



**PROVINCIAL GOVERNMENT
WESTERN CAPE
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS**

**ANNUAL PERFORMANCE PLAN
2006/07 TO 2008/2009**

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In the event of any discrepancy between the different translations of this report, the English text shall prevail.

Foreword

During July 2005, when I was assigned the Transport and Public Works portfolio, I was struck by the magnitude of opportunities which exist for this Department to make a considerable difference in the lives of the people of the Western Cape. Given this, I challenged management with the following questions:

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

After actively participating with management in strategic sessions, we developed seven strategic goals, namely:-

1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies;
2. Deliver and maintain public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape;
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development;
4. Facilitate and develop the skills required for infrastructure-led economic growth;
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province;
6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate; and
7. Ensure the Broad Based Black Economic Empowerment (BBBEE) is realised.

However, to attain these goals, the Department's organisational structure requires realignment. Such a process is underway and it is envisaged that a workable macro-organisational structure would be agreed to early in the second quarter of 2006.

The numbers, targets and outputs contained in this Annual Performance Plan (APP) are the outcome of a wide-ranging interactive process with myself and management. While we may sometimes differ on the formulation of measurable objectives and targets, it is through our joint efforts that we have been able to produce a more comprehensive Annual Performance Plan.

A key event that is integral to achieving our goals is the launching of the Strategic Infrastructure Plan (SIP) which seeks to align government spending on key infrastructure projects in support of the Provincial Growth and Development Strategy.

Apart from the SIP, the APP begins to address the manner in which we will achieve the objectives of ASGI-SA of infrastructure-led growth, and to contribute to the Millennium Development Goals of halving poverty and unemployment.

I want to acknowledge the inputs of the Standing Committee in hearings, as it helped in developing a strengthened Annual Performance Plan.

I also want to thank the team within the Department for embarking on a new path of deepening service delivery and taking it to higher and broader levels.



Marius Fransman

MINISTER OF TRANSPORT AND PUBLIC WORKS

DATE: 2006.03.22

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Abbreviations

ABE	Affirmable Business Enterprises
ASGI-SA	Accelerated and shared growth initiative for South Africa
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CARP	Community Access Road Projects
CBP	Community Based Programme
CBPWP	Community Based Public Works Programme (Branch)
CETA	Construction Sectoral Education and Training Authority
CIDB	Construction Industry Development Board
DBSA	Development Bank of South Africa
DLTC	Driver Licence Testing Centre
DORA	Division of Revenue Act
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
FET	Further Education and Training
FIFA	Federation Internationale de Football Association
HDI	Historically Disadvantaged Individual
IDP	Integrated Development Plan (municipal)
IDT	Independent Development Trust
LIC	Labour Intensive Construction
MEC	Member of the Executive Council
MEDS	Microeconomic Development Strategy
MIG	Municipal Infrastructure Grant
MTEF	Medium Term Expenditure Framework
MVTS's	Motor Vehicle Testing Stations
NaTIS	National Traffic Information System
NHTS	National Household Travel Survey
NLTTA	National Land Transport Transition Act, 2000 (Act 22 of 2000)
NQF	National Qualification Framework
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PIG	Provincial Infrastructure Grant
POLB	Provincial Operating Licence Board
PPP	Public Private Partnerships
PrDP	Professional Drivers Permits
PSAIP	Provincial Strategic Accommodation Infrastructure Plan
PTP	Public Transport Plan
ROD	Record of Decision
TETA	Transport Education and Training Authority
SALGA	South African Local Government Association
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SARCC	South African Rail Commuter Corporation
SDA	Service Delivery Agreement
SIP	Strategic Infrastructure Plan
SME	Small Medium Enterprise
SMME	Small Medium and Micro Enterprise
TRACK	Technology Research Activity Centre
UA	User agreement
WEO	Women Equity Ownership

Part A:

Strategic Overview

1 Overview of Strategic Performance Plan

A five year Strategic and Performance Plan for 2005/06 to 2009/10 was presented to the Provincial Parliament during 2005/06.

Investing in economic and social infrastructure remains one of the most important priorities of government. It is key to economic growth and job creation. There are also a number of factors which may influence the strategic direction of the Department that must be taken into account on an annual basis, such as the new Accelerated and Shared Growth Initiative of South Africa (ASGI-SA) adopted by National Government.

The strategic goals of the Department were tweaked to bring greater focus on the core business of the Department, i.e. economic and social infrastructure delivery, and to highlight the role of public transport in the economy so as to achieve infrastructure-led economic growth.

Furthermore, the Department has increased its investment in skills development through the offering of bursaries and learnerships.

Setting of performance targets is critical to measure the Department's performance in 2006/07. The following are some of the most important targets:

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

Some of the specific economic and social infrastructure projects in which the Department will be investing are:

- Completion of the upgrading of George Regional Hospital.
- Second phase of the Vredenburg District Hospital upgrade will commence.
- Continuation of the Worcester Regional Hospital upgrade.
- Commencement of the planning for the Khayelitsha Hospital.
- Commencement of the construction of Paarl Hospital

- Upgrading of the Mowbray Maternity Hospital.
- Creation of approximately 1000 learnerships for artisans, technicians and professionals within the Built Environment sector.
- Flagship EPWP project of Gansbaai-Bredasdorp road upgrade.
- Improvements to N1 corridor to facilitate freight access.
- Commencement of N2 corridor upgrade and Airport Interchange for 2010 FIFA World Cup.
- Roll-out of the public transport operational contracts in the metropolitan area beginning with the Klipfontein Corridor.
- Introduction of Integrated Fare Management and Advanced Vehicle Location Systems to support integrated public transport.
- Establishment of a Shared Services Centre to improve the issuing of operating licences to prospective public transport operators.
- Ensuring legal compliance with the making of appointments for learner's and driving licences.
- Training of approximately 500 municipal and provincial motor vehicle administration staff and examiners of driving licences.
- Installation of electronic weigh-in motion equipment at weighbridge sites.
- "Learnership 1000" through which 200 New Venture Learnerships for individuals to start business ventures, and 800 skills focussed learnerships will be established.

2 Strategic plan update analysis

Background

A Five Year Strategic and Performance Plan for 2005/06 to 2009/10 was tabled last year, highlighting the Department's vision, mission, values and goals. These goals were then linked to strategic objectives for each programme.

The departmental strategic goals and objectives are informed by, inter alia, the

- Provincial Government's IKapa Elihlumayo lead strategies.
- ASGI-SA
- State of the Nation Address of the President of South Africa, 2006
- State of the Province Address by the Premier of the Western Cape, 2006
- Medium Term Budget Policy Statement 2006 - 2009 of the Western Cape Government.
- Western Cape Provincial Economic Review and Outlook, 2005
- Budget Speech 2006 by the Minister of Finance
- Budget Speech 2006 by the Provincial Minister of Finance and Tourism
- EPWP

The following areas of service delivery contained in the above documents are those upon which the Department must focus its strategies:

- Infrastructure delivery
- Public transport
- EPWP
- Skills development

Review Process

During July 2005, Minister Marius Fransman was assigned the Transport and Public Works portfolio. Subsequently, he initiated and embarked upon a process of aligning the Department's objectives with those of the national and provincial government, as well as the organisational restructuring to deliver on the objectives.

To begin this process, the Department organised a start-up meeting to consider the organisational structure in September 2005. The key outcome of this session indicated that there seemed to be no single vision amongst senior management. This issue was taken forward into further strategic planning sessions.

A formal strategic planning session was held in October 2005 with all senior managers, to begin to unpack what the Department's role is and what it should be, in relation to government's imperatives. During this session, the Provincial Minister challenged the department with the following three questions:

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

The following strategic imperatives were accepted:

- The challenge is to reduce poverty considering income, assets and human capital, access to services, geography and gender;
- The Department must ensure sustainability in all spheres of operation especially environment;
- The Department will implement a policy of BBBEE;
- The Department has to contribute to achieving a minimum growth of 6%, ensure maximum job creation and manage the trade offs;
- Government efforts need to be focused, harmonised and aligned to ensure a shared developmental impact;
- The Department has to align with other departments objectives, policies and implementation plans;
- Alternative models and methods of financing and effecting delivery need to be sought and the Department needs to organise accordingly;
- Top management must have a common understanding of the problem and the vision and communicate it to the rest of the Department effectively;
- The Department needs to be part of a new proactive and innovative mindset that can do more with less;
- The Department must be efficient and effective in accelerated service delivery and communicate as such; and
- National government's commitment to improving the efficiency of government and the restructuring of national department's work led by the Director-General's Forum.

Strategic Goals

The outcome of the strategic sessions was the development of the following seven new strategic goals in November 2005:

1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies;
2. Deliver and maintain public infrastructure, in line with the SIP for the Western Cape;
3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development;
4. Facilitate and develop the skills required for infrastructure-led economic growth;
5. Lead and facilitate the internalisation of the EPWP across all departments in the Province;
6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate; and
7. Ensure that BBBEE is realised.

Strategy

The macro strategy that will drive all of the above is captured below along with the application of the strategy to branch strategies.

Figure 1: Logic of the Macro Strategy

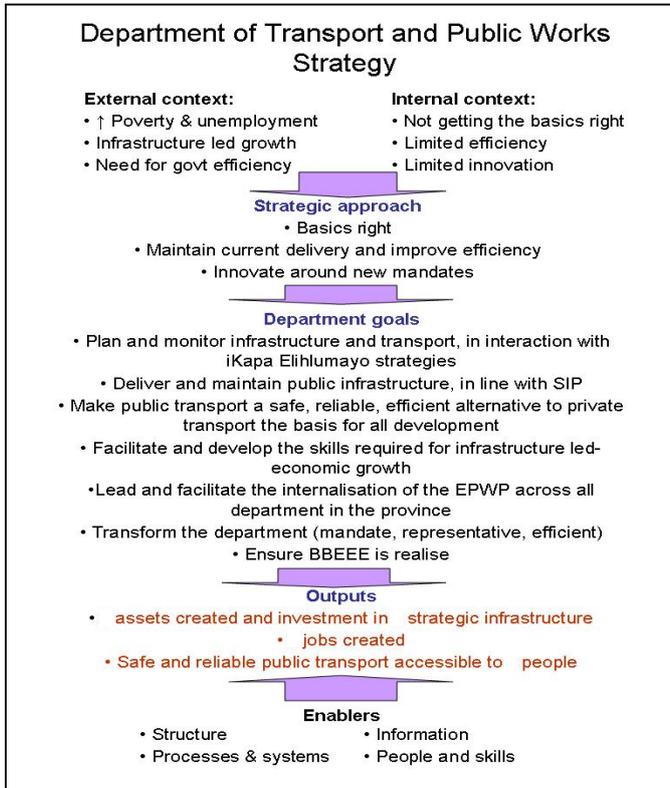
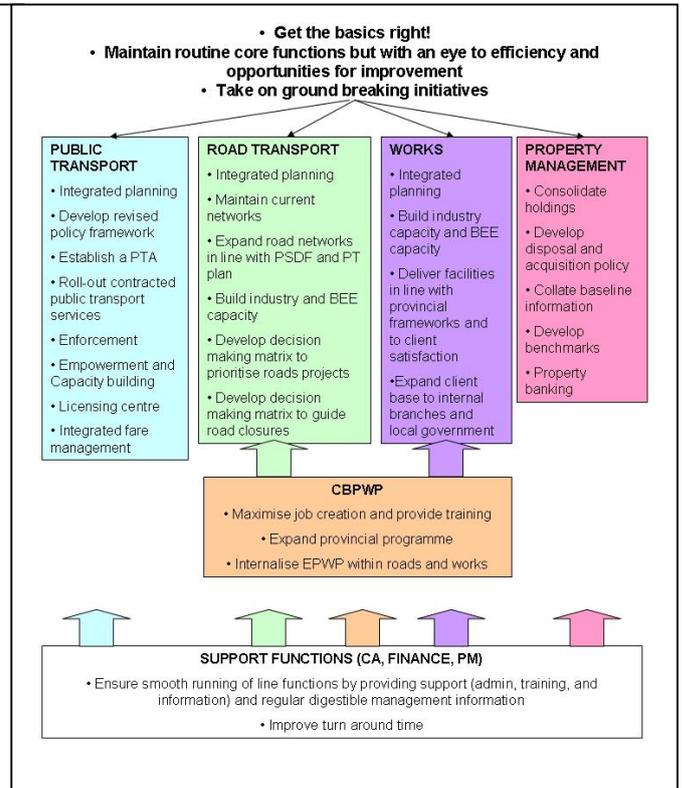


Figure 2: Application of Strategy to Branches



Note: Outputs are not quantified above – it is the principle that is being shown

Measurable Objectives

Measurable objectives for each programme as they relate to the new strategic goals have been developed and are captured in Part B of this Annual Performance Plan.

Vision, Mission and Values

Vision

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

Mission

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

Values

As a Department, our actions, conduct and behaviour are guided by the following principles:

- Valuing our staff
- Mutual respect at all levels of the organisation
- Highest level of integrity and ethics
- Creativity, innovation and leadership

- Accountability and transparency
- People centered service delivery

We strive to be a learning organization, anticipating opportunities presented by an ever-changing environment.

Part B

Budget programme and sub-programme plans

3 Overall Programme Structure

Table 1 presents the programme structure for provincial departments responsible for transport, roads and public works:

Table 1: Programme Structure of the Department

Programme	Sub-programme
1. Administration	1.1. Office of the MEC 1.2. Head of department 1.3. Corporate support
2. Public works	2.1. Programme support 2.2. Health 2.3. Education 2.4. Social Development 2.5. Agriculture 2.6. Other infrastructure 2.7. Property management
3. Roads Infrastructure	3.1. Programme support 3.2. Planning 3.3. Design 3.4. Construction 3.5. Maintenance
4. Public Transport	4.1. Programme support 4.2. Planning 4.3. Infrastructure 4.4. Empowerment and institutional management 4.5. Operator safety and compliance 4.6. Regulation and control
5. Traffic Management	5.1. Programme support 5.2. Safety engineering 5.3. Transport administration and licensing 5.4. Overload control
6. Community Based Programme	6.1. Programme support 6.2. Empowerment impact assessment 6.4. Community development 6.5. Emerging contractor development

4 Programme 2: Public Works

4.1 Situational analysis

The management of the Provincial Property Portfolio entails the acquisition of property (purchase and lease) required for use by user departments and the disposal (sell or letting) of properties superfluous to the needs of the Provincial Government.

It further entails initiating and overseeing construction, upgrading, rehabilitation and scheduled maintenance of all infrastructure related projects. It also includes the rendering of professional services such as architectural, quantity surveying, engineering, project management, horticultural, telecommunication and cleaning services.

The current state of the provincial physical property portfolio of 12 338 buildings is: 4% very good, 21% good, 65% fair 9% poor, 1% very poor. The provincial infrastructure portfolio maintenance backlog amounts to R2,5 billion and increases annually by 2% of the property portfolio. This is a cause for concern, as the limited resources available for maintenance of infrastructure is insufficient to preserve the existing property portfolio of the Western Cape Provincial Government. The demand for new infrastructure increased in particular for schools, hospitals and other social infrastructure and amounts to approximately 235 new facilities constituting approximately 503 523m² of space.

Strategic direction over the next five years:

This programme's contribution to the ASGI-SA over the next five years will involve the following:

The delivery of social infrastructure, particularly for education, health, agriculture, social services and social security, the provision of office accommodation, integrated planning and total asset management.

The utilisation of property to promote integrated development, and to contribute to the establishment of sustainable human settlements. The Branch will identify appropriate unutilised land and buildings which are owned by the Provincial Government, and dispose of them such that the proposed developments are in line with the principles of iKapa Elihlumayo and conform with the Sustainable Human Settlements Strategy.

A further approach will be to identify properties that could contribute towards land restitution, and release it in the appropriate manner for that purpose.

The disposal of superfluous properties for purposes of generating income, which will be re-invested into the provision and maintenance of social infrastructure.

The identification of properties for disposal or major projects that could serve as a catalyst for unlocking significant economic activity in a particular area, thereby contributing to accelerated and shared economic growth.

Addressing the demand for new accommodation in a structured manner and reducing the maintenance backlog in terms of the maintenance management framework.

To explore opportunities to utilise PPP's for social infrastructure and office accommodation in order to accelerate infrastructure delivery and reduce backlogs to an acceptable level.

To fully implement the principles of project management, improving the efficiency of project outcomes, during the phases of inception, design, tender, construction and commissioning in relation to time, quality and cost.

Ensure that all properties and facilities are properly maintained and compliant with occupational health and safety regulations.

To actively engage in public transport building infrastructure management and design and to further ensure that all facilities built by and for the provincial government are accessible to public transport.

This programme's contribution to the EPWP over the next five years will involve the following:

Preventative building maintenance programme where provincial government buildings will be maintained by the rural and urban unemployed. This includes actual maintenance as well as skills training in order to better equip the beneficiaries for employment in the open labour market. The sustainability of the program is dependent on the cooperation of the Departments of Health and Education respectively, as the funding is located on their budgets.

