2012/13 R'000	Quantity	2011/12 R'000
Opening balance		-	4,359		3,767
Add/(Less): Adjustments to prior year balance			-		-
Add: Additions/Purchases – Cash	4		43,495		34,580
Add: Additions - Non-cash			-		-
(Less): Disposals			-		-
(Less): Issues			(42,084)		(33,988)
Add/(Less): Adjustments			-		-
Closing balance			5,770		4,359

ANNEXURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2013				
	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets				
MACHINERY AND EQUIPMENT				
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
BUILDINGS AND OTHER FIXED STRUCTURES	1,261,003	908,539	(774,631)	1,394,911
Dwellings				
Non-residential buildings				
Other fixed structures	1,261,003	908,539	(774,631)	1,394,911
LAND AND SUBSOIL ASSETS				
Land				
Mineral and similar non-regenerative resources				
COMPUTER SOFTWARE				
Computer software				
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
Recipes, formulae, prototypes, designs, models				
SERVICES AND OPERATING RIGHTS				
Services and operating rights				
TOTAL	1,261,003	908,539	(774,631)	1,394,911

The assets completed refer to the work in progress relating to the Gautrain project which were completed during the 2012/13 year. Departmental projects are still ongoing.





g-FleeT Management

ANNUAL REPORT

2012/13



g-FleeT CONTENTS

01 PART A: GENERAL

INFORMATION 221

1.PUBLIC ENTITY'S GENERAL INFORMATION	222
2.LIST OF ABBREVIATIONS/ACRONYMS	223
3.STRATEGIC OVERVIEW	224
3.1.Vision	224
3.2.Mission	224
3.3.Values	224
4.LEGISLATIVE AND OTHER MANDATES	228
4.1 Legislative Mandates	228
4.2 Policy and Other Mandates	228
4.ORGANISATIONAL STRUCTURE	229
5.CHIEF EXECUTIVE OFFICER'S OVERVIEW	230

02

PART B: PERFORMANCE INFORMATION 233

1.STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION	234
2.AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	235
3.OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE	236
3.1.Service Delivery Environment	236
3.2.Organisational environment	236
3.3.Key policy developments and legislative changes	237
3.4.Asset Profile and Population	238
4.PERFORMANCE INFORMATION BY PROGRAMME	239
4.1 PROGRAMME 1: OPERATIONS	239
4.2.PROGRAMME 2: CLIENT AND CORPORATE SERVICES	243
4.3.PROGRAMME 3: FINANCE	248
5.SUMMARY OF FINANCIAL INFORMATION	252
5.1.Revenue Collection	252
5.2.Programme Expenditure	252
5.3.Capital investment, maintenance and asset management plan	253

3 PART C: GOVERNANCE 255

1.INTRODUCTION	256
2.PORTFOLIO COMMITTEES	256
3.EXECUTIVE AUTHORITY	256
4.RISK MANAGEMENT	256
5.INTERNAL AUDIT AND AUDIT COMMITTEES	257
6.COMPLIANCE WITH LAWS AND REGULATIONS	257
7.FRAUD AND CORRUPTION	257
8.MINIMISING CONFLICT OF INTEREST	257
9.CODE OF CONDUCT	257
10.HEALTH SAFETY AND ENVIRONMENTAL ISSUES	257
11.SOCIAL RESPONSIBILITY	257
12.AUDIT COMMITTEE REPORT	257

4 PART D: HUMAN RESOURCE MANAGEMENT 261

1.INTRODUCTION	262
2.HUMAN RESOURCE OVERSIGHT STATISTICS	262

5 PART E: FINANCIAL INFORMATION 267

1.STATEMENT OF RESPONSIBILITY	268
2.REPORT OF THE CHIEF EXECUTIVE OFFICER	269
3.REPORT OF THE EXTERNAL AUDITOR	273
4.ANNUAL FINANCIAL STATEMENTS	276



PART A:

GENERAL INFORMATION





1. TRADING ENTITY'S GENERAL INFORMATION

DOMICILE:	Republic of South Africa
NATURE OF PRINCIPAL ACTIVITIES:	<p>g-FleeT is a Provincial Trading Entity, which reports to the Accounting Officer of the Gauteng Department of Roads and Transport. The mandate of the Entity is to be a leading provider of fleet management services within Government.</p> <p>The vision of the Entity is to be a leading provider of reliable, cost-effective and customer focused fleet management services to all nine Provinces within South Africa.</p>
REGISTERED OFFICE:	<p>g-FleeT Management Gauteng Department of Roads and Transport Private Bag X 1 Bedfordview 2008</p>
PHYSICAL ADDRESS:	<p>g-FleeT Management 16 Boeing Road, East Bedfordview Johannesburg 2001</p>
CHIEF EXECUTIVE OFFICER:	Mr. Chikane Chikane
CHIEF FINANCIAL OFFICER:	Ms. Natalie Govender CA (SA)
CHIEF OPERATIONS OFFICER:	Ms. Jackee Khumalo
BANKERS	First National Bank Limited
AUDITORS	Auditor General of South Africa
TELEPHONE NO:	(011) 372 - 8600
FACSIMILE NO:	(086) 669 - 6926
WEBSITE ADDRESS:	www. gfleet.gpg.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Executive Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
BAS	Basic Accounting System
FIS	Fleet Information System
ESS	Employee Self Service
LDSP	Learner Driver Support Programme
GPG	Gauteng Provincial Government
CRM	Client Relationship Management
HoD	Head of Department
SLA	Service Level Agreement
WSP	Works Skills Plan
OD	Organisational Development



3. STRATEGIC OVERVIEW

3.1 Vision

To be the leading provider of reliable, cost effective and customer focused fleet management services to government.

3.2 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.

3.3 Values

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

• Good Governance

We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.

• Responsiveness

We shall be approachable, receptive, open and quick to respond to the needs of the stakeholders.

• Innovative

We commit to be original and inventive in the execution of our mandate.

• Accountability

We pledge to be answerable to our stakeholders in the execution of our mandate.

Passionate

We undertake to deliver services with passion, excitement and enthusiasm.

• Professionalism

We commit to be competent and excellent at all times.

• Ethical

We commit to be principled, fair and just in our conduct.

• Commitment

We commit to deliver a service that meets our stakeholders' expectations.

3.4 Strategic outcome orientated goals

The following Strategic Priorities/Goals have been agreed upon, to facilitate the Turnaround Strategy and achievement of the Departmental/ g-Fleet Medium Term Expenditure Framework (MTEF) goals:

Strategic Goal 1 (Summary)	Improve operations and customer service
Goal statement	To improve operations and customer service to world class standards by March 2014.
Justification	This goal will ensure that services offered to clients, meet expectations and that public funds are utilised to provide a services to support the mandates of client Departments.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>More specifically, this goal will ensure that service delivery, quality and access (Output 1) are improved by g-Fleet and thus by government Departments.</p> <p>This goal will also contribute towards the achievement of efficient business processes and improved accountability to stakeholders (Output 3).</p>

Table 1: Strategic Goal 1 Assessment and Linkages to Outcomes

While there are many aspects of this strategic goal, it is important to highlight that several strategic interventions were implemented from the 2011/12 financial year. These interventions were aimed at improving customer satisfaction by providing accessible services, being more responsive to our client's needs, and offering value for money and adequate fleet support services.

The main focus was aimed at improving and streamlining operational and business processes to ensure high levels of client satisfaction and meeting stakeholder expectations.

This strategic goal was the key driver in facilitating the transformation of the organisation into one that is customer-centric and provides high standards of service delivery.

Strategic Goal 2 (Summary)	Develop adequate management capacity and controls
Goal statement	To develop adequate financial management capacity and controls to ensure clean audits for the 2012/13 financial year.
Justification	<p>This goal will ensure that financial processes, systems and controls are implemented and monitored by staff with the requisite expertise.</p> <p>The achievement of this goal will ensure that the Entity achieves a clean audit from the Auditor General for the 2012/13 external audit, in line with the GPG target for all Departments and entities.</p>
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>More specifically, this goal will contribute towards ensuring that service delivery, quality and access (Output 1) are improved by g-FleeT.</p> <p>This goal will also contribute towards the development of efficient business processes and improved accountability to stakeholders (Output 3) by improving financial and SCM capacity.</p> <p>Adequate and efficient internal controls to be developed and enhanced will also result in tackling corruption effectively (Output 4).</p>

Table 2: Strategic Goal 2 Assessment and Linkages to Outcomes

The development of adequate financial management capacity through new appointments and/or via on-going training and development initiatives supported the development of the required expertise within the Entity. This strategic goal, linked to strategic goal 5 (below), will require the allocation of sufficient funding towards a comprehensive training programme for each of the coming years. It is envisaged that the estimated budget will be between 2 - 4% of the compensation of staff budget in each year.



Strategic Goal 3 (Summary)	Improve quality and cost-effectiveness of fleet
Goal statement	To have a reliable, affordable fleet, which meets the needs of our clients by March 2014,
Justification	<p>This goal will ensure that clients are provided with reliable and cost-effective fleet and support services, in line with client needs.</p> <p>This goal is also critical in ensuring that client expectations are met and that public funds allocated to state vehicles, are utilised efficiently across client Departments.</p>
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>This goal will specifically ensure that all four aspects of the service delivery, quality and access (Output 1) are improved by g-FleeT and thus within government Departments. It will also contribute towards the achievement of efficient business processes and improved accountability to stakeholders (Output 3).</p>

Table 3: Strategic Goal 3 Assessment and Linkages to Outcomes

Several strategic interventions were implemented in the 2012/13 financial year; with a focus on the provision of services that offer value for money to client Departments and in the MTEF ensure that quality and cost-effective fleet is provided to clients.

Strategic Goal 4 (Summary)	Maintain and improve levels of self-sustainability
Goal statement	To remain self-sustainable and contribute to identified Gauteng Provincial Government (GPG) Projects in the 2013/14 financial year.
Justification	This goal will ensure that adequate financial systems are implemented to meet client expectations and that public funds are utilised to provide efficient and reliable fleet management services to support the mandates of client Departments.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>More specifically, this goal will contribute towards the achievement of efficient business processes and improved accountability (Output 3) to stakeholders.</p> <p>This goal will also ensure that service delivery, quality and access (Output 1) are improved by g-FleeT to benefit client Departments.</p>

Table 4: Strategic Goal 4 Assessment and Linkages to Outcomes

Strategic Goal 5	Develop professional skills and expertise of all staff
Goal statement	To strategically develop targeted professional skills and expertise of all our staff on an on-going basis from the 2012 financial year.
Justification	This goal will ensure that services offered by g-FleeT to client Departments will meet and exceed client expectations, by professional and skilled staff.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>More specifically, this goal will ensure that service delivery, quality and access (Output 1) are improved by g-FleeT.</p> <p>This goal will also contribute towards the achievement of Human Resource Management and Development (Output 2) as well as efficient business processes and improved accountability (Output 3) to clients and stakeholders.</p>

Table 5: Strategic Goal 5 Assessment and Linkages to Outcomes

The achievement of this goal will be largely dependent on the successful implementation of an organisational-wide Skills Development Programme to be implemented from the 2011/12 financial year, at an estimated cost of R1.9 million, which represents 2.5 % of the compensation of employee's budget. The strategic objective related to this strategic goal is strategic objective 2.5 (see below in the programme and sub-programme Annual and Quarterly Plans).

Strategic Goal 6	Broadly consult key stakeholders on positioning as a Public Entity
Goal statement	To initiate consultations to position and list the Entity as an effective and efficient Government Fleet Management Public Entity from 2013.
Justification	This goal will ensure that adequate consultations and engagements are held with all stakeholders to facilitate a decision on the re-positioning of the Entity as a Public Entity in the new term of government. This is intended to further harness the efficiencies and economies of scale to become a Public Entity that generates revenue for government.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: An effective, efficient and development oriented public service.</p> <p>More specifically, this goal will ensure that service delivery, quality and access (Output 1) are further improved by g-FleeT as a Public Entity.</p> <p>It will also contribute towards the achievement of efficient business processes and improved accountability (Output 3) to stakeholders.</p>

Table 6: Strategic Goal # 6 Assessment and Linkages to Outcomes

The achievement of this goal will be subject to the progress made with the successful implementation of the Turnaround Strategy and Annual Performance Plans for the 2011/12 and 2012/13 financial years.



4. LEGISLATIVE AND POLICY MANDATES

4.1 Legislative mandates

Treasury Regulation 19 issued in terms of the Public Finance Management Act of 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 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, 2007

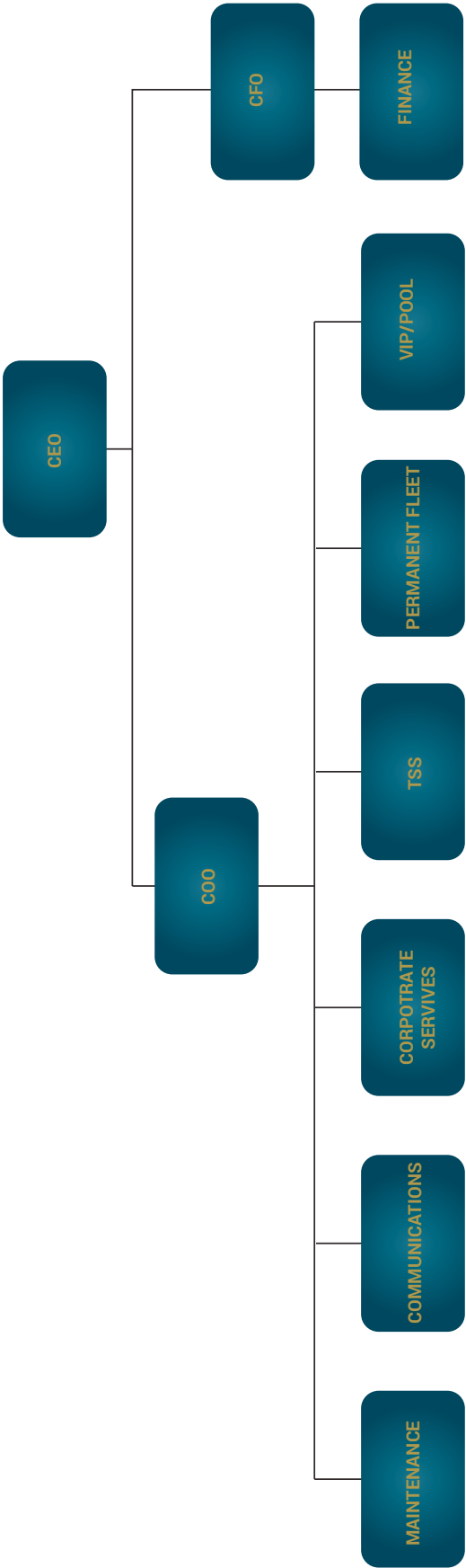
The Entity’s operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilisation of government-owned transport.