Maximisation of job creation opportunities through the conventional construction and maintenance contracts that are awarded. Infrastructure spending also has spin-offs in terms of the generation of domestic supply industries, small business development and empowerment

Building a pool of skilled artisans within the built sector from among the unemployed specifically within fields that have declining numbers of skilled workers.

Accelerating the number of learnerships provided, particularly in the built environment sector.

This programme's contribution to contractor development over the next five years will involve the following:

Ensure that the entry of women in the industry is accelerated.

Ensure that contractors utilised have and retain the capacity, are equipped and informed by facilitating capacity a building programme for contractors pertaining to:

- Legislation governing the industry,
- Contemporary and alternative construction methods,
- Management of construction enterprises,
- Site management,
- Occupational health and safety,
- Good labour relations and securing of work opportunity.

Ensuring the development and growth of PDI built environment enterprises by consistent utilisation of contractors who appear on the contractors' register and awarding contracts to them that fall within their competence.

Actively participate in the development of programmes to ensure that built sector skills required by the industry and the economy are retained, nurtured and developed by:

- Capacitating current Departmental employees in various built sector fields that are either declining or classified as scarce.
- Recruiting a critical mass of young graduates into the Branch in order to render a service and to learn from the highly skilled departmental employees for purposes of skills transfer and succession.
- Engaging in learnerships for artisans, technicians and professionals in the built sector by making it mandatory for all enterprises employed by the Branch to absorb trainees engage in students' placements and participating in learnership at their own cost in order to create readily available skilled pool of built sector practitioners for the built sector industry.

The Branch Public Works have identified 77 major projects amounting to a total of R19,9 billion, that could be implemented and completed by 2014 and which could stimulate economic activity in the built sector, and by so doing contribute to the 6% growth rate

required in terms of ASGI-SA resulting in massive job creation, poverty reduction and development of skills and enterprises in the built sector. These projects comprise of:

- 60 new schools and eradication of maintenance backlog to the value R12,6 billion.
- 12 major new and upgraded hospitals and eradication of maintenance backlog to the value R6,3 billion.
- 4 regional offices and one head office block and eradication of maintenance backlog to the value R1billion.

It needs mentioning that these projects can only be implemented with the full co-operation of the client Departments and is subject to availability of financial resources.

Table 2: The Province's Property Portfolio by Department

State Owned Portfolio	Land				Buildings	
	Number of erven	Number vacant urban properties	Number of unutilised rural properties	Total number of hectares	Number of properties with buildings	Square Meters of building
Health Department	234	0	0	7 810	1 583	1 685 643
Education Department	2 977	0	0	220 521	8 876	4 964 358
Social Development Department	10	0	0	78	150	100 000
Other clients combined	1 640	0	0	69 573	1 723	395 944
Unutilised	696	395	395	18 420	0	0
Total	5 557	395	395	316 402	12 332	7 145 945

Table 3: The Province's Leased Portfolio by Department

Leased Portfolio	Land		Buildings		Cost to Government Annual
	Number of properties Leased	Total number of hectares	Number of buildings	Square Meters of building	
Health Department			28	12 142	R5,1m
Education Department			347	95 714	R40,2m
Social Development Department			20	17 857	R7,5m
Other clients combined			64	54 478	R22,881m
Unutilised			0		
Total			459	180 191	R75,681m

Table 4: The Condition of Government Buildings by Department

	Condition of State Owned Buildings (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very Poor		
Health Department	48	3%	392	24%	832	52%	316	20%	12	1%	1 600
Education Department	411	5%	1 790	20%	6 067	68%	520	6%	55	1%	8 843
Other Infrastructure	25	1%	462	25%	1 103	58%	267	14%	38	2%	1 895
Grand Total	484	4%	2 644	21%	8 002	65%	1 103	9%	105	1%	12 338

Table 5: The demand of new space by department

New Demand for Space	Number	Number of square metres	Planned Capital Expenditure		
			Base year 2005/06 R'000	MTEF 1 2006/07 R'000	MTEF 2 2007/08 R'000
Health Department	26	215 072	*		
Education Department	169	255 498	*		
Other:					
Agriculture	10	6 878	12 310	2 000	2 000
Social Development	3	4 475	4 500		
Other Infrastructure	27	21 600	23 811	57 311	57 311
Grand Total	235	503 523	40 621	59 311	59 311

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

4.2 Policies, priorities and strategic objectives

Table 6 provides strategic goals and strategic objectives for the Public Works Branch:

Table 6: Measurable Objectives for Programme 2: Public Works

<p>STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</p> <p>STRATEGIC OBJECTIVES:</p> <p>Ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and prescripts</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none"> • Conclude and manage the PSAIP. • Conclude and manage UA with client departments and others. • Conclude and manage user property portfolios with client departments and others. • Conclude and manage SDA's with client departments. • Participate in the development of sustainable integrated human settlements. • Compliance with CIDB regulations. • Compliance with the building industry bargaining council regulations. • Compliance with occupational health and safety.
<p>STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</p> <p>STRATEGIC OBJECTIVES:</p> <p>Accelerate infrastructure delivery and reducing infrastructure and maintenance backlog.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none"> • Education infrastructure. • Health infrastructure. • Other infrastructure.

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

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

STRATEGIC OBJECTIVES:

Public transport first.

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

Reduction of income poverty and unemployment.

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

4.3 Analysis of constraints and measures planned to overcome them

4.3.1 Sub programme: 2.1 - Programme support, 2.2 - Health, 2.3 - Education, 2.4 - Agriculture, 2.5 - Social Development and 2.7 - Other Infrastructure

The major challenge is to continuously find innovative solutions to optimising the economic returns on the provincial property portfolio, whilst at the same time achieving the Department's social and developmental objectives. In this process, user departments are provided with high quality infrastructure facilities and related services. The effective and efficient provision of these services will have a direct impact on the lives of the poor and marginalised.

The provision of accommodation and building infrastructure must occur within the context of the government's declared infrastructure-led growth trajectory of six percent, as well as the declared objective of significantly reducing unemployment (by 50%) by 2014. The National Growth and Development Strategy, iKapa Elihlumayo, Integrated Sustainable Rural Development and Urban Renewal, Sustainable Human Settlements, BEE principles and the White Paper on the Management of Provincial Properties, are some of the key policies that will direct the future utilisation of the provincial property portfolio.

- Sustainable development

The challenge is to meet client's needs in terms of the design, construction and operation of facilities to truly reflect the present and future needs of the clients/tenants and aspirations of stakeholders. This should take into account the need for improved quality and economic viability, as well as to have the flexibility to adapt to future circumstances. Furthermore there is a need to minimise the negative impacts on the natural environment. Extensive research and long term frameworks need to be adopted. The buy-in of all the personnel of the provincial government to reduce the standards in terms of energy consumption need to be obtained, in order to implement effective energy savings measures.

- Infrastructure and maintenance backlog

In order to redress the increasing backlog trend, a comprehensive Asset Maintenance Plan is being developed. More emphasis and attention must also be given to ensure that preventative maintenance takes place in accordance with the resource allocation for this purpose.

All new facilities have to be built with a preventative maintenance plan and resources have to be allocated for it during the life span of the infrastructure. The preventative maintenance cost starts at 2% of the replacement cost of the infrastructure during the first year and increases logarithmically up to 8% after 10 years.

For the existing backlog a measured objective is to aim for proper utilisation of the property portfolio done through a comprehensive analysis of the client departments' needs, focusing and reducing the backlog of infrastructure required and disposing of those that are not required.

- Increasing accommodation demands

Departments continue to restructure and expand without taking into account the resultant accommodation requirements and subsequent financial pressure on the existing budgets.

In addition, the following issues need to be highlighted in terms of office accommodation:

- A number of buildings have reached dates where mechanical components are no longer viable or serviceable and needs to be replaced.
- The expansion of information technology requirements further places demands on the building's capacity in terms of space, services and funding arrangements.

- Safety issues such as access control become ad-hoc and immediate requirements which must be handled as it is identified.
- SDA's with client departments

The rapid demographic changes occurring in the Western Cape and the internal structural re-organisation of some of the user departments have sometimes resulted in unavoidable changes in priorities by client departments.

Internal delays with regard to tender processes and project management constraints have also adversely affected project execution and effective budget in some instances.

The quality of the workmanship resulting from the infrastructure expenditure is also an area that receives constant attention. The quality of the services that are provided by staff and service providers alike are constantly measured and monitored with a view to adherence to the Batho Pele principles.

The Department has signed SDA's with the Departments of Health and Education, and it is finalising similar agreements with the rest of the provincial departments. The implementation of the service level agreement with user departments is aimed at addressing some of the service delivery constraints mentioned above.
- Scarce professional expertise

Public Works requires a high number of built environment professionals across the different fields. The current shortage of engineers, architects, quantity surveyors and town planners and the strong competition from the private sector for these skills, presents a significant recruitment and retention challenge that is difficult to meet.

The Department has implemented a strategy in order to address the matter. Full time bursaries have been offered to students in the building environment and there has been strong collaboration with the technicians regarding the issue of the experiential training or in-service training. The aim is to attract competent staff related to the building environment after the completion of their academic career. It is realised, however, that this is a long-term strategy that will not address the current shortage of skills.

The Department has also experienced a considerable brain drain of technical experts caused mainly by better remuneration offered by the private sector. One way to solve the problem is to be more competitive with the private sector and improve the remuneration packages to attract the necessary technical expertise.

Interaction with the professional bodies will need to take place to ensure that opportunities for the registration of potential professionals is maximised.
- CIDB compliance

Another challenge is to ensure that the Department, and the contractors used, achieve full compliance with all the CIDB criteria and ensure smooth implementation of the applicable contract documentation. This will ensure a more equitable treatment of contractors as well as simplification of contractual documentation for smaller contracts. It also remains a continuous challenge for the Department to improve on the safety conditions on site. Ongoing training is taking place in this regard.
- Shifting of infrastructure budgets to Health and Education Departments

The funding for infrastructure for the Departments of Health and Education is located within the budgets of the two respective departments with effect from the 2005/06 financial year, whilst the responsibility for the execution of the projects remains with this programme.

The staffing capacity in respect of Public Works in general remained virtually unchanged over the last few years notwithstanding the fact that the budgets for infrastructure increased substantially over the same period. This places enormous strains on the

human resource capacity within the programme to deliver. Notwithstanding this, the Department is on track with respect to infrastructure delivery.

An increase in the infrastructure funding allocation should be accompanied by a commensurate increase in funding to acquire sufficient human resource capacity to execute the relevant infrastructure projects.

Table 7: The Maintenance Backlog

Client	Number of Buildings in poor or very poor condition	Expenditure required to prevent further deterioration	Expenditure required to bring buildings to good condition	Actual Budget 2006/07
Health	328	R 330 m/ year	R1,560 billion	R72,442 m
Education	575	R250 m/ year	R900 m	R79,000 m
General	305	R50 m/ year	R100 m	R47,447 m
Total	1 208	R617 m/ year	R2,500 billion	R119,889 m

The operating expenditure required to keep office buildings in working condition increases yearly with the acquisition of rented buildings.

4.3.2 Sub programme: 2.7 - Property Management

- Ownership of properties

In terms of the vesting of state land (section 239 of the Interim Constitution of South Africa) 3403 properties have already been endorsed in the name of the Province. A further 987 properties must still be endorsed after the necessary approval has been obtained as well as the issuing of the certificates by the national Minister of Land Affairs.

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

- 36 Hospital Trustees properties;
 - 350 properties of former Model C Schools;
 - 200 disputed properties between National and the Province once the dispute has been settled;
 - 500 primary health care facilities from local authorities; and
 - Properties of forest exit areas from national Public Works.
- Optimal utilisation of properties

Provincial Strategic Accommodation and Infrastructure Plan:

In terms of the Government Immovable Asset Management Bill (Gazette 28135 of 14 October 2005) asset management plans must be developed which will guide and inform all immovable asset management decisions in the Province. The first phase of the plan has been completed. This entails the compilation of User Property Portfolios as well as the development of a new Deliberative Apportionment Model to allocate funding for maintenance and new capital needs. The second phase of the plan is still being developed and a service provider will be appointed to assist the Department to finalise the plan. This will entail the audit of the User Property Portfolio as well as the refinement of the Immovable Asset Management Plan for the Province and re-alignment of the different Departmental budgets with the plan. The development of this plan, as well as entering into UA and SDA's will further ensure optimal utilisation of the provincial property portfolio. A further 11 SDA's and 13 UA must still be entered into.

4.4 Description of planned quality improvement measures

- Enter into SDA's and UA's with all client departments.
- Build synergy between this department and other line function departments and role players.
- Appoint planning officers and core business portfolio managers to liaise directly with client departments to ensure better client relations and performance.
- Provide accessible and appropriate infrastructure facilities.
- Reduce asset poverty through the optimum provision, maintenance and management of the Provincial Property Portfolio.
- Render a professional, quality and reliable service to our client departments.
- Increase entry of HDI's into the construction environment.
- Reduce failure rate of service providers through the emerging contractor support program and access to information.
- Establish a competent and representative staff component.
- Finalise and maintain the PSAIP.
- Contribute to the implementation of the EPWP.

4.5 Specification of measurable objectives and performance indicators

The measurable objectives and performance indicators for the Public Works Branch are listed in Table 8.

In addition to these performance indicators the Branch through its Chief Directorate Works has implemented a pilot building preventative maintenance programme, where facilities are maintained on a continuous basis by the township and rural poor to prevent facilities from further degeneration and to create work opportunities for low skilled unemployed.

This programme creates approximately 2 000 job opportunities for a 12-month period at a cost of around R12 million. Three people are attached to a facility for a period of three days a week. It is hoped that this EPWP intervention will be substantially expanded in the future, as it has the potential of significantly contributing to job creation. The lack of a ring-fenced budget presents a risk to this program, as the funding for the program is located on the budgets of the departments of Health and Education.

A service level agreement will be entered into with the Cape Nature Conservation (a public entity) in order to assist them with the maintenance of the road infrastructure at the nature reserves in support of the EPWP.

Table 8: Programme 2: Public Works: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Output										
Conclude the PSAIP to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts	Completion of PSAIP (non-cumulative)	0	0	0	50%	70%	80%	90%	100%	0
	Receive departmental infrastructure plans (non-cumulative)	0	0	0	0	0	13	0	13	13
	Quarterly meeting with each client department (cumulative)	0	0	0	1	1	1	1	4	4
Conclude UA's with client departments and others to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts	Percentage compliance (non-cumulative)	0	0	0	50%	60%	70%	80%	100%	100%
Conclude user property portfolios with client departments and others to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts.	Percentage compliance (non-cumulative)	0	0	60%	70%	80%	100%	100%	100%	100%
Conclude SDA's with client departments to ensure alignment of infrastructure projects to provincial and national priorities and targets and prescripts.	Conclude 13 SDA's (non-cumulative)	0	0	2	11	0	0	0	0	0

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Participate in the development of sustainable integrated human settlements to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts. Compliance with CIDB regulations to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts. Compliance with building industry bargaining council regulations to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts. Compliance with occupational health and safety to ensure alignment of infrastructure projects to provincial and national priorities, targets and prescripts. Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of Education infrastructure.	Quarterly review meetings (cumulative)	0	0	2	2	3	3	3	3	3
	Quarterly meetings (cumulative)	0	0	1	1	1	1	1	1	1
	Percentage compliance (non-cumulative)	0	0	80%	100%	100%	100%	100%	100%	100%
	Percentage compliance (non-cumulative)	100%	100%	80%	90%	90%	90%	90%	100%	100%
	Percentage compliance (non-cumulative)	50%	40%	50%	60%	60%	60%	60%	80%	100%
	Plan projects (non-cumulative)			91	71	19	9	8	8	13

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of Health infrastructure.	Maintenance projects (non-cumulative)		572	250	105	105	70	4	250	250
	Construction projects (non-cumulative)		36	36	19	9	8	8	13	14
	Plan projects (non-cumulative)		117	158	153	111	45	10	247	261
	Maintenance projects (non-cumulative)		113	135	23	80	97	50	241	262
Reduce infrastructure and maintenance backlog by accelerating infrastructure delivery of other infrastructure.	Construction projects (non-cumulative)		18	36	23	37	36	37	39	35
	Plan projects (non-cumulative)		3	1	0	1	2	3	5	5
	Maintenance projects (non-cumulative)		407	278	50	50	100	100	275	300
	Construction projects (non-cumulative)		25	21	4	6	8	14	120	20

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Reduce infrastructure and maintenance backlog by optimising revenue from the sale of land and buildings	Number of properties sold (cumulative)	40	5	40	10	10	10	10	40	40
	Rand value of revenue from sale of land and buildings (cumulative)	R24m	R9m	R24m	R10m	R30m	R50m	R70m	R200m	R200m
Reduce infrastructure and maintenance backlog by optimising revenue from the rental of land and buildings	Number of properties leased out (non-cumulative)	750	750	750	750	750	750	750	650	700
	Rand value of revenue from rental of land and buildings (cumulative)	R18m	R18m	R26m	R5m	R5m	R5m	R5m	R18m	R20m
Reduce infrastructure and maintenance backlog by optimal acquisition (buy & lease) of land and buildings	Number of properties purchased (cumulative)	5	5	25	10	10	10	10	30	30
	Rand value of properties purchased (cumulative)	R8.2	R3.1m	R37m	R1m	R2m	R3m	R4m	R10m	R10m
	Number of properties leased in (non-cumulative)	450	450	450	460	460	460	460	470	470
	Rand value of properties leased in (cumulative)	R108m	R108m	R108m	R29m	R29m	R30m	R30m	R130m	R140m

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Reduce infrastructure and maintenance backlog by optimal utilisation of land and buildings	Number of properties inspected (cumulative)	2	2	30	20	20	30	30	300	400
	Number of properties evaluated (cumulative)	80	80	80	20	20	30	30	300	400
	Number of properties ennobled (cumulative)	10	10	10	10	10	10	10	50	60
Reduction of poverty and unemployment by creating jobs and work opportunities in order to attend to absolute poverty and the concerns of individuals locked in the second economy	Direct employment opportunities created in Health sector (per annum) (non-cumulative)	6 380	6 380	3 791	0	4 777	4 777	4 777	5 000	5 500
	Direct employment opportunities created in Education sector (per annum) (non-cumulative)	4 029	4 029	3 060	0	3 604	3 604	3 604	4 000	4 400
	Direct employment opportunities created in General sector (per annum) (non-cumulative)	1 650	1 650	1 513	0	1 564	1 564	1 564	1 800	2 000

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
	EPWP building preventative maintenance work opportunities to reduce poverty (per annum) (non-cumulative)	2 000	2 000	2 500	3 000	3 000	3 000	3 000	3 500	4 000
Providing learnership for artisans, tradesmen and built sector professionals in the Health infrastructure environment	Tradesmen (per annum) (non-cumulative)	0	0	250	250	250	250	250	250	250
	Professional (per annum) (non-cumulative)	0	0	250	250	250	250	250	250	250
Providing learnership for artisans, tradesmen and built sector professionals in the Education infrastructure environment	Tradesman (per annum) (non-cumulative)	0	0	250	250	250	250	250	250	250
	Professional (per annum) (non-cumulative)	0	0	250	250	250	250	250	250	250
Providing learnership for artisans, tradesmen and built sector professionals in the General Building infrastructure environment	Tradesman (per annum)	0	0	100	100	100	100	100	100	100
	Professional (per annum) (non-cumulative)	0	0	50	50	50	50	50	50	50

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Providing learnership for artisans, tradesmen and built sector professionals in the Property Management environment	Property Management (per annum) (non-cumulative)	0	0	1	3	3	3	0	1	1
Increased participation of BEE enterprises and black professional service providers in the mainstream built sector	Percentage of tenders to BEE (non-cumulative)	80%	81%	80%	50%	50%	50%	50%	60%	70%
	Percentage of tenders to women (non-cumulative)	40%	47%	48%	45%	45%	45%	45%	50%	50%
	Percentage of quotations to BEE (non-cumulative)	80%	84%	85%	80%	80%	80%	80%	80%	80%
	Percentage of quotations to women (non-cumulative)	50%	52%	55%	50%	50%	50%	50%	50%	50%
	Professional Service Providers Women (non-cumulative)	50%	63%	60%	50%	50%	50%	50%	50%	50%
	Conduct information sessions for BEE entrepreneurs (cumulative)	0	0	0	1	1	1	1	4	4

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Fill all vacant posts with a skilled, qualified, competent and representative personnel complement and capacitate all Branch personnel in various skills appropriate to their fields of specialisation, in order improve, efficiency, effectiveness, and representivity within the Public Works Branch and transform the Department.	Percentage increase in filling of vacant posts of 399 posts.			329 [83%]	85%	90%	95%	100%		
	Percentage increase in representivity:									
	African			15%	16%	20%	22	25%		
	Coloured			61%	60%	55%	54	49%		
White			23%	23%	24%	23	25%			
Indian			1%	1%	1%	1%	1%			
	Number of skills training sessions to be held			5	3	3	3	3		3
Provide technical assistance in the design and management of public transport building infrastructure	Number of public transport infrastructure technical input and designs conducted	0	0	0	3	0	3	12	22	

4.6 Reconciliation of budget with plan

The provision for 2006/07 for the programme as a whole has grown by 16,09 per cent compared to the main appropriation for 2005/06, but decreased by 6,12 per cent compared to the revised estimates for 2005/06. Based on the main appropriation for 2005/06, the programme shows a steady growth of 42,37 per cent over the MTEF. The provision for payments of capital assets has grown by 12,97 per cent compared to the main appropriation for 2005/06, while current payments has increased by 3,94 per cent and transfer payments have increased by 27451,38 per cent.

Table 9: Nominal Expenditure on Programme 2:

Programme 2: Public Works	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%)¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%)²
2.1. Programme support	20 617	22 930	33 449	27.4%	31 884	35 061	49 196	13.7%
2.2 Health	9 495	11 059	12 935	16.7%	13 742	14 531	15 304	5.8%
2.3. Education	9 322	10 814	11 914	13.1%	15 857	16 814	17 725	14.2%
2.4. Agriculture	16 385	19 467	14 310	(6.5%)	8 930	4 000	4 000	(34.6%)
2.5. Social development	16 737	4 478	7 500	(33.1%)	3 000	3 000	3 000	(26.3%)
2.6. Other infrastructure	110 845	94 954	69 144	(21.0%)	119 077	124 304	161 576	32.7%
2.7. Property management	166 458	110 634	135 428	(9.8%)	138 006	138 735	154 500	4.5%
Total programme 2:	349 859	274 336	284 680	(9.8%)	330 496	336 445	405 301	12.5%

1. Average annual change between year –2 and base year.

2. Projected average annual change between base year and year 3

5 Programme 3: Roads Infrastructure

5.1 Situational Analysis

The Roads Infrastructure Programme is responsible for the proclaimed rural road network within the Western Cape Province consisting of 6 322km of surfaced roads, 10 294km of unsurfaced roads and approximately 17 000km of mainly unsurfaced minor roads. The estimated asset value of the surfaced road network is R11,3 billion. Taking appropriate standards into account the total capital maintenance and rehabilitation backlog is estimated at R2,573 billion. The average budget of the Programme over the MTEF period is R1,233 billion. The result is that the condition of the road network will continue to deteriorate and the routine maintenance portion of the budget will continue to grow to the detriment of capital spending.

The following impacts on the road infrastructure environment:

- Preparation for the 2010 FIFA World Cup.
- Infrastructure spending has spin-offs in terms of the generation of domestic supply industries, small business development and empowerment.
- Rapidly growing tourism in South Africa.
- Deep-seated inequalities, poverty and unemployment. The challenge is to reduce unemployment and inequality by half in the second decade.
- The price of moving goods and services over distance is higher than it should be. The challenge is to improve efficiency through reducing the cost of business.
- Growing gross fixed capital formation in roads infrastructure.
- Backlog in transport infrastructure and freight logistics, as well as imbalances between road and rail that undermines export opportunities and domestic freight transport.
- Lack of sufficient professionals such as engineers, project managers and artisans. The shortage of skills particularly in the built environment continues to make it difficult for the branch to fill vacancies and to attain its employment equity targets. For this reason the branch has developed a comprehensive recruitment and training programme for engineers and technicians, which will facilitate the registration of professionals.
- Market dominance by private monopolies that charge high prices.
- Building on the progress made in the implementation of the EPWP programme.
- Alignment of roads infrastructure planning with IDP's of municipalities.
- Unavoidable annual flood damage causes reprioritisation of and delays in the delivery of planned projects in order to meet the rapid increase of outputs in relation to emergency flood damage repairs.

Table 10: Critical Vacancies and Supernumeraries

Sub-programme	Managerial Positions SMS		Professional and Technical Positions		Other Positions		Supernumeraries
	No. of posts	Vacant Posts	No. of posts	Vacant Posts	No. Of posts	Vacant Posts	
Programme support	3	1	10	2	46	10	0
Planning	1	0	11	8	6	3	0
Design	1	0	66	26	33	17	0
Maintenance	0	0	29	13	660	118	0

5.2 Policies, priorities and strategic objectives

The top priority for Roads Infrastructure is to support the growth and development strategy, iKapa Elihlumayo of the Western Cape and work opportunity and skills development goals of the EPWP. To support the above special attention will be given to standards, integrated planning, project prioritisation, enabling legislation, devolution of certain categories of roads, capacity building, and BEE and SMME development, within the road construction and maintenance industry. Roads Infrastructure contributes directly to the economic infrastructure of the Province, and therefore this Branch will have to make a significant contribution to the further development and implementation of the SIP.

Table 11: Strategic Objectives for Programme 3: Roads Infrastructure

<p>STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</p> <p>STRATEGIC OBJECTIVES:</p> <p>Road infrastructure delivery that supports iKapa Elihlumayo lead strategies.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none"> • Integration of transport into broader provincial and local development plans to ensure a better modal split in favour of public transport, improved traffic safety, reduced transport costs, enhanced mobility and accessibility. • Protection of the roads asset base.
<p>STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</p> <p>STRATEGIC OBJECTIVES:</p> <p>Road infrastructure delivery aligned to the SIP.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none"> • Protection of the roads asset base through the upgrading and rehabilitation of the provincial road network. • Reduced constraints to economic growth through improved road safety, reduced transport costs and improved access and mobility.
<p>STRATEGIC GOAL 3: Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</p> <p>STRATEGIC OBJECTIVES:</p> <p>Public transport first.</p>

MEASURABLE OBJECTIVES:

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

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

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

MEASURABLE OBJECTIVES:

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

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

Road infrastructure delivery through the application of EPWP principles.

MEASURABLE OBJECTIVES:

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

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

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

MEASURABLE OBJECTIVES:

- Reduction in the number of vacancies within Roads Infrastructure Branch.
- Increased representivity within top structure (Level 11 upwards).

STRATEGIC GOAL 7: Ensure that BBBEE is realised**STRATEGIC OBJECTIVES:**

BEE participation in road infrastructure procurement.

MEASURABLE OBJECTIVES:

- Increased participation by BEE service providers.

5.3 Analysis of constraints and measures planned to overcome them

The lack of both human and financial resources remains the most serious constraint. As a result, special emphasis is being placed on training of staff at all levels. An Engineer and Technician practical training programme has also been introduced.

Integrated Planning will be strengthened through the continued improvement of IDP's, Integrated Transport Plans, and the development of the SIP.

The backlog in road maintenance and rehabilitation is already partly being addressed through the increasing share of the budget being allocated for roads infrastructure through earmarked funds.

BEE will continue to be pursued through increased opportunities for preferential procurement and for emerging contractors in the maintenance of roads.

The capacity constraints at district municipalities, the department's agents for the maintenance of gravel roads, are in the short term being addressed through increased use of the private sector.

The high levels of unemployment and low levels of skills are being addressed through the implementation of the EPWP principles.

5.4 Description of planned quality improvement measures

High quality control and information management systems continue to ensure that appropriated funds are optimally utilised.

5.5 Sub programme 3.2: Planning

5.5.1 Situational Analysis

The Planning Sub-programme handles road network and integrated developmental planning issues in both rural and urban areas in either leading or supportive participatory capacity, makes recommendations on road proclamation proposals, conducts feasibility studies and conceptual planning of road projects and assesses proposed changes in land use. Policy development and drafting of transport and road-related legislation is also dealt with.

Continual alignment of activities with the SIP so as to achieve maximum impact with the implementation of projects, takes place.

5.5.2 Policies and priorities

The Planning Sub-programme is responsible for the development of overarching policies and assists, through co-ordinating processes, in the setting of priorities for the Branch as a whole. Current objectives for the section include the finalisation of various pieces of draft legislation, concluding a number of proposed regional road network studies and assisting the Programme Roads Infrastructure with investigations into the devolution of certain classes of road to local authorities. Capacity building within "Emerging" Consulting Engineering firms remains a top priority.

5.5.3 Analysis of constraints and measures planned to overcome them

The lack of qualified and experienced personnel has been a source of concern for some years and this is being exacerbated by the retirement of senior staff. Posts have been and will be advertised and efforts to train junior staff will be intensified. However, the retention of the services of suitably qualified and experienced consulting engineers is the only short-term solution to the problem and every effort will be made to ensure continuity of service provision.

5.5.4 Description of planned quality improvement measures

Service delivery improvements will be enhanced through the outsourced training of personnel and the retention of suitably qualified and experienced consulting engineers until posts can be appropriately filled.

5.5.5 Specification of measurable objectives and performance indicators

Table 12: Sub programme 3.2: Planning: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Input										
Planning as % of Programme 3 budget	Percentage	3.7%	4.0%	3.1%				2.6%	3.0%	2.9%
Output										
Provincial land transport framework	Percentage complete			50%		100%			100%	100%
Drafting transport legislation	Number of pieces of legislation finalised		0	3				2	3	0
Development applications/ land use proposals	Percentage dealt with on time (non-cumulative)	95%	95%	98%	98%	98%	98%	98%	98%	98%
Reduction in the number of vacancies within the Planning section	Percentage of vacant posts (non-cumulative)			60%	55%	50%	45%	40%	30%	20%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total (non-cumulative)			0%	0%	0%	8%	8%	8%	8%
	Percentage women employed versus total (non-cumulative)			33%	12%	12%	20%	20%	20%	20%
Implementation of TRAC within each district municipality	Number of district municipalities covered (non-cumulative)			1	2	3	4	5	5	5
Accredited professional training programme for the professional training of graduates	Number of graduates on accredited training programme per annum (non-cumulative)			0	7	7	7	7	14	21
Road planning and design done by consultants with majority black equity in order to increase participation by Black service providers	Percentage of total number of appointments	40%	58%	50%	50%	50%	55%	55%	60%	65%

5.6 Sub programme 3.3: Design

5.6.1 Situational Analysis

The main aims of this Sub-programme are to ensure that appropriate engineering design standards are maintained on provincial proclaimed roads, to provide design documentation for infrastructure projects and to provide technical support services for the professional engineering component of the Roads Infrastructure Programme. The designs for all projects to be implemented by contract are outsourced.

The number of designs required is limited by the budget available for implementation of projects. The infrastructure budget is such that the design need can normally be met.

5.6.2 Policies and priorities

The priorities of the Programme Roads Infrastructure are aimed at preserving the existing road network. The objective of the Design Sub-programme is to minimise total transportation cost, i.e. to optimise infrastructure and road user cost in such a manner that the total cost to the economy is minimised, while at the same time minimum infrastructure standards are maintained.

Through the design of road infrastructure projects the need for maximization of work opportunities and skills development will be addressed.

5.6.3 Analysis of constraints and measures planned to overcome them

There is a severe skills shortage in the technical field of civil engineering and therefore the Programme is registering a coherent training programme for engineers and technicians with the appropriate professional associations. Current staff will undergo special training in LIC in order that designs produced by this Programme promote the objectives of the Expanded Public Works Programme.

5.6.4 Description of planned quality improvement measures

Through utilising improved management information systems, it is aimed to optimise project selection. Norms and standards are regularly reviewed to ensure best practices and innovative solutions are followed. Promoting co-operative governance through forums also ensure a better adherence to consistent design standards throughout the Province.

5.6.5 Specification of measurable objectives and performance indicators

Table 13: Sub programme 3.3: Design: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Input										
Design as % of Programme 3 budget	Percentage	6.6%	8.0%	7.5%				4.9%	6.7%	6.4%
Output										
Road designs completed	Number per quarter (cumulative)	12	38	2	2	2	2	2	19	10
Reduction in the number of vacancies within the Design Section	Percentage of vacant posts (non-cumulative)			27%	19%	18%	17%	16%	10%	5%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total (non-cumulative)			0%	8%	8%	8%	8%	7%	14%
	Percentage women employed versus total (non-cumulative)			0%	0%	0%	0%	0%	7%	7%
Road planning and design done by consultants with majority black equity in order to increase participation by Black service providers	Percentage number of appointments (non-cumulative)			50%	50%	50%	55%	55%	60%	65%

5.7 Sub-programme 3.4: Construction

5.7.1 Situational analysis

The budget has been increased to a minimum of R1 billion through earmarked funding due to the focus that has been placed on accelerating infrastructure delivery in the country. This funding will be utilised for both large-scale projects, as well as projects which have been identified as being undertaken as part of the EPWP.

The implementation of the SIP will lead the way to prioritise construction projects for execution over the next MTEF period.

5.7.2 Policies and priorities

The recent introduction of the National Environment Management Act, Occupational Health and Safety Act and the Preference Procurement Policy Framework Act has had a profound impact on current practices.

5.7.3 Analysis of constraints and measures planned to overcome them

The increased time taken to obtain environmental impact “records of decision” has resulted in projects being started later than anticipated. The Programme has thus brought forward the planning and design programmes (in the case of rehabilitation work, this may, in turn result in some design work having to be redone).

The increased time taken to obtain approvals for the creation of borrow-pits has resulted in contractors being unable to prospect for alternative sources of materials and materials are then sourced from commercial providers, increasing cost vastly. There is no remedy for this.

Late registration by contractors in the relevant categories of CIDB requirements constrains delivery.

5.7.4 Description of planned quality improvement measures

All construction activities are subjected to vigorous testing and supervision against accepted national standards.