4.2 Policy mandates

The following policy mandates are applicable:

- White Paper on National Transport Policy.
- National Land Transport Strategic Framework.
- Provincial Policy and Legislative Mandates
- Gauteng White Paper on Transport Policy.
- Gauteng Transport Legislative Framework.
- Gauteng Legislation on Development Planning.

5. ORGANISATIONAL STRUCTURE





6. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Chikane Chikane Chief Executive Officer

gFleeT Management has made great strides in improving its service delivery undertaking. During the year under review, the Entity acquired 938 vehicles for replacement purposes in terms of our replacement strategy of the planned target of 1 000. The Entity spent an amount of R231 million in the acquisitions of vehicles, disposed-off 1 473 vehicles through auctions, and received proceeds to the value of R54 million for the sale of these vehicles.

A total of 84 eco-friendly vehicles were acquired, which exceeded the target of 50 that was planned as part of the move towards assisting with the government's commitment to a green economy. This over-achievement was the result of a number of vehicles that were ordered by the Judges that met the eco-friendly requirement.

The financial position of the Entity continued to improve with most client departments paying their bills timeously. The Entity's financial performance is also encouraging in that service providers are paid within the 30 day period, as required by Section 8.2.3 of the Treasury Regulations. There are however, still some delays from other clients in making the payments on time and in settling

outstanding debt. To improve our asset register, the Entity has approached Pastel Evolution for the Asset Management Module.

The short term and daily rentals are performing at a consistently higher level, indicating a possible area of greater focus for income generation. On price comparison - gFleeT is still competitive when compared to private service providers.

g-FleeT conducted an independent client satisfaction survey in the year under review and the report results indicate that 55% of its clients were satisfied with its performance. This report is an improvement on the 2010 report which indicated a 27% satisfaction level from clients.

g-FleeT's new organisational structure was approved and is in a process of being implemented. Vacant posts will soon be filled by competent employees who will assist the Entity in achieving all its objectives. The approval of the structure will also result in those employees currently on contract, being permanently appointed. A major boost with respect to staffing was the appointment of a qualified Chartered Accountant as the Chief Financial Officer.

The Entity increased its drive to access decision makers in the client departments through the development and submission of a monthly executive report to the Director Generals, Heads of Departments and Chief Executive Officers. The report captured the state of vehicles in their respective organisations, the problems that g-FleeT experienced and the possible challenges of fleet management in their departments. This strategy has yielded results, in that leadership at the highest levels of government have reviewed their utilisation of vehicles in order to improve their service delivery.

As a Government Entity, g-FleeT has a goal to become a Schedule 3 public Entity in the future. This will allow the Entity to operate in an environment that has more opportunities through engagement with other state owned entities that require our services. The more clients the Entity has the more cost effective the business will become and ultimately resulting greater benefits for the clients and the communities that it serves.

The Entity acknowledges the support it has received from the client departments through timeous payment of accounts and improved communication; the assistance of the HOD's from the Department of Roads and Transport in enabling the Entity to function effectively and efficiently and the MEC, Dr. Vadi for his consistent focus on the Entity and concerted efforts in ensuring we continue to improve our performance. Finally, we thank the staff of g-FleeT Management for their dedication and support in contributing to the success of the Entity.



Mr Chikane Chikane

Chief Executive Officer

g-FleeT Management

31 May 2013





PART B:

PERFORMANCE INFORMATION





1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of responsibility for Performance Information For the year ended 31 March 2013

The Chief Executive Officer is responsible for the preparation of the trading Entity's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing, and implementing a system of internal controls, designed to provide reasonable assurance as to the integrity and reliability of the performance information.

In my opinion, the performance information fairly reflects the actual achievements against the planned objectives, indicators and targets, as per the strategic and annual performance plan of the trading Entity for the financial year ended 31 March 2013.

g-Fleet Management's performance information for the year ended 31 March 2013 has been examined by the external auditors and their report is presented on page 273.

The performance information of the Entity set out on page 239 to page 254 was approved by the MEC as per the Entity's Annual Performance Plan (APP).

Mr Chikane Chikane

Chief Executive Officer

31 May 2013

2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor 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 reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 273 of the Report of the Auditor - General, published as Part E: Financial Information.



3. OVERVIEW OF TRADING ENTITY'S PERFORMANCE

3.1 Service delivery environment

g-Fleet Management's core purpose is to respond to client Departments' requirements for fleet management services. The service delivery environment overview for the year under review focused on three key areas, i.e. client demand, supplier/strategic partnership involvement and competitor analysis.

The actual number of clients increased from 52 as at 1 April 2012 to 53 by 31 March 2013. The number of active clients, who required on-going fleet services from g-Fleet increased to 46 or 87% of all clients with only 13% defined as ad hoc or inactive clients, as at financial year end.

The demand for additional vehicles and/or services amongst the existing clients resulted in the 9.9% growth of the fleet size, from 6,313 vehicles at the beginning of the year to 7,008 vehicles at year end.

The Entity engaged with all its stakeholders through the five Regional Transport Forums held in November 2012 and various client visits. A new initiative to provide Heads of Departments with monthly Executive Summary Reports led to the improved internal management of fleet by client Departments.

During the financial year, there were joint efforts between the Entity and Wesbank in improving the maintenance services provided to clients via the RT46 Contract. In April 2012, a Gauteng Service Level Agreement (SLA) linked to the RT46 Contract was entered into with Wesbank and was subjected to two reviews during the financial year, to assess its implementation and to ensure that service levels aimed at clients were improved. Further improvements and revisions to the SLA will be implemented in the 2013/14 financial year.

A partnership with KIA South Africa resulted in

the conceptualisation and implementation of the Driver Training Programme, which was launched on 28 February 2013. The programme was aimed at providing driver awareness and assessments to 1000 drivers (from client Departments) who were previously involved in vehicle accidents. This programme will be implemented over a 12 month period and its impact will be evaluated in the 2013/14 financial year.

The Entity experienced significant competition from private fleet management companies, most notably from Phakisa World, which provides services to various National Departments and municipalities. The full effect on the Entity will be seen in the 2013/14 financial year, if several clients move some aspects of their fleet requirements to the competitor.

The late awarding of the RT57 Contract at the end of June 2012, negatively impacted the turn-around times for the delivery of new and replacement vehicles. Vehicle requisitions provided by clients in the 1st quarter were only processed in the 2nd quarter, with delivery of those orders taking place in the 3rd and/or 4th quarter. This was largely outside the control of the Entity and led to dissatisfaction amongst clients. To improve this in the new financial year. National Treasury has already initiated its work on the 2013/14 contract and it is envisaged that it will be awarded by end of May 2013.

3.2 Organisational environment

A notable achievement during the 2012/13 financial year was the Auditor General's Unqualified Audit Opinion Report for 2011/12 issued in August 2012. This was due to on-going efforts within the Entity to consolidate on the progress made from the 2010/11 financial year, to maintain and improve favourable audit

opinions, as a build up to the clean audit opinion envisaged for the 2013/14 financial year. A new Chief Financial Officer was appointed in September 2012 to further strengthen the existing management team and there have been on-going efforts to work on the issues raised by the AG in the previous financial years.

During the 2012/13 financial year, there was steady progress in the achievement of several initiatives identified in the Turnaround Strategy developed and implemented to cover the three year period from 2011/12 to 2013/14. The implementation of the Client Relationship Management System was almost 90% complete as at 31 March 2013. The Risk Assessment conducted during the year indicated that several of the identified risk mitigation measures were implemented as at year end, leading to an improved outlook on the extent and impact of organisational risks.

Engagements with stakeholders and strategic partners were intensified, which largely resulted in the achievement of a 55% overall client satisfaction rating in the Independent Client Satisfaction Survey conducted and finalised on 31 March 2013.

The Entity maintained its competitive pricing within both the government and private fleet management industry, as demonstrated by the Price and Competitor Analysis Survey conducted

independently from December 2012 and finalised on 31 March 2013. The survey focused on comparing tariffs and rates provided by g-FleetT and 6 private fleet companies. The survey outcome results suggest that g-FleetT is competitively priced across 10 vehicle categories/rental tariffs and this includes chauffeur and VIP vehicle tariffs.

One of the challenges experienced by the Entity was the delayed approval of the organisational structure which led to the multiple extensions of 80 employee contracts during the financial year under review. Despite efforts to periodically communicate and engage with all employees on the consultation processes, the situation led to high levels of uncertainty amongst staff as well as an increased number of resignations.

Procurement delays created further challenges for the Entity in implementing its capital projects and this resulted in most of the projects being implemented late. All capital projects currently underway will only be completed in the next financial year.

3.3 Key policy developments and legislative changes

The Entity's operations in 2012/13 financial year were not affected by any major changes to relevant policies or legislation.



3.4 Asset profile and population

PROVINCE	PERMANENT VEHICLE	LEASE	POOL	VIP	TOTAL
Eastern Cape	117	134	25	18	294
Free State	72	81	7	16	176
Northern Cape	31	138	5	5	179
Gauteng	1 758	2 148	910	355	5 171
KZN	96	153	38	23	310
Limpopo	71	118	24	3	216
Mpumalanga	66	78	28	1	173
North West	124	143	78	9	354
Western Cape	12	108	8	7	135
TOTAL	2 347	3 101	1 123	437	7 008

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: OPERATIONS

This programme is responsible for the provision of reliable fleet and fleet management services to client Departments, in line with Service Level Agreements and relevant legislation.

The following are the sub-programme structures:

- Permanent fleet
- VIP and Pool rentals
- Transport support services

Strategic objective 1.1: To provide our clients with affordable and reliable fleet.

SUB-PROGRAMME PERMANENT FLEET					
Measurable Objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
To replace vehicles within the economic replacement life cycle for the 2012/13 year.	367 vehicles purchased.	1000 vehicles to be replaced.	938 vehicles were replaced.	62 (6.2%)	A total of 1 005 vehicles were ordered for replacement. However, due to the 3-4 month delivery period from manufacturers, not all deliveries were received at year end.
To increase the number of eco-friendly vehicles for the 2012/13 year.	Not reported on in previous year.	50 Eco-friendly vehicles.	84 Eco-friendly vehicles	+34 (+68%)	The business unit met its target of this planned output. Hire Pool which is also seen as a client of Permanent Fleet requested 60 vehicles which were ordered and delivered. 24 Judges ordered vehicles that met eco-friendly requirement and were not known to the Entity upfront.



Key performance indicators

SUB-PROGRAMME: PERMANENT FLEET					
Performance Indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Number of vehicles replaced within their economic replacement cycle.	367 vehicles purchased.	1,000 vehicles replaced.	938 vehicles replaced.	62 (6.2%)	A total of 1,005 vehicles were ordered for replacement. However, due to the 3-4 month delivery period from manufacturers not all deliveries were received at year end.
Number of eco-friendly vehicles.	Not reported on in previous year.	50 eco-friendly vehicles.	84 eco-friendly vehicles.	+34 (+68%)	The business unit met its target of this planned output. Hire Pool which is a client of Permanent Fleet requested 60 vehicles which were ordered and delivered. A number of Judges whose needs regarding the types of vehicles they will be ordering was unknown to the Entity, ordered 24 vehicles that met eco-friendly requirement.

SUB-PROGRAMME: VIP AND POOL					
Measurable Objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
To lease 97% of VIP vehicles to clients for the 2012/13 financial year.	98% of all active VIP vehicles allocated and utilised by clients by 31 March 2012. (In the previous year, there was no split between VIP and Pool)	97% of active VIP vehicles leased to clients. (Baseline: 421)	98.5% of active VIP vehicles leased to clients. (Actual: 427)	6 (1.5%)	There was an over-achievement of the set target, due to the vehicles being allocated, in line with high demand and client requests.
To rent 96% of Pool vehicles to clients for the 2012/13 financial year.	98% of all active VIP vehicles allocated and utilised by clients by 31 March 2012. (In the previous year there was no split between VIP and Pool).	96% of active Pool vehicles rented to clients. (Baseline: 977)	99.3% of active Pool vehicles rented to clients. (Actual: 984)	+33 (+3.3%)	There was an over-achievement of the set target, due to the vehicles being allocated, in line with high demand and client requests.
To track all active vehicles for the 2012/13 financial year.	Not reported on in previous year.	100% of active vehicles monitored and tracked.	23% of active vehicles tracked. (1 422)	4 791 (77%)	The SLA is still being worked on to try and finalise it.

Key performance indicators

SUB-PROGRAMME: VIP AND POOL					
Performance Indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Percentage of active VIP vehicles leased to clients.	98% of all active VIP vehicles allocated and utilised by clients by 31 March 2012. (In the previous year there was no split between VIP and Pool)	97% of active VIP vehicles leased to clients. (Baseline: 421)	98.5% of active VIP vehicles were leased to clients. (Actual: 427)	6 (1.5%)	There was an over-achievement of the set target, due to the vehicles being allocated, in line with high demand and client requests.
Percentage of active Pool vehicles rented to clients.	98% of all active VIP vehicles allocated and utilised by clients by 31 March 2012. (In the previous year there was no split between VIP and Pool)	96% of active Pool vehicles were rented to clients. (Baseline: 977)	99.3% of active Pool vehicles were rented to clients. (Actual: 984)	+33 (+3.3%)	There was an over-achievement of the set target, due to the vehicles being allocated, in line with high demand and client requests.



Key performance indicators

SUB-PROGRAMME: TRANSPORT SUPPORT SERVICES					
Performance Indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Percentage of active vehicles tracked. (6 213)	Not reported on in previous year.	100% of active vehicles monitored and tracked.	23% of active vehicles tracked. (1 422)	4 791 (77%)	The SLA is still being worked on and in the process of being finalised.

Narrative on actual performance for 2012/13

Replacement vehicles

The Entity planned to replace 1 000 vehicles in the year under review. A total of 1 005 replacement vehicles were ordered and 938 vehicles were delivered as at 31 March 2013. This was due to the RT 57 prices only being approved at end of June 2012, which impacted negatively on the timelines of ordering and delivering of vehicles for the year under review.

Eco-Friendly Vehicles:

The Entity increased its in-take of eco-friendly vehicles by 84 vehicles, which exceeds the target of 50 vehicles. The deviation was due to an order from Hire Pool, which is a client of Permanent Fleet for 60 vehicles which were ordered and delivered. The exact demand of the Judges specifications for their specific choice of vehicles could not be predetermined.