5.7.5 Specification of measurable objectives and performance indicators

Table 14: Promotion of SMME's and BEE through capital expenditure on roads

Major projects > R10m	Total Cost of project R'000	Target for SMME's participation R'000	Target for BEE participation R'000	Planned Start date	Planned End date
C682 Potsdam	74 000	11 000	26 000	2006	2008
C415.2 Saldanha – TR77	50 000	8 000	18 000	2006	2009
C776.1 Bredasdorp – Gansbaai phase 1	90 000	14 000	32 000	2006	2008
C776.2 Bredasdorp – Gansbaai phase 2	120 000	18 000	42 000	2006	2008
C842 Pakhuis Pass	38 000	6 000	13 000	2006	2008
C836 Cistrusdal Paleisheuwel	35 000	5 000	12 000	2006	2008
C848 Citrusdal	17 000	3 000	6 000	2006	2008
C783 Algeria road	28 000	4 000	10 000	2006	2008
C788 Marcuskraal road	16 000	2 000	6 000	2006	2007
C498.2 Stellenbosch Arterial phase 2	28 000	4 000	10 000	2006	2007
C527.4 Mount Pleasant - Hermanus	30 000	5 000	11 000	2006	2007
C733 Somerset West – Sir Lowrys Pass phase 1	115 000	17 000	40 000	2006	2009
C377.11 George – Outeniqua Pass	72 968	11 000	26 000	2006	2007
C637 Paarl – N1 DR1118	42 376	6 000	15 000	2006	2007
C635 Piketberg - Citrusdal	23 863	4 000	8 000	2006	2007
C707.3 Rehab N1	17 682	3 000	6 000	2006	2007
C569 Viljoenshoop road	13 000	2 000	5 000	2006	2007
C707.5 Rehab N1 phase 2	64 000	10 000	22 000	2006	2007
C708.5 Rehab N2	22 313	3 000	8 000	2006	2007
C708.6 Rehab N2 phase 2	68 000	10 000	24 000	2006	2007
C636 Wellington - Hermon	122 000	18 000	43 000	2006	2007
C708.7 Rehab N2 phase 3	90 000	14 000	32 000	2006	2009
C708.8 Rehab N2 phase 4	36 000	5 000	13 000	2006	2007
C552 Malmesbury - Hermon	40 000	6 000	14 000	2006	2007
C586 Pniel - Simondium	22 000	3 000	8 000	2006	2008
C838 Caledon – Hemel-en-Aarde	45 000	7 000	16 000	2007	2009
C846 Plettenberg Bay	20 000	3 000	7 000	2008	2009
C650 Elandsbaai - Lambertsbaai	35 000	5 000	12 000	2008	2009
C733.1 Somerset West – Sir Lowrys Pass phase 2	90 000	14 000	32 000	2008	2009
C706 Koeberg i/c	176 000	26 000	62 000	2008	2009
C794.1 White Bridge - Knysna	28 000	4 000	10 000	2008	2009
C634 Nuwekloof - Wolseley	58 000	9 000	20 000	2008	2009
C638 TR24/1 – TR1 1/2 Moorreesburg	26 000	4 000	9 000	2008	2009
C747.2 Worcester - Bainskloof	53 000	8 000	19 000	2008	2009
C816 Plettenberg Bay	20 000	3 000	7 000	2008	2009
C500.2 Mossel Bay safety phase 1	12 000	2 000	4 000	2006	2008

Major projects > R10m	Total Cost of project R'000	Target for SMME's participation R'000	Target for BEE participation R'000	Planned Start date	Planned End date
C546.2 Stellenbosch – Somerset West Bredell & Stellenrust i/s	20 000	3 000	7 000	2007	2009
C707 N1 streetlights	22 000	3 000	8 000	2007	2008
C500.21 Mossel Bay safety phase 2	28 000	4 000	10 000	2008	2009
Total other projects <R10m	171 773	26 000	60 000	2006	2009

Table 15: Sub programme 3.4: Construction: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Input										
Construction as % of Programme 3 budget	Percentage.	19.92%	24.0%	33.2%				42.9%	43.1%	42.2%
Output										
Gravel roads upgraded to surfaced roads	Number of km.	3	10	12				50	50	50
Rehabilitation of surfaced roads	Number of km.	54	69	56				66	65	60
Improve safety, road user costs and access and mobility	Projects completed			12	4	3	3	3	28	23
Reduction in the number of vacancies within the Construction Section	Percentage of vacant posts (non-cumulative)			28%	28%	28%	14%	14%	0%	0%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total (non-cumulative)			0%	0%	0%	12%	12%	12%	12%
	Percentage women employed versus total (non-cumulative)			0%	0%	0%	0%	0%	11%	11%
18.2 Learnerships	Number (cumulative)	9	9	330	80	80	75	75	330	330
Road contract documents supportive of EPWP principles	Percentage compliant (non-cumulative)			50%	50%	50%	75%	75%	80%	90%
Employment contracts	Number of person days per quarter (cumulative)	Not available	70 741	1 200 000	300 000	300 000	300 000	300 000	1 200 000	1 200 000
Exposure of learners to road contracts to improve maths and science education at schools	Percentage of contract documents that include conditions of contract that enforces the exposure to learners			0%	100%	100%	100%	100%	100%	100%

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Road construction done by black contractors to increase participation by Black service providers	Percentage value of work (non-cumulative)	30%	44.7%	50%	50%	50%	50%	50%	60%	60%

5.8 Sub programme 3.5: Maintenance

5.8.1 Situational Analysis

According to the visual condition index the overall condition of the surfaced network dropped from 71% to 67% since 2001. This is the latest information that is available. 570km (9%) of surfaced roads are in a poor or very poor condition and 2 071km (32%) in a fair condition. 92% of the pavements are 17 years and older.

The gravel road network has 5 851 km (57%) in poor or very poor condition. The average gravel thickness decreased by 32 mm over 5 years to only 31 mm in 2002 compared to the norm of a minimum of 50mm. This is the latest information that is available. Currently 7 600 km (73%) of the gravel network has potential passibility problems requiring R998 million to regravell.

An ever-increasing component of available funds will have to be allocated for routine maintenance, drawing funds away from preventative maintenance, rehabilitation and reconstruction.

The shift to maintenance contracts and implementation of the EPWP creates the opportunity for sustainable job creation, BEE and SMME development.

Table 16: Condition of road infrastructure by region

Region of Province	Condition of infrastructure (km's or number)					Total km's or total no.
	Very Good	Good	Fair	Poor	Very Poor	
Oudtshoorn District Office (Central Karoo District Municipality and Eden District Municipality)						
Highways						
Surfaced roads (excluding highways)	330.27	922.74	629.87	61.19	0	1 944.07
Gravel roads	20.76	833.56	2 196.06	1 986.82	569.11	5 606.31
Unsurfaced dirt roads						
Bridges with span > 2 metre						
Paarl District Office (Overberg District Municipality and Boland District Municipality)						
Highways						
Surfaced roads (excluding highways)	748.23	1 025.80	590.24	133.59	22.98	2 520.84
Gravel roads	5.80	213.51	887.11	1 262.71	413.62	2 782.75
Unsurfaced dirt roads						
Bridges with span > 2 metre						
West Coast District Municipality						
Highways						
Surfaced roads (excluding highways)	334.05	470.61	630.52	368.32	80.24	1 883.74
Gravel roads	10.33	88.06	892.2	1 040.86	188.68	2 220.13
Unsurfaced dirt roads						
Bridges with span > 2 metre						
Total Whole Province						
Highways						
Surfaced roads (excluding highways)	1 412.55	2 419.15	1 850.63	563.10	103.22	6 348.65
Gravel roads	36.89	1 102.49	3 820.18	4 193.69	1 112.49	10 265.74
Unsurfaced dirt roads						17 000
Bridges with span > 3 metre						2 200

5.8.2 Policies and priorities

The priority is the preservation of the assets. The surfaced road network being the top priority with an asset value of R11,3 billion. With the current funding the proportion of surfaced roads in a poor and very poor condition will fluctuate between 20% and 40% over the next 15 years.

5.8.3 Analysis of constraints and measures planned to overcome them

The level of experience of maintenance contractors as well as in-house staff remains a challenge to be overcome.

Table 17: Maintenance backlogs for roads infrastructure by region

Region of Province	Current maintenance backlog per annum	Actual maintenance expenditure		
		2003	2004	2005
Total for province	891 000	291 583	405 938	514 516

5.8.4 Description of planned quality improvement measures

Quality is improved by investing in maintenance management systems, the training of our staff and the sustainable contracting out of road maintenance activities to develop skills in the private sector.

5.8.5 Specification of measurable objectives and performance indicators

In addition to 99.5% of the routine maintenance contracts being awarded to companies with HDI equity, provision is made in periodic maintenance contracts for the participation of SMME and BEE Sub-contractors as detailed in Table 20 below.

Table 18: Promotion of SMME's and BEE through maintenance expenditure on roads

	Total Cost of project R'000	Target for SMME's participation R'000	Target for BEE participation R'000	Planned Start date	Planned end date
Reseal (surfaced roads)	366 722	55 000	128 000	2006	2009
Regravel	371 893	56 000	130 000	2006	2009
Total other projects	108 547	16 000	38 000	2006	2009

Table 19: Sub programme 3.5: Maintenance: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Input										
Maintenance as % of Programme 3 budget.	Percentage.	67.84%	62.2%	54.5%				48.4%	46.0%	47.2%
Output										
Reseal tarred roads	Number of km (cumulative)	379	682	364			148	200	368	368
Re-gravel roads	Number of km (cumulative)	420	661	575	110	110	220	220	660	660
Routine maintenance	Number of km (cumulative)	34 000	34 000	34 000	9 000	8 000	8 000	9 000	34 000	34 000
Reduction in the number of vacancies within the Maintenance sub-directorate	Percentage of vacant posts (non-cumulative)			41%	33%	33%	25%	25%	9%	0%
Increased representivity within the top structure (level 11 upwards)	Percentage Black employed versus total (non-cumulative)			0%	12%	12%	11%	11%	18%	25%
	Percentage women employed versus total (non-cumulative)			0%	0%	0%	11%	11%	18%	16%
18.2 Learnerships	Number	3	37	30				45	45	45
Road contract documents compliant with EPWP principles	Percentage compliant (non-cumulative)			70%	80%	80%	80%	80%	100%	100%
Employment contracts providing employment opportunities within the Roads infrastructure programme	Number of person days per quarter (cumulative)	202 522	465 682	400 000	100 000	100 000	100 000	100 000	500 000	500 000
18.1 Learnerships for the training of staff as artisans and operators	Number (cumulative)			0	25	25	25	25	100	100

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Routine maintenance done by black contractors in order to increase participation by black service providers	Percentage value of work (non-cumulative)	60%	99.25%	90%	90%	90%	90%	90%	95%	95%

5.9 Reconciliation of budget with plan

The provision for 2006/07 for the Programme as a whole has grown by 27,78 per cent compared to the main appropriation for 2005/06 or 27,17 per cent compared to the revised estimates for 2005/06. Based on the main appropriation for 2005/06, the programme shows a steady growth of 42,42 per cent over the MTEF. The provision for payments of capital assets has grown by 31.89 per cent compared to the main appropriation for 2005/06, while current payments has increased by 17,72 per cent and transfer payments have increased by 36,30 per cent.

The priority for expenditure remains on the routine and periodic maintenance of the existing road network. However, during this MTEF period the significant increase in the budget has been allocated to the rehabilitation/ upgrading of elements within the network in support of iKapa Elihlumayo through the unlocking of constraints to potential economic growth in identified locations.

Table 20: Nominal Expenditure on Programme 3:

Programme 3: Roads Infrastructure	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%)¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%)²
3.1. Programme support	12 106	11 805	15 713	13.9%	15 229	15 508	16 594	1.8%
3.2. Planning	23 702	25 810	26 952	6.6%	31 465	35 760	38 894	13.0%
3.3. Design	32 285	52 515	46 774	20.4%	57 815	79 650	85 055	22.1%
3.4. Construction	167 082	156 631	325 029	39.5%	508 378	515 324	558 438	19.8%
3.5. Maintenance	291 583	405 938	514 516	32.8%	574 166	550 621	624 101	6.6%
Total programme 3:	526 758	652 699	928 984	32.8%	1 187 053	1 196 863	1 323 082	12.5%

1. Average annual change between year -2 and base year.

2. Projected average annual change between base year and year 3.

6 Programme 4: Public Transport

6.1 *Situational analysis*

According to the 2003 NHTS, there are roughly 1.6 million daily trips to work in the Province as a whole. Of these, the vast majority (over 1 million) is made in the City of Cape Town. 36 per cent of the trips are made by public transport, a total of 574,000 trips. More than half of the public transport trips (253,000) are made by minibus taxi. Bus travel accounts for about 98,000 of the public transport trips and train trips amount to 240,000.

Walking plays an important role in the districts, accounting for over 50 per cent of all work trips in the West Coast, Overberg and Central Karoo. Other modes such as truck and bakkie are fairly common in the district accounting for nearly 20 per cent of all work trips in the West Coast and Overberg Districts.

When comparing trips by public transport, private transport and non-motorised transport, the following notable features emerge:

- Non-motorised transport accounts for 21 per cent of all trips to work (341,000) ranging from a low 8 per cent in Cape Town to a high of 58 per cent in the Central Karoo;
- Over 677,000 work trips in the Province are made by private transport, but there is less variability between municipalities ranging between 48 per cent in Cape Town and a low of 37 per cent in Overberg;
- The range of public transport use varies between 48 per cent in Cape Town down to 5 per cent in Central Karoo;
- In the Western Cape as a whole there are 574,000 trips to work by public transport;
- Local municipalities with the highest proportion of public transport trips are George (39%), Drakenstein (28%), Overstrand (24%), Stellenbosch (23%) and Mossel Bay (23%) and those with the lowest include Cederberg, Swellendam, Langeberg, Berg River, Breede Valley and Matzikama – all under 5 per cent;
- The range of public transport use in Cape Town varies from a high of 86 per cent in Khayelitsha to a low of 3 per cent in Durbanville.

Other statistics from the NHTS prove that the current public transport services being provided for people of the Western Cape are far from being the systems needed to support growth and development. The most common problem is that public transport is either not available or inaccessible, i.e. too far away. This problem is particularly prevalent in the West Coast (46%) and the Central Karoo (56%). Other problems include poor public transport levels of service, lack of access to services and community facilities and amenities, long travel times, high cost, lack of modal integration.

By far the most concerning complaint is the lack of safety when accessing and travelling on any mode of public transport be it taxi, bus or train. Unroadworthy vehicles and unsafe driving is a concern for passengers utilising minibus taxis, while commuters using the bus services are generally dissatisfied with the infrastructure provided at stops and their safety while traveling to the stops. Rolling stock and signals in the rail network continue to deteriorate due to little or no investment over the last few years, leading to overcrowding on the trains with the resulting safety and security risks.

However, given the above negative elements of the system, there are a few positive aspects which need to be highlighted and built upon when improving the system. Such positives include the priority focus which is placed on public transport by Provincial Cabinet, that there is an extensive rail network in the metropolitan area (which if maintained properly could drastically improve the attractiveness of this mode), the impetus which the hosting of 2010 FIFA World Cup gives to providing a vastly improved system, an already extensive amount of

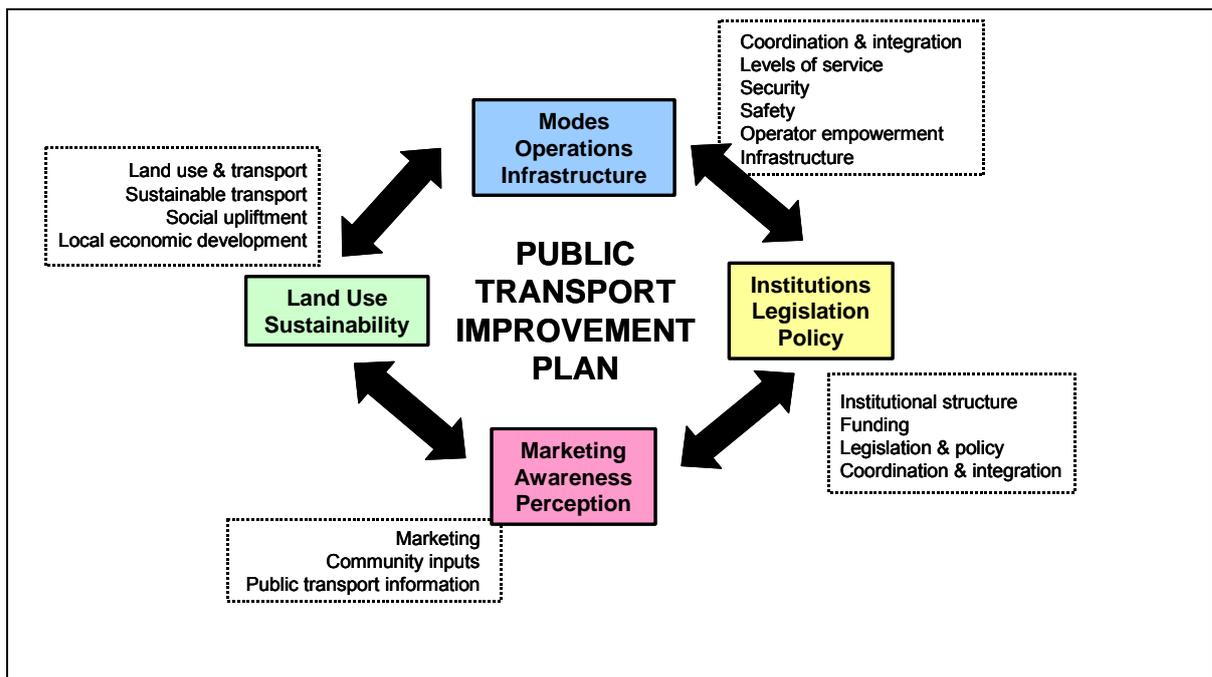
public transport infrastructure in the metropolitan area, as well as the opportunities which are available to use public transport to assist in restructuring our urban spaces.

6.2 Policies, priorities and strategic objectives

Transforming the public transport system in the Western Cape is imperative in supporting the ASGI-SA and provides the basis for the Provincial Growth and Development Strategy. All elements thereof, i.e. the Micro-Economic Development Strategy, the Provincial Spatial Development Framework, the Social Capital Formation Strategy, as well as the SIP, identify the critical role public transport has to play in supporting economic and social development, lowering the cost of doing business (i.e. improve efficiency) and providing a sustainable alternative to private vehicle travel.

The Public Transport Improvement Programme, drafted during 2005/06 provides the overarching framework within which all public transport initiatives will be undertaken over the next ten years. The diagram below shows the four pillars of the Public Transport Improvement Programme of Modes, Operations, Infrastructure; Institutions, Legislation, Policy; Land Use, Sustainability; and Marketing, Awareness, Perception. It further outlines the key elements contained within each pillar.

This Improvement Programme will derive information from and give guidance to the municipal Public Transport Plans in terms of the Provincial vision and priorities for the next 5 to 10 years.



The roll-out of the restructured scheduled subsidised public transport services is to begin in May 2006, with the first contract packages being tendered in the City of Cape Town. In the George municipal area, services will be tendered within the 2006/07 financial year. In support of public transport operations in the Western Cape, the Branch will establish a Public Transport Authority during the MTEF period to design, monitor and guide these operations. Such an authority will require enabling legislation to be drafted and buy-in from all the relevant stakeholders.

Table 21: Measurable Objectives for Programme 4: Public Transport

<p>STRATEGIC GOAL 1: Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</p> <p>STRATEGIC OBJECTIVES:</p> <p>Integration of public transport into broader provincial and local development plans to ensure improved safety, reduced environmental costs, enhanced mobility and accessibility.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none">• Approval of Statutory Plans, in terms of Section 24(4)(b) of the National Land Transport Transition Act, 2000 (Act 22 of 2000).• Adoption of the draft Provincial Non-motorised Transport Strategy.• Adoption of Provincial Special Needs Passenger Transport Policy.
<p>STRATEGIC GOAL 2: Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</p> <p>STRATEGIC OBJECTIVES:</p> <p>To stimulate economic growth and social development through the provision and maintenance of public transport infrastructure.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none">• Develop and maintain public transport infrastructure as contained within the Departmental Infrastructure Plan (as per DORA).
<p>STRATEGIC GOAL 3: Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</p> <p>STRATEGIC OBJECTIVES:</p> <ul style="list-style-type: none">• Ensure safer public transport vehicles, infrastructure and operations.• Implementation of an integrated public transport system in the City of Cape Town.• Attract private vehicle users to the public transport system. <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none">• Ensure compliance with the recapitalisation safety specification.• Develop and implement safety guidelines for public transport infrastructure.• Improve accessibility of vehicles, infrastructure and services for special needs users.• Develop marketing and awareness campaigns to attract private vehicle users to the public transport system.• Train and develop the skills of public transport drivers, operators, etc to improve the levels of customer service.• Phasing in restructured public transport contracts in line with mobility strategies e.g. the City of Cape Town and George Municipal areas.
<p>STRATEGIC GOAL 4: Facilitate and develop the skills required for infrastructure-led economic growth.</p> <p>STRATEGIC OBJECTIVES:</p> <p>To improve the capacity of government and operators to deliver the public transport function.</p> <p>MEASURABLE OBJECTIVES:</p> <ul style="list-style-type: none">• Implement skills development courses for officials and public transport operators.• Establish a public transport academy for officials and individuals involved in providing public transport.

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

6.3 Analysis of constraints and measures planned to overcome them

Fragmentation of the public transport function across all three spheres of government continues to create an environment in which implementation of an integrated public transport system is problematic. However, the proposal to create a Public Transport Authority with representation from all three spheres of government including certain local municipalities, as well as the other social partners, i.e. labour, civil society and business, aims to overcome this obstacle.

A further constraint to improving the functioning of public transport is the lack of approved municipal PTP's throughout the Western Cape. 2006/07 financial year is to be a year of consolidation, in which plans will be finalised, mobility strategies agreed upon in specific municipal areas and implementation begun. Linked to this is the roll-out of capacity building programmes in, especially, the district municipal areas so as to improve their ability to undertake PTP's and conceptual designs.

With the need to restructure and integrate the public transport system through the inclusion of previously disadvantaged operators, there is a real concern that the levels of funding received from national government for subsidy payments may be insufficient.

6.4 Description of planned quality improvement measures

The biggest challenge that faces the Public Transport Branch is to provide affordable public transport, without compromising quality or safety. It is planned that the restructured public transport services will be based upon a minimum level of service, of services operating 18 hours per day, 7 days per week. Through this intervention, it is anticipated that economic sectors such as call centres and Business Process Outsourcings will be able to function more effectively.

A draft policy with respect to transport for special needs passengers is being developed and will be finalised during the 2006/07 financial year. This will be used in guiding the design of facilities, operations and the provision of passenger information.

The non-motorised transport strategy, developed over the last financial year, will be finalised and adopted during 2006/07. This will help to guide interventions to be made which support this important mode of travel.

Further quality improvements will be realised through the establishment of a Provincial Public Transport Authority. Relevant stakeholders will be involved in the authority, which will focus on the development and implementation of public transport operations. This authority will link with the respective municipalities or infrastructure delivery agents to ensure that the required infrastructure is in place to support the planned operations.

Currently, public transport operational contracts are nett contracts i.e. the operator is responsible for collecting and retaining the fares. The Public Transport Programme is investigating the implications of entering into gross contracts, where the provincial government will retain the fares collected. In this manner, the accrued funds may be used to improve the quality of services provided to the users of the system.

Training of various people involved in the public transport system will also ensure that the services offered are improved. Operators, drivers and “guardjies”, officials (municipal and provincial), etc. will be trained to improve their knowledge and understanding of public transport be it operations, management, scheduling, design, enforcement, etc.

6.5 Sub-programme 4.2: Planning

6.5.1 Situational analysis

Five of the six PTP's have been completed during the 2005/06 financial year. However, the PTP's have not been approved by any of the municipal councils. The same applies for the Integrated Transport Plans.

Designs for a restructured public transport service in Cape Town are nearing completion. These designs form the basis for public transport contracts, the first of which is to be tendered in May 2006. A further geographical area in which public transport operational design is underway is in George, where the conceptual design of a mobility strategy is complete and detailed design of the operations has begun.

6.5.2 Policies and priorities

One of the core components to achieving accelerated and shared growth is the provision of a well-functioning, safe and affordable public transport system. As such, the planning for public transport needs to be finalised in order for implementation to be fast-tracked, especially with the imperative that public transport is to be fully operational well within the 2010 deadline.

The roll-out of operations will be undertaken in a phased manner to ensure that operators are able to tender for the various services, as well as to ensure that vehicle manufacturers are able to supply the quantity of vehicles required. The first contract package to be tendered will be the Klipfontein Corridor package in May 2006.

Three policies will be finalised during the 2006/07 financial year, namely a policy with respect to non-motorised transport, transport for special needs passengers and a subsidy/fare policy.

6.5.3 Analysis of constraints and measures planned to overcome them

The Province will continue to work in partnership with the municipalities and assist in funding the statutory planning process and other planning initiatives, as capacity constraints within the municipalities remains a concern for the Public Transport Branch. Ways in which this may be mitigated are being investigated.

Preliminary designs for an integrated and restructured public transport service in the metropolitan area indicate that the current levels of subsidy funding received from national government will not be sufficient to deliver the types of public transport service which is required to support ASGI-SA. Negotiations with Provincial and National Treasury will be required to attempt to access the additional funds.

Funding will also be required for any subsidised, restructured public transport services, which the Province may wish to provide in the district municipalities. The national Department of Transport has been approached to determine their views on providing this additional subsidy funding for the George area. Such discussions will continue until the issue has been resolved.

6.5.4 Description of planned quality improvement measures

Levels of service have been increased in the redesigned public transport system for Cape Town. Allowance has been made for services to operate on an 18 hour per day basis, so as to support not only specific economic sectors, but also provide a proper public transport service, which may rival the private car.

In addition to the general public transport operations, learner transport is also deemed to be public transport in terms of the National Land Transport Transition Act. The Department has begun discussions with the Western Cape Education Department to consider the possibilities and implications of the two service being linked.

6.5.5 Specification of measurable objectives and performance indicators

Table 22: Sub-Programme 4.2: Planning: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Input										
Reduction in the number of managerial vacancies in the Planning Sub-programme	Number of vacant posts (non-cumulative)		9	9	5	3	1	0	0	0
Process										
Public transport planning for the district municipalities and City of Cape Town	Number of approved public transport plans (non-cumulative)	6	0	6				6	6	6
Output										
Adoption of the draft Provincial Non-Motorised Transport Strategy	Percentage completed (non-cumulative)			80%				100%		
Development of special needs passenger policy	Percentage completed (non-cumulative)			80%	90%	100%				
Central Karoo Mobility Strategy	Percentage complete of concept plan (non-cumulative)	20%		80%	90%	100%				
	Percentage completion of detailed design of operations (non-cumulative)						100%			
Detailed design of subsidised modal contracts	Number of modal contracts designs (non-cumulative)			1	3	5		6		

6.6 Sub-programme 4.3: Infrastructure

6.6.1 Situational analysis

During the past three years partial funding has been made available to municipalities for the construction of public transport infrastructure, e.g. interchanges, embayments, pedestrian and cycle paths. This has been done in the absence of either draft or approved PTPs for all district areas of the province, as well as the City of Cape Town. However, the 2006/07 financial year is to be one of consolidation, where funding will only be made available to complete already started projects and for infrastructure projects linked to mobility strategies.

6.6.2 Policies and priorities

Investment in infrastructure is a requirement of supporting ASGI-SA. Although the City of Cape Town already has a large number of public transport interchanges and ranks, the restructured system will require infrastructure upgrades to specific interchanges to accommodate articulated buses, the construction of new interchange facilities (especially facilities in the central city precinct), as well as vehicle depots and day parking facilities. Public-private partnership opportunities will be packaged to involve the private sector in the provision of such infrastructure.

In addition, infrastructure to improve the precinct around the Green Point stadium will be required. Such infrastructure will include improved pedestrian walkways, lighting, public transport stops and other street furniture such as shelters and litter bins.

Although Athlone Stadium will not be used as a match playing venue, it will still be used as a training venue and, of course, will be used long after the end of 2010 FIFA World Cup. As such, the Klipfontein Corridor still requires upgrading to a certain extent. EIA's will be undertaken in 2006/07 for certain segment of the corridor, in order that infrastructure upgrades may begin.

The implementation of the public transport infrastructure projects will be guided by the EPWP principles of alternative construction methods and the implementation of empowerment impact assessments.

6.6.3 Analysis of constraints and measures planned to overcome them

The main constraint that will be experienced by this Section is the amount and sustainability of continued funding for the provision and maintenance of infrastructure. Projects, which are to be undertaken, should be included in the municipal PTP's, Integrated Transport Plans and ultimately their IDP's. In addition, infrastructure requirements may be identified during the development of a mobility strategy for a specific geographical area.

6.6.4 Description of planned quality improvement measures

The Province in partnership with the municipalities must identify the needs for infrastructure and provide the infrastructure to the standards as required.

6.6.5 Specification of measurable objectives and performance indicators

Table 23: Sub-Programme 4.3: Infrastructure: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Input										
Reduction in the number of managerial vacancies in the Planning Sub-programme	Number of vacant posts (non-cumulative)		3	2	0	0	0	0	0	0
Output										
Updated Public Transport Infrastructure Plan	Completed Plan for 2007/08 (non-cumulative)			1		1			1	1
Rural Mobility Strategy Projects	Number of projects completed (non-cumulative)						4			
Development of non-motorised transport infrastructure	Number of projects completed (non-cumulative)						1	1	1	1
Klipfontein Corridor infrastructure:										
Conceptual design	Percentage completed (non-cumulative)	10%		100%	100%					
Preliminary design	Percentage completed (non-cumulative)			80%	90%	100%				
Detailed design	Percentage completed (non-cumulative)			60%			70%	90%	100%	
Implementation	Percentage completed (non-cumulative)			20%			20%	40%	80%	100%

6.7 Sub-programme 4.4: Empowerment and Communication

6.7.1 Situational analysis

At present, ownership within the public transport industry is characterised in the following manner: A single, large bus company which operates scheduled, subsidised services and who sub-contracts the Atlantis to Cape Town service; a multiplicity of minibus taxi owners who own anything from a single vehicle to a number of vehicles, the small bus operators who operate mainly in the rural areas of the Province on contract to the Western Cape Education Department; and finally, the metered taxi operators who focus around tourist attractions in the City of Cape Town area.

It is envisaged that all BEE public transport operators (minibus taxi and SMME bus) would be afforded the opportunity to participate in the scheduled public transport contracts that are in the process of being designed by the Modal Contracts Development Section of the Branch. For this purpose, the minibus taxi and SMME bus industry will have to be transformed into formal business entities. In co-operation with the Department of Economic Development the metered taxi industry must be transformed into businesses linked to Call and Dispatch Centres to ensure sustainability.

Skills development becomes an important part in ensuring that an holistic approach to improving the public transport system is taken. Such skills development and training must be linked with the FET colleges as an element of the Human Capital Formation Strategy. Such training may include advanced driver skills, eco-driving, business development, etc.

6.7.2 Policies and priorities

In general, the priorities for this Sub-programme for the 2006/07 financial year and MTEF period will be to focus on the following:

- Management of the transition of the minibus taxi and SMME bus operators to formal business entities;
- Understanding and developing a socio-economic response to the taxi recapitalisation process which is expected to be handled differently in the Western Cape to that in other provinces;
- Training and skills development for public transport operators, drivers and government officials, with specific focus on operators within the areas in which public transport operational contracts are to be rolled out, i.e. City of Cape Town, George and Central Karoo and later Mossel Bay and Saldanha Bay;
- Awareness campaigns and information dissemination to inform the public and users of the system of the changes to the restructured services;
- In line with programme of the Transport Registrar provide training and assistance to the minibus taxi industry with respect to the understanding of their Constitutions and their compliance responsibilities;
- Development of training material with the Safety and Compliance Section regarding safety interventions and the training of law enforcement officials; and
- Investigation into and roll-out of public transport ambassadors to improve the flow of information to the public transport passengers.

6.7.3 Analysis of constraints and measures planned to overcome them

Critical to the success of the public transport operational transformation is the need to include the minibus taxi industry in the formalised system. The Department will face its biggest challenge when having to convince minibus taxi and small bus operators that the proposed system is more feasible from an economic perspective, as well as from a sustainability perspective. To this end, the Programme is developing an economic argument

to convince the industries that their current path of operation is unsustainable in the long term.

To further formalise the relationship between the minibus taxi industry and the provincial government, the Department intends to enter into an agreement with the industry based upon an agreed business plan. This plan is to cover aspects of financial support, training, involvement in discussions, the executive council's role in the industry, etc. Strategic sessions have been held with the industry leadership so as to ensure that they understand the Department's position, in order to find a middle path between the parties.

The metered taxi environment is characterised by the marginalisation of the single and small operator. The implementation of the relevant BEE Charter is critical to ensure transformation of the sector and sustainability of their businesses.

Communication, or the lack thereof, may be one of the most critical tasks to be undertaken to ensure that any possible constraints are minimised. Discussions with various stake holders and role players will be required to gain commitment and buy-in to the proposed interventions. Such interactions will be required with, amongst others, the Provincial Development Council, Standing Committees, public transport operators, national departments of transport and the treasury, as well as other provincial departments.

6.7.4 Description of planned quality improvement measures

Training courses for metered taxi, minibus and bus operators and drivers will be accredited by TETA to ensure that the level of training provided is relevant and to acceptable national standards. It will also encourage these operators to attend further training at various tertiary institutions.