To lease out 97% of VIP vehicles to clients by 2013

VIP vehicles baseline was set at 408 vehicles for the year 2012/13. This number fluctuated according to the actual availability of active vehicles per month for rental, due to vehicles being withdrawn, in workshop for repairs or returned from workshop after repairs. The calculation for each quarter was arrived at, by dividing the actual

number of vehicles rented out with actual active vehicles during that quarter.

During the 2012/13 financial year, the Entity registered a 98.5% actual performance which is 1.5% above the set target of 97%. On average, a total of 418 luxury vehicles were rented out to clients on a monthly basis and this is attributed to clients being serviced in accordance with available active vehicles and client request at a particular point and time.

To rent out 96% of Pool vehicles to clients by 2013

Pool vehicles baseline was set at 1014 vehicles for the financial year 2012/13. This number however fluctuated according to the actual availability of active vehicles per month per rental, due to vehicles being withdrawn for maintenance and repairs. The calculation for each quarter is arrived at by dividing the actual number of vehicles rented out with actual active vehicles during that quarter.

The actual performance registered by the Entity for sedans, bakkies and trucks was 99.3% which is 3.3% above the set target of 96%, for the year 2012/13. On average a total of 977 sedans, including bakkies and trucks, were rented out to clients on a monthly basis. This is attributed to clients being serviced in accordance with available vehicles and client requests at a particular point in time.

Monitoring and tracking of vehicles

The Entity did not achieve the targets set for this financial year mainly due to the SLA not being signed. After awarding the Tracking Tender, challenges occurred with regards to the terms and conditions of the SLA, which impacted on the achievement of the targets. The SLA was only concluded in June 2013

Strategy to overcome areas of under performance

- Targets for Permanent Fleet will be reviewed as the first quarter target is normally not achieved due to the RT57 contract prices that are normally approved

towards end of June each year.

- To finalise the tracking SLA and implementation plan to enable the project to continue and be finalised.

Changes to planned targets

No changes were made on any of the performance indicators or targets.

Linking performance with budgets

The following financial information relates to the three sub-programmes of programme 1

Sub- programme name	2011/12			2012/13		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Permanent fleet	305 564	289 424	16 140	256 106	329 310	(73 204)
VIP and Pool	33 094	10 169	22 925	17 193	8 344	8 849
Transport support service	133 263	185 030	(51 767)	272 543	166 378	106 165
Total	471 921	484 623	(12 702)	545 842	504 032	41 810

4.2 PROGRAMME 2: CLIENT AND COPROPRATE SERVICES

This programme was aimed at developing and maintaining sustainable relationships and partnerships with customers and stakeholders by ensuring that professional customer services were provided to all clients and stakeholders, throughout the operational and regional network, in line with our Service Level Agreements.

The following are the sub-programme structures:

- Human Resources
- Marketing and Communications

Strategic Objective 2.1:

- To develop and implement a suitable organisational structure and HR plan to support organisational needs.

Strategic Objective 2.2:

- To develop adequate capacity and implement an organisational wide skills development programme for all staff.

Strategic Objective 2.2:

- To develop and implement a sustainable Customer and Stakeholder Relationship Management Strategy.



SUB-PROGRAMME: HUMAN RESOURCES					
Measurable objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
To ensure organisational alignment to the strategy through the filling of vacant posts for the 2012/13 financial year.	Organisational structure not approved	95% of funded posts filled. (Baseline: 72 vacant posts on current structure).	0 funded vacant posts filled.	100%	A moratorium was placed on all vacant posts to ensure alignment to the new proposed structure which was approved on 5/11/ 2012.
To effectively capacitate g-Fleet staff for the 2012/13 financial year.	Training conducted as follows: 46 fleet operations, 35 fleet management, 135 Minimum Information Security Standard, 20 SCM, 7 Project Management, 53 Occupational Health and Safety and 9 EMPD (In total 305 employees trained).	100% of staff trained. Baseline: 269 employees as at 1 October 2012).	104 employees trained.	165 (61%)	Training plan approved in December 2012 and implemented in January to March 2013. Insufficient time to implement the training of all employees.

Key performance indicators

SUB-PROGRAMME: HUMAN RESOURCES					
Performance indicators	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Number of vacant posts filled.	Organisational structure not approved.	95% of funded posts filled. (Baseline: 72 vacant posts on current structure)	0 funded vacant posts filled.	100%	A moratorium was placed on all vacant posts to ensure alignment to the proposed structure which was approved on 05 November 2012.
Percentage of employees trained as per training plan.	Training conducted as follows: 46 fleet operations, 35 fleet management, 135 Minimum Information Security Standard, 20 SCM, 7 Project Management, 53 Occupational Health and Safety and 9 EMPD (In total 305 employees trained).	100% of staff trained. (baseline: 269 employees as at 1 October 2012)	104 employees trained.	165 (61%)	Training plan approved in December 2012 and implemented in January to March 2013. Insufficient time to implement the training.

SUB-PROGRAMME: MARKETING AND COMMUNICATION					
Measurable objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
To effectively manage stakeholder engagement and relations for the 2012/13 year.	Submission not approved by CEO. Project to conduct surveys halted.	65% of clients satisfied with g-Fleet services.	55% of respondents are satisfied with all g-Fleet services.	10%	The CRM system was not fully roll-out to assist in increasing the level of satisfaction.



SUB-PROGRAMME: MARKETING AND COMMUNICATION					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Customer satisfaction survey reports.	Submission not approved by CEO. Project to conduct surveys halted.	65% of clients satisfied with g-FleeT services.	55% of respondents are satisfied with all g-FleeT services.	10%	The CRM system was not fully roll-out to assist in increasing the level of satisfaction.

Narrative on actual performance for 2012/13

To ensure organisational alignment with the strategy through the filling of vacant posts

The proposed structure was approved on 5 November 2012 after an intensive consultative process with relevant stakeholders. From 31 March 2013, the Entity has been in the process of implementing the approved structure through the migration of permanent employees from the old structure to the newly approved structure. Managers confirmed these placements which were submitted to DRT to be loaded onto PERSAL, and 80% of job profiles were completed and submitted to DRT Organisational Development (OD) in order to fast track the job evaluation process, on the new/redefined posts, to ensure that they are filled at the correct salary levels.

To effectively capacitate g-FleeT staff

From February 2012 to July 2012 an appointed service provider, together with Management and staff compiled a Workplace Skills Plan (WSP) which identified the skills gap and the types of training that officials should be provided with. This process was concluded in August 2012 and accredited service providers were requested to provide quotations in order to establish the training costs to be included in the training plan for approval. The training plan was approved in December 2012 after all internal processes were completed with Supply Chain Management (SCM). The training was implemented from January 2013 to 31 March 2013, with a total number of 104 officials trained.

DRT also offered generic training (i.e. Telephone Etiquette/ IOD etc.) which was not included in the WSP and this had no financial implications for the Entity (i.e. 126 officials were trained by the department). A total number of 230 officials attended training for the financial year 2012/13.

The following courses were attended by officials:

Name of course	Course objective
Account Management	To enable officials to develop skills on how to effectively manage their existing and prospective accounts, leading to improved customer retention and increased customer loyalty.
Customer Care	To enable officials to understand the concept of service delivery and the importance of effective interpersonal skills.
GRAP	To provide public officials with the basic understanding of GRAP and to address specific accounting standards that impact on their business unit or role in finance.
Business Reporting	To provide officials with the knowledge and the ability to handle proposals, business cases and status reports functions.
Strategic Planning	To enable officials to understand the value chain of the organisation and contribute to its enhancement.
Occupational Health and Safety (OHS) Act and Regulations Training.	To equip officials with the knowledge and understanding of the Act and general regulations, aiding and ensuring legal compliance.
ASHEPP And Introduction to SAMTRAC Training.	To equip officials with the knowledge and understanding of the techniques for hazard identification and risk assessment as well as understand HSE management system requirements and procedures. Through such capacity building, officials will be able to explain and apply safety, health and environmental requirements in the workplace.
Fleet Operations Training	To provide officials with the knowledge and the ability to manage fleet operating costs.
Fleet Management	To provide officials with the knowledge and the ability to fully implement fleet management principles.

To effectively manage stakeholder engagement and relations

The Entity's customer satisfaction report was conducted by an independent researcher with the findings indicating that 55% of clients were satisfied with the overall services provided to them. There were recommendations made to improve the service offering as well as improved customer service to reach the desired satisfaction level. The report from the researcher stated that; *"in order to improve the satisfaction level averages amongst respondents, it is imperative that concerns raised by the partially satisfied respondents (18%) are addressed. These respondents present an easier conversion opportunity to the satisfied level. Failure to address the issues flagged for example: availability of vehicle when required by clients, improvement on turnaround time on license discs and petrol cards and improvement in service levels by staff; will in time drive the respondents to fall out of the "partially*

satisfied" category, into the lower ranked indifferent or dissatisfied categories. Thus, impacting negatively on the organisations' key performance indicators as well as opening a gap for competitors".

The implementation and roll-out of the Customer Relationship Management (CRM) system to monitor service delivery to clients will contribute to an increase in client satisfaction. The full implementation of the Stakeholder Plan for 2013/14 at financial year will further enhance this service level.



Strategy to overcome areas of under performance

- Implementation of the new structure through the recruitment of permanent staff to fill vacant positions during the 2013/14 financial year will improve the overall vacancy rate and reduce the number of employees on contract.
- Matching and placing processes should be undertaken for excess staff and vacant funded posts must be advertised in line with legislative prescripts.
- The Entity will ensure that the training plan is approved by 30 April of each year in order

to implement and achieve the training objectives within the financial year.

- To ensure the full roll-out of the CRM system within the Entity which will monitor and improve the turnaround times in addressing client concerns.

Changes to planned targets

No changes were made on any of the performance indicators or targets.

Linking performance with budgets

The following financial information relates to the two sub-programmes of programme 2

Sub- programme name	2011/12			2012/13		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	44 176	27 703	16 473	67 583	23 224	44 359
Marketing and Communication	14 298	8 180	6 118	18 579	7 689	10 890
Total	58 474	35 883	22 591	86 162	30 913	55 249

4.3 PROGRAMME 3: FINANCE

This programme is responsible for the efficient management of financial resources and for the timeous procurement of goods and services, in line with the PFMA and Treasury Regulations.

The following are the sub-programme structures:

- Finance
- Supply Chain Management

Strategic Objective 3.1:

- To develop and implement adequate financial systems and internal controls to contribute towards the achievement of a clean audit.

Strategic Objective 3.2:

- To develop and implement adequate Revenue Management systems to ensure on-going financial sustainability.

SUB-PROGRAMME NAME: FINANCE					
Measurable objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
To achieve a clean audit for the 2012/13 year.	Unqualified opinion.	Clean audit opinion.	Unqualified opinion	-	The entity did not achieve clean report due to a number of emphasis that were raised by the Auditor-General
To maximise debt collection for the 2012/13 year.	Average 338 days.	Average number of debt collection days reduced by 44 days.	75 days.	31 days	Clients do not prioritise outstanding interdepartmental debt. Late inter-phasing .Even though departments have insisted on timely interface, R70m of R123m outstanding is owed by Gauteng Departments.
Timeous payment of service providers for the 2012/13 year.	31 days	30 days from receiving an invoice (Baseline: 1 965)	1 919 payments made within 30 days (98%).	46 payments (2%)	There were several invoices that needed additional information to be provided before effecting the payment. There were also a few disputed invoices that were not resolved on time.



Key performance indicators

SUB-PROGRAMME: FINANCE					
Performance indicators	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
Audit opinion with no issues.	Unqualified opinion.	Clean audit opinion.	Unqualified opinion	-	The entity did not achieve clean report due to a number of emphasis that were raised by the Auditor-General
Number of debt collection days.	Average 338 days	Average number of debt collection days reduced by 44 days.	75 days.	31 days	Clients do not prioritise outstanding interdepartmental debt. Late inter-phasing. Even though departments have insisted on timely interface, R70m of R123m outstanding is owed by Gauteng Departments.
Number of payments made within 30 days after the receipt of the invoice.	31 days	30 days from receiving an invoice (Baseline: 1 965)	1 919 payments made within 30 days (98%).	46 Payments (2%)	There were several invoices that needed additional information to be provided before effecting the payment. There were also a few disputed invoices that were not resolved on time.

SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT					
To empower BBBEE service providers for the 2012/13 year.	HDI = 118% (R19 813 366) Youth-owned = 35.5% Percentage owned by people with disabilities = 6% Women-owned = 48.46%	HDI: 60% Youth: 15% Disabled: 5% Women: 20%	55% 13% 3% 29%	5% 2% 2% +9%	The Entity had a fewer number of companies meeting the HDI, Youth-owned and people with disability principle responding to our request for quotations.
Percentage of tenders awarded to targeted groups	HDI = 118% (R19 813 366) Youth-owned = 35.5% Percentage owned by people with disabilities = 6% Women-owned = 48.46%	HDI: 60% Youth: 15% Disabled: 5% Women: 20%	55% 13% 3% 29%	5% 2% 2% +9%	The Entity had fewer numbers of companies meeting the HDI, Youth-owned and people with disability principle responding to our request for quotations.

Narrative on actual performance for 2012/13

Payment of suppliers within 30 days period

The Entity managed to improve the payment turnaround times to suppliers within 30 days. Only 2% of suppliers were paid outside of the 30 day period due to queries that the Entity had on the invoices, which delayed the effecting of the payments. The Entity is committed ensure that all invoices received are paid within the 30 days period.

Debtors collected within 30 days period

The Entity did not meet this target by the end of the financial year; however, improvements are noted in the collection of outstanding debts.

Strategy to overcome areas of under performance

- To ensure that client Departments effect payments on time, within the prescribed period of 30 days, interface between BAS and FIS needs to occur on a monthly basis.
- To ensure that all disputed invoices are resolved within the 30 day period, failure to submit will result in dispute a new invoice will have to be provided.
- Supply Chain Management to ensure that invitations are forwarded to companies that meet the BBBEE requirements for all the services required by the Entity.

Changes to planned targets

No changes were made on any of the performance indicators or targets.

Linking performance with budgets

The following financial information relates to the three sub-programmes of programme 3

Sub- programme name	2011/12			2012/13		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CFO	15 287	21 575	(6 288)	30 296	15 409	14 887
Total	15 287	21 575	(6 288)	30 296	15 409	14 887



5. SUMMARY OF FINANCIAL INFORMATION

5.1 Revenue collection

Sources of revenue	2011/12			2012/13		
	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
Leasing of vehicles	806 898	677 031	129 867	839 600	756 019	83 581
Other income (Transport fees)	-	-	-	-	1 488	(1 488)
Other income (Auctions)	-	5 207	5 207	-	54 461	(54 461)
Total	806 898	682 238	124 660	839 600	811 968	27 632

The Entity did not collect the revenue as initially estimated as a number of vehicles were withdrawn and no replacement vehicles were issued. This meant that the revenue base also decreased as a result of the number of vehicles withdrawn. The delay by client departments in collecting vehicles that were delivered also contributed to the Entity

being unable to reach its estimated revenue, as the vehicles in the yard were not billed.

The interface between FIS and BAS did not take place for the entire year. The interface problem was addressed and the first interface is expected to start soon. The under collection of revenue did not have any impact on service delivery.

5.2 Programme expenditure

Programme name	2011/12			2012/13		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Operations	601 256	599 876	1 380	700 290	669 877	30 413
Corporate Services	46 724	30 453	16 271	82 364	37 158	45 206
Office of the CFO	15 287	21 575	(6 288)	30 296	15 416	14 881
Total	663 267	651 904	11 363	812 950	722 450	90 500

The reason for the Entity being unable to spend its budget as projected was due to the late implementation of the capital projects. In addition,

a decision was taken not to procure a new Fleet Management system but to upgrade the existing one and this meant that more than R12million was unspent.

5.3 Capital investment, maintenance and asset management plan

	2011/2012			2012/2013		
Infrastructure projects	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Partitioning and construction of offices at g-FleeT Wellness Centre.	-	-	-	613	-	-
Supply and installation of office furniture to g-FleeT Wellness Centre.	-	-	-	1 805	-	-
Perimeter lighting upgrade.	-	-	-	1 103	126	977
Upgrade of roads, parking and storm-water management.	-	-	-	28 800	748	27 823
Sewer and portable water reticulation.	-	-	-	1 687	410	1 277
Construction of carwash and boundary wall.	-	-	-	1 652	435	1 217
Professional fees.	-	-	-	-	1 675	(1 675)
Professional fees – assessment of infrastructure.	-	-	-	-	541	(541)
Demolition of concrete slabs.	-	-	-	-	103	(103)
Total	-	-	-	35 660	4 038	31 622

The Entity experience challenges in implementing most of its capital projects due to procurement delays that were encountered. This resulted in most of the projects being implemented late in the year under review. All capital projects currently underway, will only be completed in the 2013/14 financial year.

The Entity spent an amount of R231 million in the acquisition of 1 305 vehicles and disposed of 1 473 vehicles through auctions, to the value of R54 million. At the end of the financial year the Entity had an asset base of 7 008 vehicles.

The Entity used the excel spread sheet as its asset register and five people were sent for training on the Asset Management Module of Pastel Evolution. Currently implementation of the asset register on Pastel Evolution is underway and the planned completion date of the process is 31 May 2013.

The Entity is planning to refurbish the following buildings in the next financial year:

- Permanent Section building
- Maintenance building.
- Hanger building which is one of the heritage buildings.



Summary of payments by sub-programme

	2011/12			2012/13		
Sub- programme name	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Operations	601 256	599 876	1 380	700 290	669 877	30 413
Corporate Services	46 724	30 453	16 271	82 364	37 158	45 206
Office of the CFO	15 287	21 575	(6 288)	30 296	15 416	14 881
Total	663 267	651 904	11 363	812 950	722 450	90 500

Strategy to overcome areas of under performance

- Implementation is currently underway and projects will be concluded in the next financial year.
- Projects are monitored on a weekly and/or monthly basis to ensure that delays are eliminated.

Changes to planned targets

No changes were made on any of the performance indicators or targets.



PART C:

GOVERNANCE





1. INTRODUCTION

Corporate governance embodies processes and systems by which trading entities are directed, controlled and held to account. In addition to legislative requirements based on a enabling legislation, and the Companies Act, Corporate Governance with regard to a trading Entity, is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with

the principles contained in the King Report on Corporate Governance.

The Executive and Accounting Authority of the trading Entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

The following portfolio committee meetings were attended during the year under review

DATE OF MEETING	PURPOSE OF MEETING	ANY AREAS OF RISKS
04 May 2012	Resolutions for 3rd Quarter (11-12)	N/A
11 May 2012	12-13 Financial Year Annual Budget	N/A
	Fourth Quarter Report 2011/12	N/A
28 August 2012	First Quarter Presentation 2012/13.	N/A
19 October 2012	11-12 Financial Year Annual Report	N/A
13 November 2012	House Resolutions for 4th Quarter (11-12)	N/A
	12-13 FY 2nd Quarter Performance	N/A
	Budget 2012/13.	N/A
26 February 2013	Third Quarter Performance Review 2012/13.	N/A

3. EXECUTIVE AUTHORITY

No reports were presented to the Executive Authority other than those in the normal course of business which are presented in the forum named Executive Management Meeting.

consists of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. The Entity has since moved away from this approach and has appointed a Risk Committee that consists of all the Senior Management team members.

4. RISK MANAGEMENT

The Entity's risk management function was the responsibility of the Executive Committee which

The following strategic risks were identified during the risk assessment completed by the Entity and action plans to manage the risks were also identified:

Strategic risks	Action plans to address the risks
Inability to attract and retain technically skilled staff.	Develop and implement a staff Retention and Succession Strategy.
Inadequate Corporate Governance.	Establishment of all governance committees.
Late/Non-payment by Government Departments.	Enhance the Debtors Collection Strategy.
Limited Domestic Investment.	Establish a system of tracking the procurement of locally assembled vehicles.
Inadequate implementation of CO2 Projects.	Develop and implement a strategy towards carbon neutrality.
Lack of Integrated Systems (Asset Management, Fleet Information System, Tracking and Pastel).	Appointment of the service provider to assist with systems integration.
Theft and loss of assets.	Continuous improvement of the safety and security systems.
Fraud and corruption.	Develop and implement the fraud prevention plan.
Ageing fleet.	Full implementation of the vehicle replacement strategy.

Whilst the Entity has implemented some of the action plans to address the risks identified, there are those risks that still need to be addressed. The Risk Committee is responsible for ensuring that all the current and emerging risks are addressed appropriately.

5. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal audit function is provided by Gauteng Audit Service (GAS). Two audits were performed during the year under review, one relating to the Computer Audit and the other to the review of internal controls. The Entity together with Gauteng Audit Service developed actions plans and monthly status report to track improvements, which were provided to GAS.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Entity ensures that all services procured through Supply Chain Management, have been evaluated by the Evaluation Committee, whose mandate is to ensure that quotations provided are in line with the request for quotations received and are consistently applied.

7. FRAUD AND CORRUPTION

The Entity uses the fraud prevention plan of the Department and participates in the fraud hotline of the Public Service Commission.

8. MINIMISING CONFLICT OF INTEREST

The Entity through the internal control monitored by the Office of the MEC ensures that all its SMS members declare their interest on an annual basis in line with the requirements of the Public Service Commission.

Employees on level 1 to 12 are encouraged to request permission to perform work outside their normal remuneration work.

With regard to Supply Chain Management, directors of all companies submitting quotations are required to complete the SBD 4 Declaration forms.

9. CODE OF CONDUCT

The Entity's Code of Ethics was discussed and adopted by the Senior Management Team on 10 October 2012. The code has not as yet had an effect on the Entity as it still needs to be presented to the rest of the employees.

10. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Entity has a Health and Safety officer who deals with the Health Safety and Environmental issues of the Entity.

11. SOCIAL RESPONSIBILITY

The Senior Managers of the Entity participated in the Mandela Day activities that were organised by the Department to celebrate the birth month of previous President Nelson Mandela.

12. AUDIT COMMITTEE REPORT

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 for Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General Report.

Non-Executive Members:

Name of Member	Number of Meetings Attended
Lorraine Francois (Chairperson)	05
Masaccha Mbonambi (Member)	05
Zakhele Mkhize (Member)	05



Executive Members:

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

Compulsory Attendees

Name of Member	Number of Meetings Attended
Chikane Chikane (Chief Executive Officer)	04
Natalie Govender (Chief Financial Officer)	05

The Audit Committee noted that the Chief Executive Officer did not attend one meeting. However a letter of apology was tendered with a duly authorised representative attending on his behalf. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

Audit Committee Responsibility

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

The effectiveness of internal control

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control and deviations were reported by the Internal Audit department and confirmed by the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

Governance and Risk Management

Due to lack of adequate resources Internal Audit did not review the department’s IT Governance structures and therefore the right assurance was not provided to the Audit Committee in this

regard. However, the general IT and application controls were reported to be inadequate.

Progress on Departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention. Management should take full responsibility for the entire Enterprise Risk Management process and support the Chief Risk Officer.

The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the Accounting Officer of the Department submitted quarterly performance information to the Audit Committee during the year under review. However, the content and quality requires some improvements to ensure the effective achievement of all departmental objectives.

The Audit Committee did not receive quarterly performance information of the Department’s entity; G-Fleet. The report was only provided at the end of the financial year.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed with the audited / unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General’s management report and Management’s response thereto;
- reviewed the departments compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General’s conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be

accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively, however it requires additional capacity in order to cover all critical risks identified and to provide consulting reviews in areas where internal controls do not exist.

Forensic Investigations

The Audit Committee is not satisfied that the forensic investigations are properly reported with age-analysis of all reported issues indicated. Details of results in respect of investigations conducted as a result of calls through the fraud hotline were not provided to the Committee.

One-on-One with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to ensure that there are not unresolved issues

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are not unresolved issues.



Ms Lorraine Francois

Chairperson of the Audit Committee

31 May 2013





PART D:

HUMAN RESOURCE MANAGEMENT





1. INTRODUCTION

The Entity is in the process of filling all vacant posts following the approval of the new organisational structure on 05 November 2012 and has now finally facilitated the Entity's ability to develop an HR Plan.

The approval of the organisational structure will also boost the morale of the employees who have been on contract for a number of years, not knowing what their future in the Entity hold.

The Workplace Skills Plan was implemented in the year under review which identified staff competencies, training needs and the skills shortage amongst staff which must be accessed from outside the Entity. .

The Entity has also embarked on a process of educating its employees about performance management, as junior employees were unable to link the Annual Performance Plan (APP) to their personal performances. Employees are provided with information on the APP and this has been empowering those who had no knowledge of it.

In terms of the employees wellness programme, the Entity uses the Department resources to assist employees deal with personal problems.

Policy development

The Entity uses policies developed by the Department and all the directives obtained from the Department of Public Service and Administration.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage of personnel exp. to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	96	0.1	1	96
Skilled (Levels 3-5)	10 293	16	73	141
Highly skilled production (Levels 6-8)	8 108	12.6	34	238
Highly skilled supervision (Levels 9-12)	5 119	7.9	10	512
Senior management (Levels 13-16)	4 666	7.2	7	667
Contract (Levels 3-5)	6 424	10	46	140
Contract (Levels 6-8)	252	0.4	1	252
Contract (Levels 13-16)	2 508	3.9	2	1 254
Periodical Remuneration	26 476	41.1	147	180
TOTAL	63 942	99.2	319	3 480

Performance rewards

Salary band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Lower skilled (Levels 1-2)	1	1	100	2	2 000
Skilled (Levels 3-5)	62	73	84.9	134	2 161
Highly skilled production (Levels 6-8)	33	34	97.1	125	3 788
Highly skilled supervision (Levels 9-12)	4	10	40	20	5 000
Contract (Levels 3-5)	0	46	0	0	0
Contract (Levels 6-8)	0	1	0	0	0
Periodical Remuneration	0	147	0	0	0
TOTAL	100	312	32.1	281	12 949

The total number of 46 includes contract employees on the LDSP programme, who were transfered to the department as from 01 April 2012.

Training costs

Directorate/ Business Unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
Office of the CFO	11 188	32	0.3	9	3.6
Corporate Services	6 231	702	11.3	81	8.6
Office of the COO	9 497	669	7	14	48
TOTAL	26 916	1 403	5.2	104	60.2

Employment and vacancies

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	16	1	93.8	0
Skilled (Levels 3-5), Permanent	179	73	59.2	0
Highly skilled production (Levels 6-8), Permanent	130	34	73.8	0
Highly skilled supervision (Levels 9-12), Permanent	51	10	80.4	0
Senior management (Levels 13-16), Permanent	7	7	0	0
Contract (Levels 3-5), Permanent	46	46	0	46
Contract (Levels 6-8), Permanent	1	1	0	0
Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	432	174	59.7	46

Vacant posts could not be filled until the new organisational structure was approved. The structure was approved on 05 November 2012 and the Entity is in a process of filling all vacant positions.

Employment changes

Salary band	Employment at beginning of period (April 2012)	Appointments	Terminations	Turnover rate
Lower skilled (Levels 1-2), Permanent	1	0	0	0
Skilled (Levels 3-5), Permanent	77	0	3	3.9
Highly skilled production (Levels 6-8), Permanent	38	0	4	10.5
Highly skilled supervision (Levels 9-12), Permanent	12	0	2	16.7
Senior Management Service Band A, Permanent	6	0	0	0
Senior Management Service Band B, Permanent	0	1	0	0
Contract (Levels 3-5), Permanent	49	0	3	6.1
Contract (Levels 6-8), Permanent	1	0	0	0
Contract (Band C), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	186	1	12	6.5

Reasons for staff leaving

Termination type	Number	Percentage of total resignations	Percentage of total employment	Total	Total employment
Resignation, Permanent	5	41.7	2.7	12	186
Discharged due to ill health, Permanent	1	8.3	0.5	12	186
Retirement, Permanent	6	50	3.2	12	186
TOTAL	12	100	6.5	12	186



Explanations: The reason for staff leaving the employment of the Entity was due to resignation, retirement or ill-health.

Labour Relations: Misconduct and disciplinary action

Outcomes of disciplinary hearings	Number	Percentage of total	Total
Dismissals	4	100	4

Equity target and employment equity status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior management, Permanent	2		0		0		0	
Professionally qualified and experienced specialists and middle management, Permanent	6		0		0		0	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	9		0		0		7	
Semi-skilled and discretionary decision making, Permanent	52		1		1		6	
Unskilled and defined decision making, Permanent	1		0		0		0	
Contract (Top Management), Permanent	1		0		0		0	
Contract (Skilled technical), Permanent	1		0		0		0	
Contract (Semi-skilled), Permanent	32		0		0		0	
TOTAL	104		1		1		13	

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Senior management, Permanent	2		2		1		0	
Professionally qualified and experienced specialists and middle management, Permanent	2		1		0		1	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7		0		0		11	
Semi-skilled and discretionary decision making, Permanent	10		0		0		3	
Unskilled and defined decision making, Permanent	0		0		0		0	
Contract (Top management), Permanent	1		0		0		0	
Contract (Skilled technical), Permanent	0		0		0		0	
Contract (Semi-skilled), Permanent	14		0		0		0	
TOTAL	36		3		1		15	

LEVELS	STAFF WITH DISABILITIES			
	Male		Female	
	Current	Target	Current	Target
Employees with disabilities	1		1	
TOTAL	1		1	





PART E:

FINANCIAL INFORMATION





1. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the trading Entity's Annual Financial Statements (AFS) and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the trading Entity for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the trading Entity.