6.7.5 Specification of measurable objectives and performance indicators

Table 24: Sub-Programme 4.4: Empowerment and institutional management: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Input										
Reduction in the number of managerial vacancies in the Empowerment and Institutional Management Sub-programme	Number of vacant posts (non-cumulative)		4	4	3	3	1	0	0	0
Process										
Representative industry structures for communication purposes	Formation of structure for each road-based mode (non-cumulative)	2		3				1	3	0
Maintain open and transparent communication structures	Annual elections of representative structures (non-cumulative)	1		2				1	3	3
Development of a communication and marketing plan to promote the use of public transport	Percentage complete (non-cumulative)				50%	100%				
Output										
Training of transport operators, drivers and guardjies to improve levels of customer service	Number of persons trained (non-cumulative)	500 person days		1 500 person days	500	1 000	1 500	2 000	3 000	3 000

6.8 Sub-programme 4.5: Operator Safety and Compliance

6.8.1 Situational analysis

Safety and security, and the lack thereof was highlighted through the NHTS as the main area of dissatisfaction with most modes. From the rail perspective, 64 per cent of respondents indicated they were dissatisfied with the security while walking to stations, while 63 per cent considered that the levels of safety on the train were poor. Passengers using minibus taxis had as their main concern the safety from accidents and the roadworthiness of the vehicles. In addition, 33 per cent indicated that they were dissatisfied with the bad driver behaviour. 74 per cent of the bus passengers noted that they were dissatisfied with the lack of facilities at bus stops.

6.8.2 Policies and priorities

There are a number of areas which will require intervention by this Sub-Programme in order to deliver a safe and secure public transport system for passengers and to improve the levels of satisfaction. Only through targeted and specific interventions will the system be made safer in order to draw people from their private vehicles to the public transport system.

The areas which will be targeted as a priority are the following:

- Improving safety at public transport facilities through the introduction of facility design guidelines which ensure safety elements are included, the provision of lighting along walkways, etc;
- Lobbying the SARCC and Road Safety Regulator to improve safety and security within the rail system.
- Improving the safety and roadworthiness of public transport vehicles through the minibus taxi recapitalisation programme and the restructuring of scheduled services, as well as more regular and stringent roadworthy testing;
- Introduction of various training and other programmes targeting the public transport operators and drivers such as the introduction of different drivers licences with a demerit system, a drug recognition system, advanced driving skills, driver of the year awards, etc;
- Improving the standardisation and response to public transport incidents and crimes through the provision of panic buttons at facilities, a public transport hotline / call centre to report incidents, an integrated incident management system which will include public transport crime data analysis, etc; and
- Leading the enforcement co-ordination amongst the various agencies to achieve maximum security of public transport users and operators through, mainly, the establishment of service level agreements.
- Strengthen linkages with health services and emergency services.

6.8.3 Analysis of constraints and measures planned to overcome them

An integrated public transport enforcement strategy, as well as safety guidelines are not in place to assist in guiding the interventions required. This is of importance given the numerous roleplayers involved in the field such as the Metro Police, Provincial Traffic, South African Police Services, etc. These will be developed as a matter of urgency by the end of the first quarter of 2006/07.

Communities also need to be mobilised to allow them to assist in providing a safer environment for all public transport users. The manner in which this is to be undertaken requires consideration being given to utilising the media, user forums, general marketing and awareness campaigns, etc.

The roll-out of the taxi recapitalisation programme will place considerable pressure on the current impoundment facilities as scrapped vehicles will need to be stored until they are destroyed. In order to assist, impoundment facilities are to be constructed in strategic locations in the province over the next two years.

6.8.4 Description of planned quality improvement measures

Training of law enforcement officials is important to ensure a standard approach to the enforcement of the public transport industry. Programmes are to be developed and rolled-out in the 2006/07 financial year and beyond. In addition, it is important that research and analysis is undertaken regarding public transport safety and security. Such capacity is to be provided within the sub-programme to undertake this work. Information, especially regarding security, will be required prior to the hosting of the 2010 FIFA World Cup. It will be incumbent upon the Public Transport Programme to ensure that the public transport system provided is safe and secure for all users.

6.8.5 Specification of measurable objectives and performance indicators

Table 25: Sub-Programme 4.5: Operator safety and compliance: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Input										
Reduction in the number of managerial vacancies in the Safety and Compliance Sub-programme	Number of vacant posts (non-cumulative)		3	3	2	1	0	0	0	0
Process										
Conclusion of service level agreements with authorities to undertake enforcement	Number of agreements (cumulative)				1	4	4	1	10	10
Development of a public transport safety and compliance strategy	Percentage complete (non-cumulative)			10%	60%	100%				
Development of safety guidelines for public transport infrastructure	Percentage complete (non-cumulative)				50%	100%				
Public transport safety marketing and communication campaigns	Number of campaigns (cumulative)			3		1	1	1	4	6
Development and implementation of training courses for law enforcement authorities	Number of officials trained (non-cumulative)							600	1 000	1 000
Output										
Development and integration of information databases for safety and compliance for monitoring	Percentage complete (non-cumulative)			40%				80%	100%	
Establishment of an integrated incident management system	Completion of feasibility study (non-cumulative)							100%		

6.9 Sub-programme 4.6: Regulation and Control

6.9.1 Situational analysis

In terms of the National Land Transport Transition Act, 2000 (Act 22 of 2000); the POLB is responsible for receiving, processing, considering, approval/ refusal and issuing of operating licences. This component is responsible to give administrative support to the POLB.

The Registrar is responsible to ensure that all minibus taxi operators are registered as members of a taxi association and grants, upon application, provisional registration as a non-member. This component is also responsible to provide administrative support to the Registrar.

6.9.2 Policies and priorities

The recent Committee of Enquiry into the violence in the minibus taxi industry, as well as forensic audits undertaken at the POLB in Goodwood, highlighted the need to radically improve the services provided to public transport operators, with respect to the time taken to process applications, the lack of management of the centre, etc. The managerial task team which was deployed to stabilise the centre and improve its functioning considered that a more drastic intervention will be required to turn the centre around.

Resulting from this, a team of business process experts, supported by legal advice are in the process of redesigning the entire system and processes required to turn the centre into a Centre of Excellence. This is to be completed by June 2006 and will be the first phase in the roll-out of a Departmental Shared Service Centre in which all services offered to the public will eventually be housed e.g. vehicle licencing, abnormal load permits, etc.

A further priority for this sub-programme is the provision of administrative support to the minibus taxi recapitalisation process. A database needs to be developed of operators wishing to exit the industry, as well as those wishing to recapitalise their vehicles. The national Department of Transport has indicated that they will be providing funding to assist provinces with the process.

6.9.3 Analysis of constraints and measures planned to overcome them

In order to improve the functioning of the administration of the POLB, there has, in the past, been a large number of contract staff appointed to provide the required capacity. However, this has led to problems and during January 2006 the contracts of staff were not renewed. This was also in support of the new process to develop a Shared Services Centre. As a result, the administration is functioning with fewer staff than ultimately required, but this will be rectified through the redesigned centre with the appointment of appropriate people.

In terms of Section 102 the NLTTA, assessors may be appointed to advise the public transport Registrar to assist the Registrar in the performance of his/her duties. Seven assessors are to be appointed to assist the Registrar in performing his/her duties.

6.9.4 Description of planned quality improvement measures

The redesign of the administrative systems of the POLB will improve the quality of services provided to the public. In addition, a new satellite office will be established in Piketberg during the first half of 2006/07.

6.9.5 Specification of measurable objectives and performance indicators

Table 26: Sub-Programme 4.6: Regulation and control: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
Input										
Reduction in the number of managerial vacancies in the Regulation and Control Sub-programme	Number of vacant posts (non-cumulative)		3	2	1	0	0	0	0	0
Process										
Establishment of a Shared Services Centre – Public transport operating Licences	Date implemented				June 2006					
Establishment of a West Coast regional office	Office established	2		1		1				
Conversion of permits to operating licences	Percentage converted	70%	82%	90%	100%					
Output										
Improved response time on applications	Number of days (non-cumulative)	95	120	90	90	90	90	90	85	85

6.10 Reconciliation of budget with plan

The provision for 2006/07 for the programme as a whole has decreased by 1,44 per cent compared to the main appropriation for 2005/06, but increased by 6,10 per cent compared to the revised estimates for 2005/06. Based on the main appropriation for 2005/06, the programme shows a steady growth of 21,68 per cent over the MTEF. The provision for payments of capital assets has decreased by 20,66 per cent compared to the main appropriation for 2005/06, while current payments has increased by 36,27 per cent and transfer payments have decreased by 35,12 per cent.

The infrastructure sub-programme has a dramatically reduced budget in 2006/07 given the need to consolidate the planning and ensure that any further capital expenditure in the district areas is undertaken in terms of either approved PTP's or a mobility strategy. A large amount of budget has been allocated to the purchasing of equipment and payment for the back office system for an integrated ticketing and fare management system within the Planning sub-programme. Funding allocated to empowerment and Institutional Management given the focus on developing skills required to deliver the public transport services, as well as the need to market and communicate the changes to the system.

Table 27: Nominal Expenditure on Programme 4:

Programme 4: Public Transport	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%)¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%)²
4.1. Programme support	10 794	9 218	4 173	(37.8%)	5 315	5 000	5 000	6.2%
4.2. Planning	11 603	14 814	32 690	67.9%	67 955	55 728	43 974	10.4%
4.3. Infrastructure	77 667	19 693	129 296	29.0%	56 082	95 356	145 396	4.0%
4.4. Empowerment and institutional management	5 419	5 339	18 133	82.9%	38 608	42 708	38 350	28.4%
4.5. Operator Safety and compliance	55	147	11 804		20 959	10 906	10 268	-4.5%
4.6. Regulation and Control	9 790	11 166	15 031	23.9%	19 169	13 954	13 904	-2.6%
Total programme 4:	115 328	60 377	211 127	35.3%	208 088	223 652	256 892	6.8%

1. Average annual change between year -2 and base year.

2. Projected average annual change between base year and year 3

7 Programme 5: Traffic Management

7.1 *Situational analysis*

The main objective of the Traffic Management program is to administer and monitor compliance with the National Road Traffic Act, 1996 (Act 93 of 1996) in order to create a safe operating environment and to generate income to enable the other branches to achieve the objectives of the National Growth and Development Strategy, iKapa Elihlumayo, Integrated Sustainable Rural Development and Urban Renewal, Batho Pele and BEE and the EPWP. The reaching of this target will have a direct positive impact on the lives of the poor and marginalised and the safety of the road users in the Province of the Western Cape.

The challenges are to ensure that all vehicles registered in the Western Cape are registered, licensed and that all are roadworthy and operating on public roads within the legislative Gross Vehicle Mass requirements each year; that all drivers are appropriately authorised to drive their vehicles; that all accident data is accurate and timely available to ensure proper planning and suggesting preventative measures where hot spots are identified. To enable this, the compliance-monitoring unit needs to be empowered and measures to enforce compliance need to be enhanced. In addition, accurate accident data in order to ensure compliance with the National Road Traffic Act is required and road safety must be promoted. There are approximately 2% unlicensed vehicles, 7% drivers that are not appropriately authorised to operate a vehicle on a public road and there is a lack of measures to ensure accurate accident data. Effective measures still need to be implemented to ensure effective overload control and issuing of roadworthy certificates to vehicles operating on public roads.

7.2 *Policies, priorities and strategic objectives*

The National Road Traffic Act, 1996 (Act 93 of 1996) requires that all vehicles and drivers be licensed appropriately. National guidelines to achieve this have been compiled in consultation with the provinces and are managed and enforced by the Province with the assistance of the local authorities. All activities are duly recorded on the NaTIS. The funds generated are mainly utilised for the maintenance of roads in the Province – optimal compliance and revenue generation is a prime strategy.

Table 28: Measurable Objectives for Programme 5: Traffic Management

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Limit the turn-about time to resolve queries to 48 hours
- Increased representivity from level 7 upwards
- Effective human resource development

7.3 Analysis of constraints and measures planned to overcome them

The Department is one of the leaders in the implementation of the eNaTIS that is being rolled-out throughout the country by the national Department of Transport, participating in the steering committee activities and having finalised approximately 40 of the Western Cape e-NaTIS sites. Re-training has commenced.

A close partnership has been formed with the Special Investigations Unit that was appointed by the President to expose fraud and corruption at DLTC's and MMVTS's throughout the country. This has marginally expedited the audit actions in the Provinces of Western Cape. Combined actions will continue as a normal operational initiative. Service level agreements to ensure an integrated approach toward delivery of service should also be signed between Provincial and Local Authorities.

The integrity of accident data and up dating of information still remains a major concern. The Traffic Management Programme provides training to end-users and the SAPS and efforts are made to reduce the backlogs.

The lack of an integrated approach between the provincial government and the local authorities regarding overload control, results in inefficiency and ineffectiveness. An overload system is currently being developed and service level agreements should be signed between the Province and municipalities.

7.4 Description of planned quality improvement measures

A dedicated project aimed at visiting approximately 1 500 companies who have debt in excess of R10 000 recorded for vehicle licences is underway.

An Audit Team dedicated to examine all motor vehicle registration and licensing activities at the 76 registering authorities will be established.

Bi-annual audit inspections are done at all MVTs's and DLTC's in the province to monitor compliance and the necessary steps are taken against non-compliance.

Service level agreements are to be signed between the Department and municipalities regarding MVTs, DLTC's and weighbridges. The Permits and Exemptions Sections will amend its consideration processes by physically inspecting freight vehicles and freight before permits are issued. This will be done as a joint operation with the Department of Community Safety.

A joint effort between the Traffic College and the Department is taken to improve efficiency at DLTC's and MVTs by refresher training and informal training sessions.

Extensive training is provided to municipalities and SAPS regarding completion of accident reports.

7.5 Sub-programme 5.2: Safety Engineering

7.5.1 Situational Analysis

To ensure a focused effort in reducing the number of and the severity of accidents it is essential to gather accident data and to produce accident statistics. To accomplish this, an accident data centre was established and is fully operational.

7.5.2 Policy and priorities

To ensure compatibility of data and accident statistics the Province is participating in national coordinating committees to set standards and create policies for accident recording and analysis.

7.5.3 Analysis of constraints and measures planned to overcome them

Communication with and training of SAPS officers dealing with the completion of accident reports take place on an ongoing basis to improve the quality of the information recorded on the accident reports. Measures to record field data electronically is being investigated. Regular communication with the local authorities capturing accident data takes place to ensure that correct and complete data is transferred to the provincial accident data centre.

7.5.4 Description of planned quality improvement measures.

In some instances the description of roads and node positions on those roads are not sufficiently defined and the investigation to identify such roads and improve the descriptions thereof is ongoing. This will improve the quality of the accident statistics. Compatibility between capturing and analysing computer software is improving.

7.5.5 Specification of measurable objectives and performance indicators

Table 29: Sub-programme 5.2: Safety Engineering

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Input										
Number of accident forms verifiers per 10 000 accident reports received.	Productivity ratio	4.3	2.1	4.3				4.3	4.3	4.3
Number of data capturers per 10 000 accident reports received.	Productivity ratio	3.2	1.6	3.2				3.2	3.2	3.2
Process										
Number of accident forms verified and captured.	Actual number	18 000	19 200	18 000				18 000	18 000	18 000
Number of copies of accident form requests.	Actual number	900	835	900				900	900	900
Output										
Number of accident reports.	Number of regular accident reports.	13	1	13				13	13	13
	Number of ad hoc accident reports.	30	34	30				30	30	30

7.6 Sub-programme 5.3: Transport Administration and Licensing

7.6.1 Situational analysis

There are approximately 2 % unlicensed vehicles on the Province's roads. The branch has a dedicated team to collect arrear licence fees.

Approximately 7% of drivers are not authorised to operate a vehicle on a public road and the Compliance Monitoring Unit was established to monitor the issuing of such licence in order to ensure competent drivers on public roads.

The current NaTIS system is in the process to be enhanced to the eNaTIS to ensure that reliable data is available to ensure legislative compliance and transport safety.

The issuing of roadworthy certificates to unroadworthy vehicle still remains a issue of great concern and is still an attack on the safety of road users and commuters. Legislation needs to be revised and the Compliance Monitoring Unit needs to be empowered to enforce compliance at vehicle testing stations.

7.6.2 Policies and priorities

The Province issues its own policies and instructions, aimed at increased compliance through payment of arrear licence fees, updating the motor vehicle records, increasing the trustworthiness of roadworthy testing and issuing driving licences, flowing from national guidelines and instructions.

7.6.3 Analysis of constraints and measures planned to overcome them

Affordability in respect of vehicle licence fees and driving licence conversions are being managed to assist the marginalised persons in the Province in respect of arrear licence fees and penalties only.

The national Minister of Transport has been requested to delegate his powers to the MEC to operate a compliance-monitoring unit in the Province in order to enforce compliance and ensure road safety. Approval has as yet not been received, with the result that the unit requires intervention by the relevant national inspectorates.

The rising costs associated with the remuneration of agencies to collect motor vehicle registration and licence fees remains a cause for concern. A process has been initiated to fully analyse the cost associated with the agency fee, to determine a new agency remuneration basis that will be acceptable to both the Branch and the agencies.

7.6.4 Description of planned quality improvement measures

It is planned to optimise the collection of revenue from vehicle licence fees through the collection of arrear vehicle licence fees, thereby further decreasing the number of unlicensed vehicles in the province.