The g-FleeT Management's Annual Financial Statements for the year ended 31 March 2013 was audited by the external auditors and their report is presented on page 273.

The Annual Financial Statements of the trading Entity set out on page 276 to page 321 were approved.



Mr. Ronald Swartz

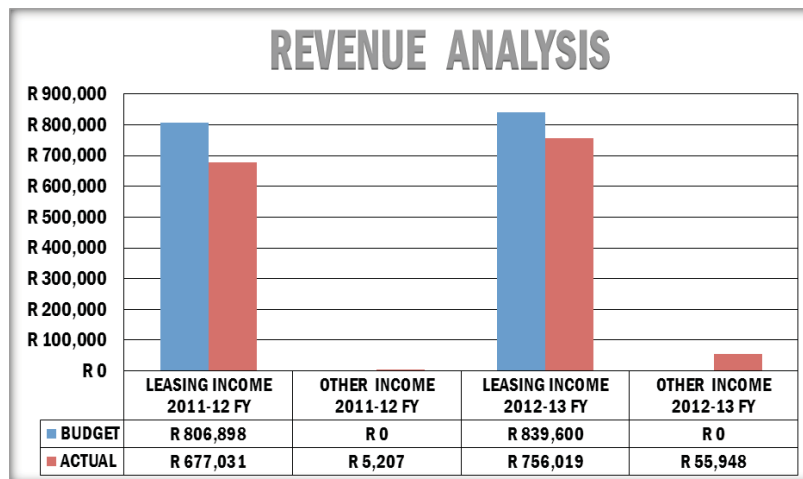
Head of Department

31 May 2013

2. REPORT OF THE CHIEF EXECUTIVE OFFICER

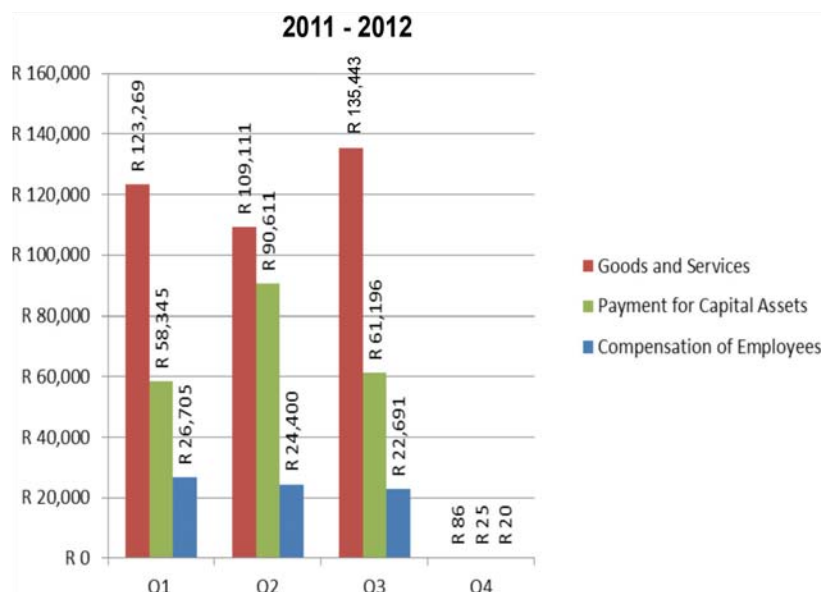
The Entity performed well with regards to the collection of revenue when compared to the previous year. This improvement is attributed in part to the drastic measures taken by the Entity in not renewing petrol cards for those Departments that had long outstanding debts.

The following table represent the revenue analysis per annum for the 2011/12 and 2012/13 financial years:



The Entity performed well overall, and the only negative was the late implementation of its capital projects which resulted in spending only 6% of the capital expenditure budget of R29 million. Some projects were budgeted under Goods and Services and the failure to implement these projects resulted in the under expenditure of 7% of the budget of R448 million.

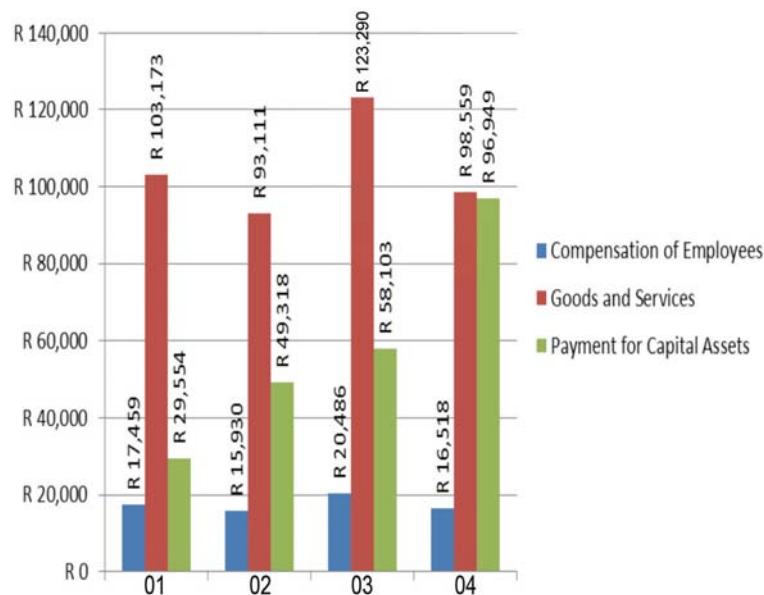
The following tables represent the expenditure analysis per quarter for 2011/12 and 2012/13 financial years:



Total expenditure for 2011/12: R651 904 million



2012 - 2013



Total expenditure for 2012/13: R722 450 million

The fleet expanded by 1 308 new vehicles which improved the number of new vehicles within the Entity. A total of 1 473 older vehicles were disposed-off and generated proceeds of R54 million.

The Entity's organisational structure was only approved on 05 November 2012 after an extensive consultation process with relevant stakeholders. As at 31st March 2013 the Entity has been in the process of implementing the approved structure through the migration of permanent employees from the old structure to the newly approved structure, and the Job Evaluations to be undertaken on the new/redefined posts in order to ensure that they are filled at the correct salary levels.

During the financial year under review, the Entity's profile with regards to employees was a total of 316 employees, made up of 125 (40%) of the Entity's employees and 49 (16%) LDSP employees for whom the Entity was financially responsible for the payment of their salaries until the end of the year under review. A total of 142 (44%) were employed on contract basis.

It should also be noted that the approved structure includes the Special Projects component (LDSP) whose function has been transferred to the Department of Roads and Transport (DRT) and this portion of the structure would also have to be transferred to DRT in due cause.

The construction of paving in the yard, lighting within the yard, sewerage system, increased portable water pressure, boundary wall, car wash and landscaping are all underway and will be completed within the new financial year (2013/14). These projects commenced late, therefore, the remainder of the unspent budget of R27 million will be rolled-over to the 2013/14 financial year.

The Entity together with the department extended an invitation for all the suppliers to submit their profiles in order to update the supplier database. For suppliers that were already in the supplier database it was resolved that letters will be sent to them to provide updated information for the revised database.

The Entity through the Departmental Adjudication Committee awarded tenders for the provision of the following services:

NO	DISCRIPTION	AMOUNT R'000
1	Provision of a comprehensive vehicle tracking solution to g-Fleet Management for a period of three years.	38 951
2	Provision of auctioneering services to g-Fleet Management for a period of three years: Sellers Commission-5% excluding Value Added Tax (VAT). Buyers Commission-5% excluding VAT. Administration fee-R855.00 VAT inclusive per vehicle charged to the buyer.	
3	Partitioning and construction of offices at g-Fleet Wellness Centre.	613
4	Supply and install office furniture to g-Fleet Wellness Centre.	1 805
5	Perimeter lighting upgrade.	1 103
6	Upgrade of roads, parking and storm-water management.	28 800
7	Sewer and portable water reticulation.	1 687
8	Construction of carwash and boundary wall.	1 652
	TOTAL	74 611

In addition, the Entity issued 133 purchase orders to suppliers for goods and services below R500 000.00 through requests for quotations. The value of the purchase orders issued amounted to R10.8 million.

In terms of the challenges encountered, the Entity was unable to meet most of its BBBEE targets except for the target for women which was exceeded by 9%. The other targets were not met by the following shortfalls: HDI by 5% (target: 60%), Youth by 2% (target: 15%) and Disability by 2% (target: 5%).

In an attempt to address challenges in meeting the BBBEE targets, the Entity plans on inviting more companies that meet the BBBEE requirements to register on its supplier base. Workshops will be arranged with the SMME companies to educate them on how to complete proposal documents.

An action plan document was created for all matters that were raised by the Auditor General in the previous financial year (2011/12). While the

Entity tried to address most of the issues raised, not all of them could be addressed. One of the challenges faced was in the implementation of the Employee Self Service (ESS) system which is aimed at addressing leave forms not captured on time and the late submission of leave forms.

The challenge faced by the Entity was that the system does not cater for contract employees and therefore does not have completely resolve the problem. The approval of the organisational structure will ensure that all posts will be filled, thus, making the implementation of the ESS possible in the 2014/15 financial year.

Continuous improvements on FIS will be required to ensure that the Entity is able to bill all its clients and collect what is due on time.

The Entity is the most financially viable option for government departments to obtain vehicles to execute their service delivery mandates. It has maintained a positive balance of more than R200 million throughout the financial year.



The Entity remains committed to its long-term growth objectives and we are confident in our ability to provide value to our clients. The Entity fully implemented and rolled out its call centre system and is in the process of finalising the full implementation of the CRM system to monitor our service delivery to clients.

I thank all the g-FleeT Management and staff for the contributions made in assisting the Entity achieve its objectives.

Mr. Chikane Chikane
CHIEF EXECUTIVE OFFICER
g-FleeT Management
31 May 2013

3. REPORT OF THE AUDITOR-GENERAL

Report Of The Auditor-General To The Gauteng Provincial Legislature on g-FleeT Management Trading Entity

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the gFleeT Management Trading Entity (g-FleeT) set out on pages 276 to 321, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and

International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the g-FleeT as at 31 March 2013, and financial performance and cash flows for the year then ended in accordance with the SA Statements of GAAP and the requirements of the PFMA.



Emphasis of matter

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 24 to the financial statements the corresponding figures for the year 2011/12 were restated as a result of an error on item property, plant and equipment that was discovered during 2012/13 financial year of gFleeT for the year ended 31 March 2012.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 8. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

- 9. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 239 to 254 of the annual report.
- 10. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned programme. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FPPI)*.

- 11. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

- 12. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

- 13. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

- 14. Of the total number of 12 targets planned for the year, 9 of targets were not achieved during the year under review. This represents 75% of total planned targets that were not achieved during the year under review.

This was mainly due to the delays in delivery of vehicles, services level agreement that is not finalised with service provider, organisational structure that was approved late, invoices that needed additional information before effecting payment and indicators and targets that are demand driven.

Compliance with laws and regulations

- 15. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements

16. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors were subsequently corrected.

Internal control

17. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

18. The accounting officer did not adequately monitor the approval, updating and implementation of documented policies and procedures. This identified internal control weakness together with the accounting officer's inadequate reviews of monthly and quarterly prepared financial information has resulted in the reported material adjustments to financial statements and instances of non-compliance with both the PFMA and Treasury Regulations.

Financial and performance management

19. Management did not adequately monitor and review the preparation of monthly and quarterly financial information resulting in the material misstatements being identified by auditors.

Governance

20. The fraud prevention plan that is aligned to the business environment of the trading entity was not developed and effectively communicated to all officials of the trading

entity. The adopted the department's fraud prevention plan which also outdated. The code of conduct was developed but was not communicated to all members of staff nor implemented by the management.

OTHER REPORTS

Investigations

21. Investigations relating to financial misconduct were completed and disciplinary processes were instituted during the year under review.

Auditor-General

Johannesburg

31 July 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS

CONTENTS PAGE

The report set out below comprise the Annual Financial Statements presented to the Provincial Legislature:

STATEMENT OF CHANGES IN FINANCIAL POSITION	277
STATEMENT OF FINANCIAL PERFORMANCE	278
STATEMENT OF CHANGES IN EQUITY	279
CASH FLOW STATEMENT	280
SUMMARY OF ACCOUNTING POLICIES	281
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	295

g-FLEET MANAGEMENT

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	NOTES	2013 R '000	RESTATED 2012 R '000
ASSETS			
Non-Current Assets		645,476	661,899
Property, Plant and Equipment	1	444,323	469,037
Intangible Assets	2	75	100
Non-Current Investments	4	91	91
Other non-current financial assets	5	88,854	86,773
Non-Current Finance Lease Receivable	9	112,133	105,897
Current Assets		593,972	439,718
Construction Receivable	5	1,200	1,200
Trade and Other Receivables	6	251,350	359,380
Finance Lease Receivables	9	56,123	4,303
Cash and Cash Equivalents	3	285,299	74,835
Non Current Assets Held for sale		22,951	12,717
Non-current assets held for sale	8	22,951	12,717
TOTAL ASSETS		1,262,399	1,114,335
EQUITY AND LIABILITIES			
Capital and Reserves		1,051,531	934,296
Retained Earnings		1,051,531	934,296
Non Current Liabilities		89,001	74,233
Non-Current Portion of Finance Lease Obligations	10	-	84
Deferred Income	22	89,001	74,149
Current Liabilities		121,867	105,806
Payments received in advance	22	11,025	11,025
Trade and other payables from exchange transactions	7	103,896	85,967
Current portion of finance lease liability	10	98	708
Current Provisions	11	6,848	8,106
TOTAL EQUITY AND LIABILITIES		1,262,399	1,114,335



g-FLEET MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2013

			RESTATED
	NOTES	2013	2012
		R '000	R '000
REVENUE		722,255	687,286
Sale of Goods & Rendering of Services	14	720,400	685,100
Other income	14	1,855	2,186
EXPENDITURE		598,813	541,750
Employee Costs	18	71,090	72,764
Bad Debts		26,842	-23,509
General Expenses	17	310,600	288,085
Depreciation and Amortisation	14	108,435	118,877
Repairs and Maintenance	15	76,540	85,532
Finance Costs	16	5,306	-
OTHER NET GAINS AND LOSSES		(6,207)	(48,984)
Gain on sale of assets	12	7,686	5,207
Fair Value Adjustment Loss		(6,898)	(53,739)
Impairment Loss		(6,995)	(452)
NET PROFIT FOR THE YEAR		117,235	96,552

g-Fleet MANAGEMENT

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	2013 FY R '000	
	ACCUMULATED SURPLUS (DEFICT)	TOTAL NET ASSETS
BALANCE AT 31 MARCH 2011	747,532	747,532
Correction of prior period error	90,213	90,213
BALANCE AT 01 APRIL 2011	837,745	837,745
Net Profit for the year	96,552	96,552
BALANCE AT 01 APRIL 2012	934,296	934,296
Net Profit for the year	117,235	117,235
BALANCE AT 31 MARCH 2013	1,051,531	1,051,531



g-FleeT MANAGEMENT

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	NOTES	RESTATED	
		2013 R '000	2012 R '000
CASH FLOWS FROM OPERATING ACTIVITIES	20	421,833	107,062
Receipts		854,530	583,432
Sale of goods and rendering of services		851,263	581,244
Other receipts		3,267	2,188
Payments		(432,697)	(476,370)
Compensation of employees		(71,090)	(72,764)
Goods and services		(361,607)	(403,606)
CASH FLOWS FROM INVESTING ACTIVITIES		(219,765)	(134,636)
Purchase of assets		(148,008)	(201,735)
Proceeds from sale of assets		54,460	66,507
Purchase of available-for-sale financial assets		(692)	-
Purchase of other intangible assets		(9)	-
Movement in provision for bad debts		(26,842)	
Additional movements		(38,537)	
Movement in WIP		(2,081)	(3,199)
Acquisition of investments		(58,056)	3,791
CASH FLOWS FROM FINANCING ACTIVITIES		8,396	164
Repayment / issuance of financial contracts		9,007	2,008
Finance lease payments		(611)	(1,844)
Net (Decrease)/Increase in Cash and Cash Equivalents		210,463	(27,410)
Cash And Cash Equivalents at the Beginning of the Year		74,835	102,245
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	285,299	74,835

g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis Of Preparation

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP) issued by Accounting Standards Board and the Public Finance Management Act of 1999 as amended. SA GAAP has been withdrawn with effect from 01 December 2012 therefore the Entity will be reporting on these standard for the last time this financial year, instead it will be reporting on GRAP.

2. Presentation Currency

These annual financial statements are presented in South African Rand, which is the functional currency of the Entity.

3. Going Concern Assumption

These annual financial statements were prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

4. Comparative Information

4.1 Current year comparatives (Budget)

Budget information has been provided in a separate disclosure note to these Annual Financial Statements.

4.2 Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements is

amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of SA GAAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

5. Significant Judgements And Estimates

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

5.1 Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements.



g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

5.2 Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the Entity's accounting policies the following estimates, were made:

5.3 Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

5.4 Pension and other post-employment benefits

"Post-employment benefits offered by the Entity take the form of defined benefit plans.

The cost of defined benefit pension plans, other post-employment medical benefits, and the present value of the pension obligation

are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. "

5.5 Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the Entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

5.6 Effective interest rate

The Entity uses an appropriate interest rate, taking into account guidance provided in the standards, and applying professional judgement to the specific circumstances, to discount future cash flows.

5.7 Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts.

g-FleeT MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

Management makes certain assumptions

regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

5.8 Impairments of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

6. Revenue recognition

Revenue comprises both vehicle rental revenue and revenue from the disposal of vehicles and excludes value added tax. Rental revenue includes fees from the provision of services incidental to vehicle rental (such as the sale of fuel).

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated

reliably when all the following conditions are satisfied:

- a. the amount of revenue can be measured reliably;
- b. it is probable that the economic benefits associated with the transaction will flow to g-FleeT;
- c. the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- d. the cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

7. Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA)] or is in contravention of the Entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure is expenditure



g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of unauthorised, irregular, fruitless and wasteful expenditure is treated as other income.

8. Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one year.

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the Entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other

costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value less the adjustment factor of 30%.

A change in accounting policy was implemented in the 2012/13 financial year whereby the 30% adjustment factor was removed as it was depreciating the vehicles sooner than anticipated. The change was applied retrospectively to all the previous financial periods.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation rates are based on the following estimated asset useful lives:

- 3 - 5 Years - Light vehicles
- 5 - 36 Years - Heavy vehicles
- 5 - 25 Years - Office furniture
- 5 - 25 Years - Kitchen equipment
- 3 - 6 Years - Computer equipment
- 5 - 25 Years - Technical equipment
- 5 - 25 Years - Office equipment
- 5 - 25 Years - Workshop equipment

Impairments

The Entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of

property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

9. Intangible Assets

Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. The Entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will



g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

flow to the Entity and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance

in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

Amortisation and impairment

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

10. Non-current assets held for sale

Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Immediately before classification as held for sale, the asset is measured in terms of the Entity's accounting policies.

Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

Derecognition

Non-current assets and disposal groups held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential is expected to flow from the asset or

g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

disposal group. Gains / loss that result from the derecognition of non-current assets or disposal groups held for sale are recognised in surplus / deficit in the period of the derecognition.

11. Impairment

Recognition

The Entity assesses at each reporting date whether there is an indication that an asset may be impaired.

Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount).

An assets recoverable amount (or recoverable service amount is the higher of the fair value less costs to sell, and the value-in-use of the asset).

Measurement

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In determining the recoverable amount (or recoverable service amount) of an asset the Entity evaluates the assets to determine whether

the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset.

Where the asset is non-cash generating asset the value in use is determined through one of the following approaches:

- Depreciated replacement cost approach – The current replacement cost of the asset is used as the basis for this value. This current replacement cost is depreciated for a period equal to the period that the asset has been in use so that the final depreciated replacement cost is representative of the age of the asset.
- Restoration cost approach - Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.
- Service units approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state.

The decision as to which approach to use is dependent on the nature of the identified impairment.

In assessing value-in-use for cash-generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to



g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

the asset. In determining fair value less costs to sell, other fair value indicators are used.

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Entity makes an estimate of the assets or cash-generating unit's recoverable amount.

Reversal of impairment losses

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

12. Financial instruments

Initial Recognition

The Entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the Entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the Entity classifies financial instruments or their component parts as

a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial Measurement

When a financial instrument is recognised, the Entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- a. Financial instruments at fair value.
 - Derivatives.
 - Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.

g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

- Instruments held for trading.
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
- An investment in a residual interest for which fair value can be measured reliably.

Derecognition

"A financial asset is derecognised at trade date, when:

The cash flows from the asset expire, are settled or waived;

- a. Significant risks and rewards are transferred to another party; or
- b. Despite having retained significant risks and rewards, the Entity has transferred control of the asset to another Entity."

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Offsetting

The Entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The Entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying



g-FleeT MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

13. Financial Risk Management

Overview

Information about g-FleeT's exposure to risks, its objectives, policies and processes for measuring and managing such risks are disclosed in the Accounting Policies. The quantitative disclosure is provided in this note.

g-FleeT's activities exposes the organization it to the following risks:

- Credit Risk and;
- Liquidity Risk.

The carrying amount of financial assets represents the maximum credit exposure. Further quantities disclosure of the Entity's exposure to each of the above risks, at the reporting date, have been disclosed in Note No. 28 below.

13.1 Credit Risk

g-FleeT's mandate is involved in servicing the government departments, all its receivables are from provincial and national departments. The Entity's exposure to risk is detailed below:-

g-FleeT's fundamental objective (and mandate) is focused toward servicing all Government Departments with South Africa. As a result all receivables are due from Provincial and National Departments, including Public Entities and Municipalities respectively.

The Entity determines the credit quality of its trade and other receivables from exchange transactions.

As at 31 December 2012 the Entity did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

Impairment provision largely comprises of amounts that are being disputed by user departments.

g-FleeT MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

Impaired was performed at the end of the reporting period on all assets and tools were impaired due to obsolescence.

Loss on disposal of assets is made of obsolete and uneconomical vehicles sold on auction during the reporting period.

No security is held against Cash and Cash Equivalents.

13.2 Deposits

g-FleeT limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high quality credit standing as approved by the Treasury Department.

The credit qualities of counterparties are also reviewed on a continuous basis by the Treasury Department.

13.3 Liquidity Risk

Liquidity risk is the risk that g-FleeT will not be able to meet its financial obligations as they fall due.

Liquidity risk arises primarily from an uncertainty in revenue and expenditure flows.

g-FleeT manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that the Entity always has sufficient liquidity to meet the liabilities when due, in both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Entity's reputation.

14. Trade receivables

Trade receivables are measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is

objective evidence that the Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

15. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

16. Trade payables

Trade and other payables are carried at the fair value of the consideration to be paid in future for goods and services that have been received or supplied or invoiced or formally agreed with the supplier.

17. Employee benefits

17.1 Retirement benefits

The Entity provides retirement benefits for its employees through a defined contribution plan for government employees. For defined contribution plans, the Entity pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.



g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

The Entity has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in profit or loss in the periods during which the services are rendered by the employees.

17.2 Termination benefits

Termination benefits are payable when employment is terminated by the Entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Entity recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Entity has made an offer, the offer is expected to be accepted, and the number of employees expected to accept can be estimated reliably. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

17.3 Medical benefits

The Entity provides medical benefits for its employees through defined contribution plans. The Entity has no further payment once contributions have been paid. The contributions are recognised as employee benefit expenses in profit or loss in the periods during which the services are rendered by the employees.

17.4 Bonus plans

The Entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive

obligation as a result of services received from the employee and the obligation can be measured reliably.

17.5 Leave entitlement

Employee entitlements to Annual leave are recognised when they accrue. An accrual is raised for the estimated liability for Annual leave as a result of services rendered by employees up to the reporting date. The related expense is recognised as employee benefit expenses in profit or loss

17.6 Government Grants

Grants from government departments are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the period on a systematic basis in the same periods in which the expenses are recognised.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants (deferred income) and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets.

18. Leases

The Entity as Lessor

Recognition

The Entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the Entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income

g-Fleet MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Measurement

Finance lease receivables are recognised at an amount equal to the Entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Derecognition

Finance lease receivables are derecognised

when the Entity's right to the underlying cash flows expire or when the Entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the Entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the Entity's right to the underlying cash flows expire or the Entity no longer expects economic benefits to flow from the operating lease asset.

19. Fair Valuation

The fair value of expenditure and financial liabilities for disclosure purposes is estimated by discounting the future cash flows at a discount rate derived from comparable market interest rates.

20. Finance Costs

Finance costs comprise interest expense on borrowings (including finance lease liabilities) and the unwinding of discount on liabilities that been calculated at the present value of the expected cash flows.

21. Post-Reporting Date Events

Events after the 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 is indicative of conditions that arose after the reporting date (non-adjusting



g-FleeT MANAGEMENT

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2013

events after the reporting date).

The Entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The Entity will disclose the nature of the event and an estimate its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

22. Related Parties

The Entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an Entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an Entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the Entity any one or more related parties, and those transactions were not within:

- normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Entity to have adopted if dealing with that individual Entity or person in the same circumstances; and
- terms and conditions within the normal operating parameters established by the reporting Entity's legal mandate;

23. Related Parties

Further details about those transactions are disclosed in the notes to the financial statements.

Information about such transactions is disclosed in the financial statements.

24. Standards And Interpretations

New standards and interpretation not adopted

SA GAAP has been withdrawn with effect from 01 December 2012 therefore the Entity will be reporting on these standard for the last time this financial year, thereafter it with be reporting on GRAP.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 PROPERTY, PLANT AND EQUIPMENT:

ALL AMOUNTS BELOW ARE EXPRESSED IN R '000

	OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	MACHINERY AND TOOLS	GRAND TOTAL
CARRYING AMOUNT AT 01 APRIL 2012	13,294	455,725	18	469,038
Cost	25,037	936,170	3,576	964,783
Accumulated Depreciation	(11,743)	(479,306)	(768)	(491,817)
Accumulated Impairment	-	(1,139)	(2,790)	(3,929)
MOVEMENT FOR THE YEAR	(2,891)	(21,824)	(6)	(24,721)
Additions	684	148,007	-	148,691
Disposals	-	(115,600)	-	(115,600)
Depreciation	(3,575)	(104,826)	(6)	(108,407)
Impairment of assets	-	(6,995)	-	(6,995)
Impairment of NCAHFS	-	6,813	-	6,813
Transfer to NCAHFS - cost	-	(53,342)	-	(53,342)
Transfer to non-current assets held for sale - accumulated depreciation	-	22,391	-	22,391
Accumulated depreciation on disposals	-	81,728	-	81,728
CARRYING AMOUNT AT 31 MARCH 2013	10,409	433,901	13	444,323
Cost	25,721	915,235	3,576	944,532
Accumulated Depreciation	(15,312)	(480,013)	(773)	(496,098)
Accumulated Impairment	-	(1,321)	(2,790)	(4,111)

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1. PROPERTY, PLANT AND EQUIPMENT:

ALL AMOUNTS BELOW ARE EXPRESSED IN R '000

CARRYING AMOUNT AT 01 APRIL 2011

Cost
Accumulated Depreciation
Accumulated Impairment

OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	MACHINERY AND TOOLS	GRAND TOTAL
15,823	376,001	35	391,859
23,800 (7,977) -	863,168 (486,246) (921)	3,576 (751) (2,790)	890,544 (494,974) (3,711)

MOVEMENT FOR THE YEAR

Additions
Disposals
Depreciation
Impairment of assets
Transfer to various other departments
Depreciation of vehicles sold and stolen in prior year
Reclassification of property, plant and equipment to finance lease
Transfer to NCAHFS - cost
Transfer to non-current assets held for sale - accumulated depreciation
Accumulated depreciation on disposals

OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	MACHINERY AND TOOLS	GRAND TOTAL
(2,529)	79,724	(17)	77,178
1,237 - (3,766) - - - - - -	200,213 (39,917) (50,950) (218) (1,329) 4,715 (50,198) (35,767) 26,646 26,290	- - (17) - - - - - -	201,450 (39,917) (54,733) (218) (1,329) 4,715 (50,198) (35,767) 26,646 26,290

CARRYING AMOUNT AT 31 MARCH 2012

Cost
Accumulated Depreciation
Accumulated Impairment

OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	MACHINERY AND TOOLS	GRAND TOTAL
13,294	455,725	18	469,038
25,037 (11,743) -	936,170 (479,306) (1,139)	3,576 (768) (2,790)	964,783 (491,817) (3,929)

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R 000	2012 R 000
2. INTANGIBLE ASSETS - COMPUTER SOFTWARE		
CARRYING AMOUNT AT THE BEGINING OF THE YEAR	100	200
Cost	502	502
Accumulated Amortisation	(402)	(302)
MOVEMENT FOR THE YEAR	(25)	(101)
Additions	9	-
Disposals	-	-
Amortisation	(34)	(101)
CARRYING AMOUNT AT THE END OF THE YEAR	75	100
Cost	511	502
Accumulated Amortisation	(436)	(402)
TOTAL	75	100
3. CASH AND CASH EQUIVALENTS:		
Paymaster General Account	285,294	74,835
Cash on hand	5	-
TOTAL	285,299	74,835

Cash and cash equivalents comprises of all cash on hand and bank deposits held that is highly liquid and is held with registered banking institutions. The Enity's account is held with First National Bank Limited. The carrying amount of these assets is shown at fair value. At reporting date, there are no restrictions and no securities held against the bank balance of R 285 million.



g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	R 000	R 000
4. NON-CURRENT INVESTMENTS: <i>FINANCIAL INSTRUMENTS</i>		
Fixed Deposits	91	91
TOTAL	91	91

Pre-Ppayments comprise of the deposits paid for the rental of property. Non-current portion of construction work in progress (rent paid in advance).