Bi-annual audit inspections are done at all MVTs and DLTC's in the province to monitor compliance and the necessary steps are taken against non-compliance.

Service Level agreements are to be signed between the Department and Local Authorities regarding MVTs and DLTC's.

A joint effort between the Traffic College and the Department is taken to improve efficiency at DLTC's and MVTs by refreshers training and informal training sessions.

Ensuring that all permits for abnormal vehicles and freight are issued correctly in terms of the prescribed requirements.

Continue to manage the identified risks by adequate planning and implementing control measures.

Continue with the retraining of provincial and local authority staff in the new e-NaTIS computerised environment.

7.6.5 Specification of measurable objectives and performance indicators

Table 30: Sub-Programme 5.3: Transport Administration and Licensing: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Output										
Conclude service level agreements with: Registering Authorities, DLTC, MVTs	Number of agreements	0	0	74				74		
		0	0	48				48		
		0	0	85				85		
Optimise Revenue: Develop a model to collect arrear licence fees	Number of models	0	0	1				1		
Collect arrear licence fees	Monetary value collected	R3m	R4.2m	R3m				R3	R3m	R3m
Revenue generated from public road events.	Monetary value collected	R0,3m	R0,3m	R0,3m				R0,3m	R0,4m	R0,4m
Monitoring to ensure compliance: Implementation of e-NaTIS	% completion	5%	5%	75%				100%		
Monitor MVTs for compliance	No of stations	82	82	85				85	85	85
Audits executed at MVTs	No of audits	82	82	170				170	285	340
Monitor DLTC's for compliance	No of centres	48	48	48				48	48	48
Audits executed at DLTC's	No of audits	48	48	96				96	192	384
Posts on level 7 and up filled by: Africans	No of posts filled of possible 45	3	3	4				6	7	8
Females		12	12	13				15	16	17

7.7 Sub-programme 5.4: Overload Control

7.7.1 Situational analysis

This sub-programme emanates from the need to reduce the damage to the road infrastructure by overloaded vehicles, as well as the high accident rates, which are amongst others due to the overloading of goods and public transport vehicles.

Current levels of overloading are still too high and result in serious damage to the national, provincial and local road network in the Province.

7.7.2 Policies and priorities

In line with the national strategy, the strategic objective of this sub-programme is to reduce the percentage of overloaded vehicles on the road network.

Policies to ensure the uniform handling of overloaded vehicles is being dealt with as a matter of high priority and are finalised together with Department of Community Safety and the Director of Public Prosecutions.

7.7.3 Analysis of constraints and measures planned to overcome them

The constraints will be addressed through improved data collection and the development of a complete systems approach in line with national initiatives.

Important constraints are the withdrawal of overload cases because of lack of public prosecutor capacity and inefficient collection of fines. These issues are addressed through negotiations with the other role players and the above-mentioned system.

7.7.4 Description of planned quality improvement measures

Improved communication with the public and the industry will have the effect of improving the quality of service that will be provided through this sub-programme and will also result in the elimination of the unfair advantage which over-loaders have on the legal operators.

By installing more electronic surveillance equipment and the use thereof, the real transgressors will be targeted to ensure that the law-abiding operators are not inconvenienced, but at the same time the transgressors will be pulled off.

The upgrading of existing computer software at all nine stations has commenced.

Further infrastructure improvements, including weigh-in motion equipment, will be made to the Beaufort West Overload Control Station in support of the planned Regional Traffic Centre which will be constructed on the site by the Department of Community Safety.

7.7.5 Specification of measurable objectives and performance indicators

Table 31: Sub-Programme 5.4: Overload Control: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06 (estimate)	Target 2006/07				Year 2 2007/08 (target)	Year 3 2008/09 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
Output										
Decrease in the number of overloaded vehicles to reduce damage to road infrastructure.	Number of vehicles tested (cumulative)	350 000	299 265	480 000	120 000	120 000	120 000	120 000	600 000	600 000
Overload control operations done by black contractors to increase participation of black service providers	Percentage value of work (non-cumulative)			100%	100%	100%	100%	100%	100%	100%

7.8 Reconciliation of budget with plan

The provision for 2006/07 for the programme as a whole has grown by 9,79 per cent compared to the main appropriation for 2005/06 or 3,49 per cent compared to the revised estimates for 2005/06. Based on the main appropriation for 2005/06, the programme shows a steady growth of 13,82 per cent over the MTEF. The provision for payments of capital assets has grown by 14,60 per cent compared to the main appropriation for 2005/06, while current payments has increased by 9,76 per cent and transfer payments have increased by 26,67 per cent.

By far the largest proportion of expenditure relates to the payment to the 70 registering authorities of an agency fee for the collection of motor vehicle registration and licence fees. The agency fee structure is being investigated to ensure that a balance between the agency service cost and maximizing the portion of the revenue to be retained by the department is found. Registering authorities will be financially assisted in the replacement of the computerized equipment required for their agency function.

Table 32: Nominal Expenditure on Programme 5:

Programme 5: Traffic Management	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%)¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%)²
5.1. Programme Support	5 812	2 547	2 724	(31.5%)	2 898	3 077	3 258	6.1%
5.2. Safety Engineering		678	864		1 055	1 115	1 190	11.3%
5.3. Transport Administration and Licensing	130 772	166 315	158 364	10.0%	176 247	169 601	180 586	4.5%
5.4. Overload control	21 450	21 558	22 891	3.3%	22 744	23 687	25 349	3.5%
Total programme 5:	158 034	191 098	184 843	8.1%	202 944	197 480	210 383	4.4%

1. Average annual change between year -2 and base year.

2. Projected average annual change between base year and year 3

8 Programme 6: Community Based Programme (CBP)

8.1 Situational analysis

The unemployment rate within underdeveloped communities situated around and near towns in the rural and the urban areas gives rise to the need for the generation of new work and business opportunities for these people. There are 250 designated underdeveloped communities with relatively high poverty levels. Data extracted from the 2001 census reveal that, the number of persons unemployed within the Western Cape has been assessed as 526 994.

The Programme has two main thrusts. Firstly, the implementation of the EPWP projects in three categories: the Roads maintenance projects (Zenzele projects), the CARP and the School Building maintenance projects (Saamstaan). Secondly, the Programme is to lead the coordination and scaling up of EPWP within the Department and the Province.

With regard to the implementation of EPWP projects under the auspices of the Programme, work opportunities created through these projects during 05/06 totalled 2563.

The projects create an ideal environment for the execution of EPWP, and it is because of this reason that the Programme was identified to lead the other programmes in the Department in this regard. The challenge for EPWP is to create sustainable work opportunities for unemployed community workers, who have been trained, worked on and participated in the implementation of the projects. Therefore, one of the aims is to create exit strategies for these workers.

In respect of the coordination function, the following elements are critical to the success of EPWP:

- The EPWP is to be central in the planning, design and implementation of all projects and programmes.
- Skills development and mentorship through the EPWP and other programmes are to be stepped up.
- Capacity for EPWP coordination and leadership by the Department is to be addressed urgently.
- The EPWP's role in terms of the of the Community Based Public Works Branch is to be redefined in the medium to long term – as other Programmes incorporate the principles of community based projects and job creation maximization in the mainstream of their projects.
- Private sector initiatives that are aligned with the principles of the EPWP are to be identified and supported in line with a provincial EPWP roll out plan.

Table 33: Demand for and performance of Community Based Programmes by region

Region of Province	Number of unemployed people*			Community based programmes					
	Female	Male	Total	No. of Projects 2005/06	Number of work opportunities employment created				
					Youth	Female	Male	Disabled	Total
City of Cape Town	196 313	190 469	386 782	21	186	280	194	95	755
West Coast District Municipality	8 299	8 913	17 212	19	362	231	192	3	788
Boland District Municipality	25 488	24 299	49 787	7	93	75	144	0	312
Overberg District Municipality	8 238	8 101	16 339	10	95	91	95	3	284
Eden District Municipality	26 215	22 976	49 191	10	132	86	95	0	313
Central Karoo District Municipality	4 179	3 504	7 683	5	58	21	31	1	111
Total Western Cape	268 732	258 262	526 994	72	926	784	607	102	2 563

* Census 2001 data

The Department, given its responsibility to lead the EPWP and the infrastructure sector in particular in the Western Cape, created approximately 8700 work opportunities in the 2005/06 financial year. Provincial targets have been set at 25,000 work opportunities per annum until 2008.

8.2 Policies, priorities and strategic objectives

The goals of iKapa Elihlumayo, specifically relating to “*employment and participation in the economy*” for the poorest communities, as well as “*reduce socio-economic and geographic inequality*”, and the Presidential nodes of the Western Cape, namely Central Karoo; Mitchell’s Plain and Khayelitsha guide the prioritisation of the projects within the Programme. The SIP will also make a contribution in this regard.

As the work opportunities on the different programmes being run by the Programme are of a short term nature, the Programme is in the process of researching and developing a post project exit strategy, which is designed to enhance the employment opportunity of workers after their employment within the programmes have ceased. The National EPWP announced by the President in February 2003 and launched in the Western Cape in September 2004, supports the need to increase the extent of the interventions undertaken by the Programme. With the advent of the ASGI-SA strategy, there will continue to be increasing emphasis on the EPWP as a key poverty initiative in bridging the divides between the first and second economies.

Table 34: Strategic objectives for Programme 6: Community based programmes

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

STRATEGIC OBJECTIVES:

- The Labour Intensive Activities identified as per the annual DORA (MIG and PIG conditions), and the “Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP” are utilised by relevant departmental staff in the planning and design of those activities.

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

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

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

- Develop a Business Plan for the EPWP Mandate of the CBP that is approved by the Department and resourced.
- The Provincial EPWP forum and sector forums are in place.
- Sector plans finalised, targets set and reporting and monitoring mechanisms are in place.

- District municipality EPWP quarterly working sessions are instituted and held in conjunction with the Department of Local Government and Housing staff.
- All sector departments to be reporting their EPWP data to the CBP by the 2nd quarter.
- All local and district municipalities to be reporting their EPWP data to the CBP by the 3rd quarter.
- Efficient gathering of accurate and verifiable EPWP data from all implementers in place by the 3rd quarter.
- At least two local authorities targeted for scaling up of EPWP projects and reflected in the 2007/08 IDP's.

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

STRATEGIC OBJECTIVES:

- Shift the functions of the Programme from implementing traditional community based programmes to becoming the driver and strategic hub of EPWP roll out and up scaling in the Western Cape.

MEASURABLE OBJECTIVES:

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

STRATEGIC GOAL 7: Ensure that BBBEE is realised

STRATEGIC OBJECTIVES:

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

MEASURABLE OBJECTIVES:

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

8.3 Analysis of constraints and measures planned to overcome them

There is a commitment to shift the functions of the Programme from implementing traditional community based programmes to becoming the driver and strategic hub of EPWP roll out and up scaling in the Western Cape. The capacity within the Programme to achieve effective coordination of EPWP in the Province is currently insufficient. A business plan will be developed early in 2006 outlining the necessary strategies and the resources required to achieve those strategies for approval by the Head of Department and the Minister.

The current sub-programmes as defined by the Annual Performance Plan and Budget frameworks do not reflect the work needing to be performed by the Programme, especially with regard to the coordination functions of the EPWP. All EPWP coordination functions are currently placed under the Empowerment Impact Assessment sub-programme. Liaison between the Provincial and National Treasuries and the Department will take place to assess this matter and develop solutions.

EPWP performance in the Province is not making a significant impact on bridging the divide between the first and second economies. In the main, EPWP should be mainstreamed into provincial and municipal line functions so as to ensure that they are no longer small in scale, adhering only to the minimum requirement for compliance. Skills development needs to be

strengthened so that EPWP project EPWP participants can claim to have developed to a point where they have an improved chance of finding employment in the formal sector.

While there are improvements underway amongst the provincial departments, for example, the Department of Social Services and Poverty Alleviation, as the lead department for the social sector, has finalised their sector plan and submitted it to the national Department of Public Works, and the Department of Local Government and Housing has instituted EPWP compliance for all housing development projects. Yet, there are many municipalities who have to realise the EPWP mandate beyond the few small-scale projects.

There is a need to provide impetus to the roll out of EPWP in the Province by providing strategic support to the under performers, setting up of the necessary institutional arrangements to enable regular interaction, monitoring and the setting of targets and providing examples of best practice and implementation guidelines.

The Programme will set up the provincial and sector forums and district level EPWP working groups as the channels for the necessary interaction, monitoring, reporting and target setting. The provincial sector plans will be finalised and municipalities will be identified for support. Champions need to be identified in all of the partners and given the necessary support to provide impetus to EPWP growth in their respective areas.

Many technical staff in provincial departments and municipalities are not conversant with LIC methods and the labour intensive activities identified as per the DORA with MIG and PIG conditions, nor are most conversant with the "Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP". The requisite NQF level 5 and 7 qualifications for contractors and technical staff in LIC have not been made available on the scale that is necessary to meet the ASGI-SA targets due to a lack of funding within the CETA.

The Programme will continue to engage with the national EPWP and CETA to provide the required resources and develop alternative strategies if this is not possible. The Programme will utilise the community access roads projects and roads maintenance projects to develop excellent examples of LIC and utilise these as a means of popularising the methodologies. LIC workshops will be held within the department.

Current reporting flows through the Department to the national EPWP office must be improved through the use of user-friendly and simple formats.

The Programme will utilise the sector forums and the district EPWP working sessions to develop and implement a framework for regular verified and consistent reporting to the department. Ongoing discussions will be held with the EPWP national office to ensure simplification of the reporting templates.

The current skills development strategies in respect of the majority of the EPWP projects in the province are not sufficiently coordinated, offer minimal training and do not empower most EPWP participants to find work in the formal sector post exit from the programme. The Department of Labour training resources, while continually being developed, need improvements to enable the range of qualifications needed to impact on scarce skills development.

The Programme will initiate consolidated skills development strategies at district level for all EPWP project in the area. The purpose is to firstly, synchronise the EPWP projects to allow for longer working periods, thus increased training opportunities. Secondly, to link the training opportunities and resources to the Local Economic Development strategies in the areas, thereby identifying the needed skills and economic growth points for a more cohesive skills development and exit strategy. As this is an ambitious endeavour, the Programme will target two districts in 2006/07

The Programme will also attempt to identify the training gaps in the Department of Labour database in respect of both courses and service provision and engage with the Department of Labour to build this capacity.

8.4 Description of planned quality improvement measures

There will be proper application of LIC principles in the community access roads projects and the roads maintenance projects. The technical standards are to be reviewed to ensure that the appropriate standards are applied to reduce costs, and the introduction of task based operations within maintenance projects are to be made to ensure that productivity is improved.

The use of the empowerment impact assessment process in infrastructure projects is designed to stimulate a higher proportion of jobs created within a defined quantum of infrastructure investment.

The Post Project Exit Strategy in which workers are provided with a comprehensive portfolio reflecting their training. This process is geared to provide each individual with an improved chance of accessing formal work opportunities.

EPWP reporting mechanisms will be improved and rolled out across the Province.

A “Stepping Stones” developmental process for HDI contractors, with concomitant supply chain enablers will be developed and implemented.

8.5 Specification of measurable objectives and performance indicators

Table 35: Programme 6: Community Based Programmes: measurable objectives, performance indicators and targets

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Input										
	Budget amount (R1 000's) (cumulative)	5 898		8 266	2 216	2 216	2 216	2 218	9 091	9 778
	Budget amount (R1 000's) (cumulative)	1 266		8 153	6 132	6 132	6 132	6 133	9 520	10 235
	Budget amount (R1 000's) (cumulative)	617		1 085	223	223	223	224	1 374	1 483
	Budget amount (R1 000's) (cumulative)	49 113		36 544	8 499	8 499	8 499	8 501	40 618	43 693
Output										
No of community projects implemented (by the CBP only. Previous targets included projects implemented jointly with SANRAL)	On site commencement of project or continuation of project. (cumulative)	43		50	20	10	20	20	40	40
Number of temporary jobs created	Number of persons employed (cumulative)	1 500		1500	400	600	500	500	2000	
% of jobs for youth (16-25yrs old)	Youth percentage of persons employed (non-cumulative)	50%		50%	50%	50%	50%	50%	50%	50%
% of jobs for women	Women percentage of persons employed (non-cumulative)	50%		50%	50%	50%	50%	50%	50%	50%
Number of NQF training units attained by community workers	Number of NQF units credited to trainees by CETA accredited trainers. (cumulative)	400		500	100	200	200	100	700	1500

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
		Number of empowerment impact assessments completed	Number of EmplA reports accepted by the empowerment manager (cumulative)	35		40	10	10	20	10
Number of empowerment workshops conducted	Number of 1-day workshops presented by empowerment unit of CBP to provincial, municipal and private sector staff (cumulative)	3		3		1	1	1	3	3
Number of contractor mentorship's provided	Number of mentoring services provided to developing contractors engaged by the department (cumulative)	8		10		5	5		20	50
Number of contractor training workshops	Number of 1-day tendering workshops provided to existing and new ABE's. (cumulative)	6		6	2	2	2	2	6	6
Contract development project helpdesk services	Number of contractor and empowerment enquiries handled. (cumulative)	800		1 000	250	250	500		1 400	1400
Approved experiential training course	Number of students passing 2 nd year course (cumulative)	32		40	5	15	20	5	50	50
Quality										
Average daily wage earned by workers	Rands per day	R67,59		R71,64				R59,00	R63,76	R65,00
Efficiency										
Routine maintenance cost per day for employment created	Total routine maintenance project cost averaged per day of direct employment created	R122,00		R129,00				R140,00	R151,00	R170,00

Measurable Objective	Performance Measure or Indicator	Year – 1 2004/05		Base year 2005/06	Target 2006/07				Year 2 2007/08	Year 3 2008/09
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
Planned maintenance cost per day for employment created	Total planned maintenance project cost averaged per day of direct employment created	R185,00		R196,00				R212,00	R228,00	R250,00
Upgrade/ construction cost per day for employment created	Total project cost averaged per day of direct employment created	R338,00		R358,00				R387,00	R417,00	R468,00
Average daily wage as % of cost per employment day	Routine maintenance % (non-cumulative)	55%		55%	55%	55%	55%	55%	55%	55%
	Planned maintenance % (non-cumulative)	37%		37%	37%	37%	37%	37%	37%	37%
	Upgrade/ construction % (non-cumulative)	20%		20%	20%	20%	20%	20%	20%	20%
Average cost per experiential student	Cost per year per student	R27 688		R23 475				R29 320	R35 000	R35 000
Average cost per project empowerment impact assessment report		R36 000		R33 400				R34 000	R35000	R40 000

8.6 Sub-programme 6.3: Empowerment impact assessment

8.6.1 Situational analysis

The Empowerment Impact Assessment Sub-programme incorporates all EPWP coordination functions as well as the roll out of the empowerment impact assessment tool.