Reconciled as follows:

Opening amount at beginning of the year	91	91
Additional Deposits during the year	-	-
Closing balance at year end	91	91

5. WORK - IN - PROGRESS:

Opening amount at beginning of the year	87,975	84,776
Improvements for the year	3,281	4,399
Operating Lease Liability - Rental	(1,200)	(1,200)
TOTAL	90,056	87,975

Reconciled as follows:

Non-current portion of Wok-in-Progress	88,856	86,775
Current portion of rent paid in advance	1,200	1,200
Closing balance at year end	90,056	87,975

Rent paid in advance arose when the Entity and the Department of Roads and Transport entered to an agreement which stipulates that rental payments by the Entity of their Bedfordview offices should be set off against any expenditure incurred by the Entity on improvements.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	R 000	R 000
6. TRADE AND OTHER RECEIVABLES:		
RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Trade Receivables	244,056	357,885
Other Receivables	7,295	1,497
TOTAL	251,350	359,382

	GROSS BALANCE	RECEIVABLES	NET BALANCE
	R '000	PROVISION	R '000
BALANCE AS AT 31 MARCH 2013:			
Trade Receivables	283,039	-	283,039
- Provision for Doubtful Debts	-	(32,427)	(32,427)
Other Receivables	7,295	-	7,295
- Fair Valuation of Receivables	-	(6,557)	(6,557)
Total Receivable as as 31 March 2013	290,334	(38,984)	251,350

BALANCE AS AT 31 MARCH 2012:

Trade Receivables	368,937	-	368,937
- Provision for Doubtful Debts	-	(5,585)	(5,585)
Other Receivables	1,497	-	1,497
- Fair Valuation of Receivables	-	(5,467)	(5,467)
Total Receivable as as 31 March 2012	370,434	(11,052)	359,382



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2013	2012
R 000	R 000

6. TRADE AND OTHER RECEIVABLES: (continued)

6.1. RECONCILIATION OF DOUBTFUL DEBT PROVISION:

Balance at beginning of the year	5,585	29,094
Contributions to provision	-	-
Doubtful debts written off against provision	-	-
Reversal of provision	-	-
Increase / (Decrease) due to change in estimate	26,842	(23,509)
Change due to correction of errors	-	-

Closing Balance at year end

32,427	5,585
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6.2. TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED:

The ageing of amounts past due but not impaired is as follows:

Neither past due nor impaired

Less than 30 days	81,933	102,485
31 to 60 days	34,998	56,097
61 to 90 days	32,273	31,158
91 to 120 days	13,723	20,159
Greater than 120 days	101,072	159,038

Closing Balance at year end

263,999	368,937
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6.3. TRADE AND OTHER RECEIVABLES IMPAIRED:

The ageing of these receivables is as follows:

1 to 3 months past due	-	-
3 to 6 months past due	-	-
6 to 9 months past due	-	-
More than 9 months past due	28,721	5,595

TOTAL

28,721	5,595
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g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

6.4. DEBTORS BY CUSTOMER CLASSIFICATION	NATIONAL	PROVINCIAL	TOTAL
	GOVERNMENT	GOVERNMENT	BALANCE
	R '000	R '000	R '000
Current (0 – 30 days)	32,558	49,375	81,933
31 - 60 Days	25,622	9,376	34,998
61 - 90 Days	-	32,273	32,273
91 - 120 Days	4,437	9,286	13,723
121 - 365 Days	5,218	95,854	101,072
Sub-total	67,834	196,165	263,999
Less: Provision for doubtful debts	6,897	24,095	30,992
Total Debtors by Customer Classification	142,566	146,790	477,057

6.5. Credit quality of trade and other receivables from exchange transactions

The carrying amount of financial assets represents the maximum credit exposure. Further quantitative disclosure of the Entity's exposure to each of the above risks, at the reporting date, have been disclosed in Note No. 27 below. The Entity determines the credit quality of its trade and other receivables from exchange transactions.

Impairment provision largely comprises of amounts that are being disputed by user departments. g-FleeT's fundamental objective (and mandate) is focused toward servicing all Government Departments with South Africa. As a result all receivables are due from Provincial and National Departments, including Public Entities and Municipalities respectively.

6.6. Method of determining credit quality of trade and other receivables from exchange transactions:

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to credit ratings obtained, for the customers included in the balance, from external credit ratings agencies.



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000
7. TRADE AND OTHER PAYBLES:		
Trade payables	84,634	85,778
Accrued Interest	882	882
Other Creditors	25,229	5,066
Net Trade Payables	110,745	91,726
Less: Fair Valuation of Trade Payables	6,849	5,759
TOTAL	103,896	85,967
8. NON-CURRENT ASSETS HELD FOR SALE:		
Carrying amount at beginning of year	12,718	3,830
Disposals	(13,905)	-
Transfer from PPE	53,342	(35,767)
Impairment charge	(6,813)	(234)
Accumulated depreciation on assets Transferred from PPE	(22,391)	(26,645)
Carrying amount at end of the period	22,951	12,718
<p>Non-Current assets held for sale comprise of vehicles transferred from property plant and equipment as reflected in Note No. 3 above. The transferred assets consist of vehicles that are uneconomical to maintain and those that were involved in accidents. Management have committed to selling these assets through an auction to be held in the new financial year.</p>		
9. FINANCIAL LEASE RECEIVABLES:		
Non-current portion of finance lease receivable	112,133	105,897
Less: Current portion of finance lease receivable	56,123	4,303
TOTAL	168,256	110,200

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

AMOUNTS PAYABLE UNDER FINANCE LEASE RECEIVABLES:

AS AT 31 MARCH 2013

	MINIMUM LEASE RECEIVABLES	FUTURE FINANCE CHARGES	PRESENT VALUE OF MINIMUM LEASE RECEIPTS
	R '000	R '000	R '000
Within one year	89,267	33,144	56,123
Within two to five years	93,329	25,636	67,693
Later than five years	44,441	-	44,441
Sub-total	227,037	58,780	168,256
Less: Amount due within one year	89,267	33,144	56,123
TOTAL	137,770	25,636	112,133

AS AT 31 MARCH 2012

	MINIMUM LEASE RECEIVABLES	FUTURE FINANCE CHARGES	PRESENT VALUE OF MINIMUM LEASE RECEIPTS
	R '000	R '000	R '000
Within one year	5,417	1,114	4,303
Within two to five years	92,034	22,070	69,964
Later than five years	35,933	-	35,933
Sub-total	133,385	23,185	110,200
Less: Amount due within one year	5,417	1,114	4,303
TOTAL	127,967	22,070	105,897



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000	
10. FINANCIAL LEASE OBLIGATIONS:			
Non-current portion of finance lease obligations	-	84	
Current portion of finance lease obligations	98	708	
TOTAL	98	792	
AMOUNTS PAYABLE UNDER FINANCE LEASE:	MINIMUM LEASE PAYABLE	FUTURE FINANCE CHARGES	MINIMUM LEASE PAYABLES
AS AT 31 MARCH 2013	R '000	R '000	R '000
Within one year	100	16	84
Within two to five years	-	-	-
Later than five years	-	-	-
Sub-total	100	16	84
Less: Amount due within one year	-	-	-
TOTAL	100	16	84
AS AT 31 MARCH 2012			
Within one year	762	54	708
Within two to five years	-	-	-
Later than five years	-	-	-
Sub-total	762	54	708
Less: Amount due within one year	100	16	84
TOTAL	862	70	792

The average lease term is years and the average effective borrowing rate is 0%. Interest rates are not fixed. Some leases have fixed repayment terms. No arrangements have been entered into for contingent rent.

The finance leases obligations are repayable monthly over the different lease term. The finance lease obligations are secured by finance lease assets included in property, plant and equipment.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

11. CURRENT PROVISIONS:

(a.) RECONCILIATION OF MOVEMENT IN PROVISION

	PROVISION FOR LEAVE PAY	PROVISION FOR PERFORMANCE BONUS	GRAND TOTAL PROVISION
AS AT 31 MARCH 2013			
ALL AMOUNTS IN R '000			
Opening Balance	7,096	1,010	8,106
Provisions Raised	-	-	-
Unused Amounts Reversed	-	-	-
Amounts Used	(1,115)	(142)	(1,257)
Closing Balance	5,981	868	6,849

(b.) RECONCILIATION OF MOVEMENT IN PROVISION

	PROVISION FOR LEAVE PAY	PROVISION FOR PERFORMANCE BONUS	GRAND TOTAL PROVISION
AS AT 31 MARCH 2012			
ALL AMOUNTS IN R '000			
Opening Balance			
Provisions Raised	7,096	1,010	8,106
Unused Amounts Reversed	-	-	-
Amounts Used	-	-	-
Closing Balance	7,096	1,010	8,106

305

No performance bonuses were paid during the year. The balance of the performance bonus provisions relate to amounts not yet paid to certain employees due to disputes over the assessment process.

These are usually paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date and no present obligation exist.



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000
12. GAIN AND (LOSS) ON SALE OF ASSETS:		
Property, plant and equipment	7,686	5,207
Total Gain / (Loss) on Sale of Assets	7,686	5,207

Vehicles held for sale comprise of vehicles transferred from property, plant and equipment as reflected in Note No. 2 above. The transferred assets consist of vehicles that are uneconomical to maintain and those that were involved in accidents. Management have committed to selling these assets through an auction to be held in the new financial year.

	2013 R' 000	2012 R' 000
13. REVENUE FROM EXCHANGE TRANSACTIONS		
Revenue from Exchange Transactions	-	-
Sale of goods and services	720,400	685,100

INCOME SPLIT

INCOME TYPE

OPERATING LEASES	697,703	670,584
Finance Income (Interest)	22,697	14,516
Sale of goods & rendering of service	720,400	685,100

OTHER INCOME

Revenue from Exchange Transactions - Sundry income	1,855	2,186
Revenue from exchange transactions	722,255	687,286

14. DEPRECIATION AND AMORTISATION EXPENSE:

Property, plant and equipment	108,400	118,777
Intangible assets	35	100
TOTAL	108,435	118,877

A change in accounting policy was implemented in the 2012/13 financial year whereby the 30% adjustment factor was removed as it was depreciating the vehicles sooner than anticipated. The change was applied retrospectively to all the previous financial periods.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000
15. REPAIRS AND MAINTENANCE:		
Repairs and maintenance during the year	76,540	85,532
TOTAL	76,540	85,532
16. FINANCE COSTS:		
Finance leases	5,306	-
TOTAL	5,306	-
17. OPERATIONAL EXPENSES:		
Included in general expenses are the following:-		
Advertising	317	17
Admin fees	10,588	2,392
Audit fees	2,545	3,860
Bank charges	26	47
Conferences and delegations	449	517
Consulting fees	5,271	8,008
Electricity/rates	1,000	1,202
Fuel and oil	163,255	116,720
Legal expenses	373	106
Licence fees - computers	105	-
Parking	128	99
Printing and stationery	231	1,774
Rental of computer equipment	77,729	96,663
Other rentals	8,673	10,147
Stocks and material	25,116	20,333
Subscription & publication	53	31
Telephone cost	2,568	3,112
Training	1,460	1,449
Travel and subsistence - Local	871	825
Other	9,841	20,782
TOTAL	310,600	288,068



g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	R' 000	R' 000
18. EMPLOYEE RELATED COSTS:		
Employee related costs - Salaries and Wages	28,550	31,381
Employee related costs - Contributions for UIF, pensions and medical aids	3,957	4,338
Motor car, accommodation, subsistence & other allowances	-	36
Housing benefits and allowances	1,080	1,298
Overtime payments	1,585	-
Performance and other bonuses	327	232
Long-service awards	4,190	4,398
Other employee related costs	31,400	31,080
TOTAL	71,090	72,764
Average number of employees	269 employees	310 employees

19. RELATED PARTY TRANSACTIONS:

(a). **NAME OF RELATED PARTY:**

NATURE OF THE RELATIONSHIP:

Amount payable to DRT by g-FleeT	12,443	10,239
Amount receivable by DRT from g-FleeT	(817)	(209)

TOTAL	11,626	10,030
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(b). **NAME OF RELATED PARTY:**

NATURE OF THE RELATIONSHIP:

The above transaction occurred under terms that were no less favourable than those available in similar arms length dealings with other government institutions.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

(c). **NAME OF RELATED PARTY:**

NATURE OF THE RELATIONSHIP:

NAME OF CLIENT DEPARTMENT

Northern Cape Agriculture
Northern Cape Premier's office
Department of Justice and Constitutional Development
Department of Public Service and Administration
Department of Social Development
Department of Sport and Recreation
Eastern Cape: Dept. of Local Authority
Eastern Cape: S.A. Social Security Agency (SASSA)
Emfuleni Municipality
Free State Health
Free State - Sport Art and Culture Science and Tech
Free State Public Roads and Works
Free State Tour, Environ and Economic Affairs
Free State: Naledi Local Municipality
Free State: Nat: Sassa
Gauteng Department of Education
GPG : DID Department of Infrastructure and Development
GPG: Agriculture Conservation and Environment
GPG: Community Safety
GPG: Dept of Health and Social Development (Social)
GPG: Dept of Housing and Local Govt (Housing)
GPG: Finance and Economic Affairs
GPG: Gauteng Department of Finance (GSSC)
GPG: Gauteng Department of Finance (TREASURY)
GPG: Health and Social Development (Health)
GPG: Legislature
GPG: Medsas
GPG: Office of The Premier
GPG: Sports, Arts, Culture and Recreation
Housing and Local Government(Local Govt)
Independent Complaints Directorate
JHB Metropolitan Police
KZN: Maphumulo Municipality



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

19 RELATED PARTY TRANSACTIONS (continued):

NAME OF CLIENT DEPARTMENT

KZN: Mpofana Municipality
KZN Economic Affairs
KZN: Education and Culture
KZN: Premier
KZN: Department of Health
KZN: Department of Local and Govt and Traditional Affairs
KZN: Nat: SASSA
KZN: Umgungundlovu District Municipality
Limpopo - Local Government
Limpopo Province: Department of Education
Limpopo Province: Department of Finance and Expenditure
Limpopo: Nat: S.A. Social Security Agency (SASSA)
Metsweding District Municipality
Mogale City Local Municipality
Mpumalanga Premier
Mpumalanga: Nat (SASSA)
NAT: Department of Housing: Head office: Pta
NAT: Department of Arts and Culture
NAT: Department of Agriculture
NAT: Department of Basic Education
NAT: Department of Communication
NAT: Department of Energy
NAT: Department of Housing
NAT: Department of Minerals Resource
NAT: Department of Provincial and Local Government
NAT: Department of Public Enterprises
NAT: Department of Public Works
NAT: Department of Social Development
NAT: Department of Higher Education and Training
NAT: Department of Rural Development and Land Reform
NAT: Government Printing Works
NAT: Department of Home Affairs
NAT: International Relations and Cooperation
NAT: Office of The President
NAT: Public Service Commission

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

19. RELATED PARTY TRANSACTIONS (continued):

NAME OF CLIENT DEPARTMENT

NAT: Service Products
NAT: South African Law Reform Commission
NAT: South African Social Security Agency
NAT: The National Youth Commission
NAT: Government Communication & Information System
NAT: Public Administration & Leadership Man.Academy
National Prosecution Authority Of South Africa
National Treasury
North West : Nat: S.A Social Security Agency (SASSA)
Northern Cape: Nat: SASSA
Northwest Education
Org1000 Sametco
Public Protector
Q600701-Emoyeni Trading Entity
South African Defense Force
Statistics South Africa
Umshwathi Municipality:
W/Cape - Planning & Local Government
Western Cape: Nat: S. A. Social Security Agency



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000
20. NET CASH FLOW GENERATED BY OPERATING ACTIVITIES		
Net surplus as per Statement of Comprehensive income	117,235	96,552
Adjusted for items separately disclosed:		
ADJUSTED FOR NON-CASH ITEMS:		
Profit/Loss on Sale of Assets	(7,686)	(5,207)
Depreciation of Fixed Assets	108,435	118,875
Fair value of Debtors	(9,231)	-
Movement in provisions	26,842	-
Amortisation of Intangible Assets	36	100
Interest received-Held-to-maturity	(10,234)	-
Contribution to provisions - non-current	50,582	-
Movement in current provisions	(1,258)	-
Movement in finance lease liability	(694)	-
Impairment loss / (reversal of impairment loss)	6,995	452
Finance lease receivable	-	1,517
Cash flow generated by operating activities before cash utilised to increase/decrease working capital	281,022	212,289
20. NET CASH FLOW GENERATED BY OPERATING ACTIVITIES		
Cash utilised to increase/decrease working capital		
(Increase)/decrease in trade and other receivables	108,030	(36,976)
Increase/(decrease) in trade and other payables	17,929	(68,251)
Increase/(Decrease) in deferred income	14,852	-
Net cash flow generated by operating activities	421,833	107,062

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 R' 000	2012 R' 000
21. FRUITLESS, WASTEFUL AND IRREGULAR EXPENDITURE		
21.2. Reconciliation of fruitless and wasteful expenditure		
Included in finance cost expenditure per the statement of comprehensive income is the following		
Opening balance	1,851	4,146
Fruitless and wasteful expenditure – relating to prior year	3,674	-
Fruitless and wasteful expenditure – relating to current year	5,190	33
Less: Amounts resolved	-	(2,328)
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting resolution	10,715	1,851
21.1.1. Analysis of awaiting resolution per economic classification		
Current		8,864
Capital		-
Transfers and subsidies		-
Total		8,864
21.1.2. Analysis of Current Year's Fruitless and wasteful expenditure		
Incident		2012/13
Interest charged on long outstanding accounts		8,864
		8,864



g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2013	2012
R' 000	R' 000

21. FRUITLESS, WASTEFUL AND IRREGULAR EXPENDITURE

21.2. Reconciliation of irregular expenditure

Opening balance	31,453	17,922
Add: Irregular expenditure - relating to prior year	-	-
Add: Irregular expenditure - relating to current year	8,673	13,531
Less: Amounts condoned	-	-
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
Irregular expenditure awaiting condonation	40,126	31,453

Analysis of awaiting condonation per age classification

Current year	8,673
Prior years	31,453
Total	40,126

Details of irregular expenditure

Acquisition of tracking system - 2005 contract expired and on month to month	8,673	8,673
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22. PAYMENTS RECEIVED IN ADVANCE (DEFERRED INCOME)

Opening balance	85,174	83,166
Advances	14,852	11,772
Income recognised	-	(9,764)
Closing balance	100,026	85,174
Current Portion of Deferred Income	11,025	11,025
Non-current Portion of Deferred Income	89,001	74,149
	100,026	85,174

g-FleeT receives grants, which are recognised as a liability in the year in which they are received from the user departments. These amounts are then recognised as revenue over the periods in the proportions in which depreciation on these assets is charged.

g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	R' 000	R' 000
23. CONTINGENT LIABILITIES		
Contingent liabilities consist of:		
Type of matter		Value
Contract claim for outstanding invoices and accident damages		1,000
Tender repudiation of appointment: Plaintiff is claiming damages arising out of the repudiation of contract by g-FleeT.		18,000
Application for: 1. Lien on Property, 2. Interdict to proceed with affected construction on g-FleeT's site and 3. Payment of various claims.		7,509
Housing guarantees		72
		26,581

24. PRIOR PERIOD ERROR NOTE:

During the reconciliation of disposed vehicles and the Fixed Assets Register (FAR) it was discovered that there were vehicles sold that were not in the FAR. Further investigation revealed that those vehicles were in the Fleet Information System (FIS), this therefore meant that FIS was not reconciling with the FAR. This resulted in management taking a decision to appoint an audit firm to perform the full reconciliation between FIS and FAR.

The results were that 647 and 113 vehicles were not in the FAR but could be found in the FIS which is the source or point of entry for all vehicles bought by the Entity. further to this management took a decision to reclassify 207 vehicles from Old Operating Lease Model (OOLM) to IAS16, a number of assets classified as IAS17 were also reclassified as IAS 16. All these resulted in a prior period error as reported in the financial statements.

The overall financial impact of the prior year error that has been included in their respective asset categories (line items) in the Statement of Financial Position amounts to R 90 million and recognised as the basis of asset management accounting principles for the prior period ending 31 March 2012.

STATEMENT OF FINANCIAL POSITION:

Fixed Assets - Vehicles	Increase	180,076
Fixed Assets - Accumulated Depreciation - Vehicles	Decrease	(76,207)

Retrospective adjustments for vehicles that were never accounted for in the statements, including the retrospective adjustment of depreciation and review of vehicle useful lives.



g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2013

R' 000

24. PRIOR PERIOD ERROR NOTE (continued):

Fixed Assets - Vehicles	Increase	6,195
Non-Current Finance Lease Debtor	Decrease	(3,269)
Fixed Assets - Accumulated Depreciation - Vehicles	Decrease	(1,888)

Retrospective adjustments for non-current assets that were incorrectly accounted for in the annual financial statements, including the retrospective adjustment of depreciation and review of vehicle useful lives.

Non-Current Finance Lease Debtor	Increase	6,658
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Retrospective adjustments for vehicles that were incorrectly accounted for in the 2012FY statements as finance leases but should have been classified under Property Plant and Equipment, including the retrospective adjustment of depreciation and review of vehicle useful lives.

Non-Current Finance Lease Obligation	Increase	13
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Retrospective adjustments of depreciation for leased cell phones that were incorrectly accounted for in the financial statements.

Non-Current Finance Lease Debtor	Decrease	(27,105)
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Retrospective adjustment of computer equipment and furniture and fittings that were incorrectly calculated and accounted for in the annual financial statements.

Accumulative Depreciation - Furniture & Fittings	Decrease	2,783
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Retrospective adjustment of depreciation for furniture and fittings that were incorrectly calculated and accounted for in the annual financial statements.

g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

		<u>2013</u> <u>R' 000</u>
Accumulative Depreciation - Finance Lease Office Equipment	Decrease	2,856
Retrospective adjustment of depreciation for leased assets - office equipment that were incorrectly calculated and accounted for in the annual financial statements.		
Assets at cost - Leased Cell phones	Decrease	161
Accumulative Depreciation - Leased Cell phones	Decrease	(136)
Retrospective adjustments of depreciation for leased cell phones that were incorrectly accounted for in the financial statements.		
Assets-Fixed Assets at Cost - Furniture & Fitt	Decrease	(8)
Assets-Accum Dep - Furn and Fitings	Decrease	1
Retrospective adjustments of depreciation for furniture and fittings that were incorrectly accounted for in the financial statements.		
EFFECT ON OPENING RETAINED EARNINGS FOR THE YEAR	INCREASE	<u>90,213</u>

25. GOING CONCERN:

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

26. SENIOR EXECUTIVE EMOLUMENTS:

Refer to the following page.

27. SUBSEQUENT EVENTS:

The Service Level Agreements relating to the tracking system was signed by the Head of Department on 24 June 2013. This therefore means that implementation will now start.



g-FleeT MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

		2013	2012
		R' 000	R' 000
28.	FINANCIAL RISK MANAGEMENT		
	Credit Risk		
	Exposure to credit risk		
	The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:		
	Trade and Other Receivables	251,350	359,380
	Cash and cash Equivalents	285,299	74,835
		536,649	434,215

At 31 March 2013, g-FleeT did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

No security is held against Cash and Cash Equivalents.

Concentration risk

As g-FleeT is involved in servicing the government departments, all its receivables are from provincial and national departments.

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

28. FINANCIAL RISK MANAGEMENT (CONTINUED):

ii) Past due analysis

	2013	2013	2012
	Goss	Impairment	Goss
Past due 0 to 30 days	116,233		102,485
Past due 30 to 60 days	34,998		56,097
Past due 61 to 90 days	32,273		31,158
Past due 91 to 120 days	13,724		20,159
Past due 121 to 150 days	8,984		18,766
Past due 151 to 180 days	3,658		16,901
Past due 181 to 365 days	35,423	26,842	94,434
Past due 366 days	6,057		7,862
	251,350	26,842	347,862

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2013	2012
	R' 000	R' 000
Balance at 1 April 2012	5,584	26,495
Increase/(Decrease) provision	21,258	(20,911)
Balance at 31 March 2013	26,842	5,584

Liquidity Risk

	Finance Lease Liabilities	Trade and Other Payables
Less than 1 year	708	98,049
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
	708	98,049

g-FLEET MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

29. SENIOR MANAGEMENT EMOLUMENTS:

ALL AMOUNTS EXPRESSED IN R '000

AS AT 31 - MARCH - 2013	POSITION HELD	BASIC SALARY	PERFORMANCE BONUSES	PENSION CONTRIBUTION	OTHER BENEFITS	GRAND TOTAL
Mr. Chikane Chikane	Chief Executive Officer	1,109,329	92,444	144,267	254,794	1,600,833
Ms. Natalie Govender (5 Sept 2012)	Chief Financial Officer	381,358	-	163,636	32	545,025
Ms. Jackee Khumalo	Chief Operations Officer	685,616	-	243,418	213,714	1,142,748
Mr. Hlalanathi Sishi	Director - Maintenance	516,233	43,019	290,072	11,118	860,442
Ms. Tebogo Mokete	Director - Finance	465,140	38,762	60,468	210,917	775,287
Ms. Andile Ngcobo	Director - Marketing	444,477	37,057	57,836	201,049	740,418
Mr. Teboho Moqhobai	Director - VIP and Pool	451,152	37,590	58,650	204,228	751,621
Ms. Salomie Jaftha	Director - TSS	431,768	35,980	56,184	195,735	719,666
Ms. Ravanne Matthews	Director - Permanent	451,152	37,575	72,366	190,443	751,537
Mr. Thulani Mkwanzazi	Director - Project Management	431,768	35,981	78,744	174,509	721,001
GRAND TOTAL		5,367,993	358,408	1,225,638	1,656,539	8,608,578

g-Fleet MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

AS AT 31 - MARCH - 2012	POSITION HELD	BASIC SALARY	PERFORMANCE BONUSES	CONTRIBUTION PENSION	OTHER BENEFITS	GRAND TOTAL
Mr. Chikane Chikane	Chief Executive Officer	915,565	78,843	534,080	54	1,528,542
Ms. Jackie Khumalo	Chief Operations Officer	660,172	-	226,455	213,714	1,100,341
Mr. Hlalanathi Sishi	Director - Maintenance	511,574	43,295	286,864	11,118	852,851
Ms. Tebogo Mokete	Director - Finance	452,282	37,397	58,976	204,802	753,457
Ms. Andile Ngcobo	Director - Marketing	415,745	35,802	54,047	188,525	694,119
Mr. Teboho Moghobai	Director - VIP and Pool	427,924	35,263	55,630	193,720	712,537
Ms. Salomie Jafta	Director - TSS	415,745	35,802	54,047	228,117	733,711
Ms. Ravanne Matthews	Director - Permanent	427,924	35,774	54,630	194,046	712,374
Ms. Thembani Banda (resigned)	Director - Corporate Service	327,696	64,978	42,600	211,846	647,120
GRAND TOTAL		4,554,627	367,154	1,367,329	1,445,942	7,735,052

NOTE: THE ABOVE PERFORMANCE BONUS PAYMENT RELATES TO THE PAYMENT OF AN OFFICIAL'S 13th CHEQUE- AS PER SALARY STRUCTURED PACKAGE.

[illegible]