In respect of the EPWP coordination, the Department, in particular the CBP, has been tasked with performing the lead role in the Province. The coordination function requires the setting up of the necessary institutional arrangements, developing and implementing monitoring and reporting mechanisms, management of the respective targets set by the sectors and municipalities and the provision of guidelines and best practice for implementation.

The empowerment impact assessment provides a quantitative and qualitative tool to evaluate the empowerment impact of specific projects.

Empowerment impact assessment of infrastructure projects are considered essential to specific categories of projects to ensure that the project implementation contributions are enhanced, in respect of the EPWP needs of the Province, i.e. job opportunities; skills development; and BEE.

8.6.2 Policies and priorities

EPWP is a nation-wide programme covering all spheres of government and state-owned enterprises. The programme involves reorienting line function budgets and conditional grants so that government expenditure results in more work opportunities, particularly for unskilled labour. EPWP guidelines and sector plans frame the interventions. As part of this initiative, the national government has, through the 2004 DORA, placed additional conditionality on the PIG and the MIG. These additional conditionalities will require provinces and municipalities to use the "Guidelines for the implementation of labour intensive infrastructure projects under the EPWP" agreed upon between SALGA, National Treasury and the Department of Public Works for identification, design and construction of projects financed through the MIG or PIG. Key Performance Indicators developed for the EPWP will be added to the PIG and MIG monitoring systems.

The ASGI-SA initiative will accelerate and scale up EPWP activities in the infrastructure sector.

The empowerment impact assessment tool informs the design and construction process, as well as to record the actual impact with respect to HDI's economic empowerment, as is specified in the Preferential Procurement Implementation Plan of the Department.

8.6.3 Analysis of constraints and measures planned to overcome them

Coordinating EPWP in the Province requires a profound shift in the functioning of the CBP and at present the Programme lacks the capacity and resources required to fulfil these mandates. A detailed business plan will be drawn up and resourced throughout the year. Partners such as the IDT and DBSA will be utilised to provide strategic support during this process of restructuring.

The empowerment impact assessment roll out has faced institutionalised inertia to the process of empowerment impact assessment experienced by the technical staff of the department and the industry in general. The process is to be refined to determine best practice and to be followed by a second round of workshops and information sessions for both internal staff as well as service providers from the industry.

8.6.4 Description of planned quality improvement measures

Issuing of empowerment impact assessment guidelines and case studies. The incorporation of the empowerment impact assessment tool in the departmental line functions planning in 2007/08.

8.7 Sub-programme 6.4: Community development

8.7.1 Situational analysis

Initiate and establish economic empowerment and community development programmes to empower the previously disadvantaged sector of the Province. Provide excellent examples of LIC according to EPWP principles.

8.7.2 Policies and priorities

Policies that are needed to address the issue of community development are those that emphasise job creation, local economic development, poverty alleviation, quality of life and access to services. The 2004 DORA placed additional conditionality on the PIG and the MIG and the "Guidelines for the implementation of labour intensive infrastructure projects under the EPWP" agreed upon between SALGA, National Treasury and the Department of Public Works.

8.7.3 Analysis of constraints and measures planned to overcome them

Many technical staff in provincial departments and municipalities are not conversant with LIC methods and the labour intensive activities identified in the 2004 DORA and the "Guidelines for the Implementation of Labour Intensive Infrastructure Projects under EPWP". The requisite NQF level 5 and 7 qualifications for contractors and technical staff in LIC have not been made available on the scale that is necessary to meet the ASGI-SA targets due to a lack of funding within the CETA.

The Programme will continue to engage with the national EPWP and CETA to provide the required resources and develop alternative strategies if this is not possible.

Other constraints to community development range from inadequate resources; to uncoordinated programs by different government departments, non-governmental organisations and community based organisations; and lack of understanding of the functioning of community representative structures. Improved co-ordination between our Department and the Department of Social Services and Poverty Alleviation is being pursued to address the challenge of developing a Social Capital Strategy.

8.7.4 Description of planned quality improvement measures

The Programme will utilise the community access roads projects and roads maintenance projects to develop excellent examples of LIC methods and utilise these as a means of popularising the methodologies. LIC workshops will be held within the Department in particular.

8.8 Sub-programme 6.5: Emerging contractor development

8.8.1 Situational analysis

Most emerging businesses face difficulties when entering the market because of three main reasons:

- difficulty in accessing opportunities;
- difficulty in accessing finance to fund their businesses; and
- lack of capacity and experience.

The perception of the lack of capacity of emerging, HDI owned service providers to fulfil contractual obligations and the need to assess the impact on emerging contractors/ service providers of downstream or secondary and primary supply service provision of the contractor development programme.

There is also a need to refine the contractor development programmes within the Programme and the Department. The "Stepping Stones" initiative of the national Department

of Public Works will be used as a framework for initiating a staged development for the HDI contractors within the CIDB. Supply chain processes will be analysed and reworked to enable this approach.

8.8.2 Policies and priorities

Contractor development and supply chain management policies in the Preferential Procurement Implementation Plan need to be revisited to enable the stepped developmental process.

8.8.3 Analysis of constraints and measures planned to overcome them

Emerging contractors find difficulties in accessing opportunities. In the Department this has largely been addressed through the development of the Preferential Procurement Implementation Plan. The establishment of an Emerging Contractor Development Programme in the Department is aimed at helping emerging contractors build capacity, another key constraint with which they are faced. The Department is also involved with a number of financial institutions to develop a risk management programme, which will lead to the removal of constraints to emerging contractors accessing finance for their businesses.

8.8.4 Description of planned quality improvement measures

The following measures are planned to aid Emerging Contractor Development:

- Refining and implementation of Emerging Contractor Development Programme and the Preferential Procurement Implementation Plan;
- Working together with the Department of Economic Development and Tourism to run a help desk for emerging businesses; and
- Entering into agreements with select financial institutions to establish an incubator programme for the development of emerging contractors.

8.9 Reconciliation of budget with plan

The provision for 2006/07 for the programme as a whole has grown by 26,34 per cent compared to the main appropriation for 2005/06 or 7,30 per cent compared to the revised estimates for 2005/06. Based on the main appropriation for 2005/06, the programme shows a steady growth of 20,61 per cent over the MTEF. The provision for payments of capital assets has grown by 72,44 per cent compared to the main appropriation for 2005/06, while current payments has increased by 53,68 per cent and transfer payments have decreased by 47,52 per cent.

The expenditure trend reflected in the MTEF period reveals that there is an increase in the empowerment impact assessment sub-programme that reflects the additional funding of R11 million for the Learnership 1000 programme and the reallocation of some of the funds for IDT under the Cooperation and Programme Implementation Agreements with the department from transfers to ensure resources for the scaling up of EPWP. The decrease in the Emerging Contractor Development sub-programme is as a result of mainstreaming these functions within the other branches.

Table 36: Nominal Expenditure on Programme 6:

Programme 6: Community based programmes	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%)¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%)²
6.1. Programme support	800	8 422	8 266	221.4%	8 866	9 091	9 778	5.8%
6.2. Empowerment impact assessment	1 016	1 517	8 153	183.3%	21 130	9 520	10 235	7.9%
6.3. Community development	32 952	35 116	36 544	5.3%	37 397	40 618	43 693	6.1%
6.4. Emerging contractor development	3 644	418	1 085	(45.4%)	893	1 374	1 483	11.0%
Total programme 6:	38 412	45 473	54 048	18.6%	68 286	60 603	65 189	6.4%

1. Average annual change between year -2 and base year.
2. Projected average annual change between base year and year 3

9 Expenditure by Programme

The share of each programme of the total budget is as follows:

Programme 1: Administration:	3.27%
Programme 2: Public Works:	16.01%
Programme 3: Roads Infrastructure:	57.50%
Programme 4: Public Transport:	10.08%
Programme 5: Traffic Management:	9.83%
Programme 6: Community Based Programme:	3.31%

Growth rates per programme compared against the adjusted budget of the previous year are as follows:

Programme 1: Administration:	18.70%
Programme 2: Public Works:	(6.12%)
Programme 3: Roads Infrastructure:	27.17%
Programme 4: Public Transport:	6.10%
Programme 5: Traffic Management:	3.49%
Programme 6: Community Based Programme:	7.30%

Personnel expenditure relative to the total budget ranges between 10% and 11% over all the financial years.

The infrastructure budgets for the Departments of Health and Education have been allocated on their respective budgets as from the 2005/06 financial year. Public Works acts as an implementing agent for the two departments and a service level agreement governs the activities of the departments involved. Public Works staff will therefore still be involved with projects for which funding is not indicated on this budget.

Table 37: Nominal Expenditure by Programme

Programme	Year – 2 2003/04 (actual) R'000	Year – 1 2004/05 (actual) R'000	Base year 2005/06 (estimate) R'000	Nominal average annual change (%) ¹	Year 1 2006/07 (budget) R'000	Year 2 2007/08 (MTEF projection) R'000	Year 3 2008/09 (MTEF projection) R'000	Nominal average annual change (%) ²
1. Administration	27 817	34 645	48 330	31.8%	67 459	78 793	85 603	21.0%
2. Public Works	349 859	274 336	284 680	(9.8%)	330 496	336 445	405 301	12.5%
3. Roads Infrastructure	526 758	652 699	928 984	32.8%	1 187 053	1 196 863	1 323 082	12.5%
4. Public Transport	115 328	60 377	211 127	35.3%	208 088	223 652	256 892	6.8%
5. Traffic Management	158 034	191 098	184 843	8.1%	202 944	197 480	210 383	4.4%
6. Community Based Programmes	38 412	45 473	54 048	18.6%	68 286	60 603	65 189	6.4%
Total:	1 216 208	1 258 628	1 712 012	18.6%	2 064 326	2 093 836	2 346 450	11.1%

1. Average annual change between year -2 and base year.

2. Projected average annual change between base year and year 3

10 Medium-term revenues

10.1 Summary of revenue

The following sources of funding are used for the Vote:

Table 38: Summary of revenue:

Receipts	2003/04 Actual R'000	2004/05 Actual R'000	2005/06 MTEF R'000	Adjusted appropri- ation 2005/06 R'000	2006/07 MTEF R'000	2007/08 MTEF R'000	2008/09 MTEF R'000
Equitable share	457 957	51 422	524 745	605 482	627 556	845 804	1 010 832
Conditional grants	67 076	81 708	92 557	95 857	126 329	190 891	203 511
Departmental receipts	691 175	744 423	781 766	783 082	783 285	806 847	832 107
Financing		381 075	312 944	312 944	527 156	250 294	300 000
Total receipts	1 216 208	1 258 628	1 712 012	1 797 365	2 064 326	2 093 836	2 346 450

10.2 Departmental revenue collection

Tax revenue

Revenue from motor vehicle licencing is estimated to be 3 per cent higher than in 2005/06. This increase will result from an estimated 7% growth in the motor vehicle population, collection of arrear motor vehicle licence fees and more effective collection methodologies.

Non-tax revenue

The main source of non-tax revenue is rental on buildings collected from 750 property leases. The property leases have increased from 700 to 750. It is estimated that the rental collections will be 13,6% higher than in 2005/06.

The tariffs of exemption permit fees (abnormal loads) have been revised to take effect from 1 April 2006. The percentage increase of the tariffs varies between 4.2 per cent and 12.5 per cent.

The Department's budget is financed through three main sources: equitable share, conditional grants, the Asset Reserve Fund and own revenue. Part of the own revenue source is attributed to the sale of land and subsoil assets. Previously the infrastructure spending contained in Programme 2: Public Works, was linked to the latter source as an incentive to optimally utilise the property portfolio to generate revenue. Experience has shown that the sale of fixed assets is influenced by many factors such as alternative usage of properties, market prices, political decision-making, dependency on buyers to make payment timely, dependency on other organs of state to timely process the relevant documents, etc. All these factors increased the risk that revenue from this source could not always be collected timely and that it consequently affected the predictability of the expenditure level of the Department. Not forsaking the incentive to generate revenue from the property portfolio it was decided to nullify the estimate for the sale of land and to decrease the expenditure level of the said programme with an equal amount. It was agreed between the Provincial Treasury and the Department that proceeds from the sale of land and subsoil assets, be appropriated in the Annual Adjustments Estimates.

Table 39: Departmental revenue collection:

Departmental receipts	2003/04 Actual R'000	2004/05 Actual R'000	2005/06 MTEF R'000	Adjusted appropriation 2005/06 R'000	2006/07 MTEF R'000	2007/08 MTEF R'000	2008/09 MTEF R'000
Tax revenue	646 938	695 160	731 554	731 554	753 501	776 106	799 389
Non-tax revenue							
Sale of goods and services other than capital assets	27 240	30 744	26 212	26 212	29 784	30 741	32 718
Transfers received		58					
Fines, penalties and forfeits							
Interest, dividends and rent on land		56					
Sales of capital assets	7 504	14 067	24 000	24 000			
Financial transactions in assets and liabilities	9 493	4 338		1 316			
Total departmental receipts	691 175	744 423	781 766	783 082	783 285	806 847	832 107

10.3 Conditional grants

The Provincial Infrastructure Grant, a national conditional grant is allocated as follows:

Table 40: Conditional grant projects:

Roads infrastructure

	2005/06 R'000	2006/07 R'000	2007/08 R'000	2008/09 R'000
1 Reseal backlog	38 757			
2 Regravel backlog	50 000		80 891	118 511
3 C776.1 Elim – Mierekraal		44 329	10 000	
4 C776.2 Elim – Gansbaai		20 000	50 000	20 000
5 C708.6 N2 Rehab Phase 2		40 000		
6 C708.7 N2 Rehab Phase 3			50 000	
7 C708.8 N2 Rehab Phase 4		20 000		
8 C733 Somerset West – Sir Lowry's Pass Phase 1				20 000
9 C733.1 Somerset west – Sir Lowry's Pass Ph 2				25 000
10 C634 Nuwekloof – Wolseley				20 000
Total Allocation: Provincial Infrastructure Grant	88 757	124 329	190 891	203 511

Public Works

		2005/06 R'000	2006/07 R'000	2007/08 R'000	2008/09 R'000
1	Upgrading of Elsenburg Lecture Rooms: Agriculture	3 300	2 000		
	Total Allocation: Provincial Infrastructure Grant	3 300	2 000	0	0

10.4 Donor funding

No donor funding is envisaged.

11 Co-ordination, co-operation and outsourcing plans

11.1 Inter-departmental linkages

The following projects are jointly administered, and the operational costs provided for as indicated below:

Table 41: Inter-departmental linkages:

Project details	Department	Vote Number	Vote 10 Programmes	Vote 10 Operational Cost R'000
Abnormal load and vehicle permits	Community Safety	Vote 4	Programme 5	171
Sport and fun activities on public roads	Community Safety	Vote 4	Programme 5	170
Motor vehicle testing stations	Community Safety	Vote 4	Programme 5	212
Driving licence testing centres	Community Safety	Vote 4	Programme 5	211
Overload control stations	Community Safety	Vote 4	Programme 5	23 000

In terms of the provision of infrastructure Public Works is linked to all the Provincial Departments, including the Provincial Parliament, as arranged through SDA's concluded or to be concluded.

11.2 Local government linkages

Public Works

Management agreements are in place with Beaufort West (Nelspoort) and Knysna (Karatara) for the provision of municipal services and day-to-day operations until transfer of these provincial properties to the said municipalities have been formally effected. Transfer of the Nelspoort Township will be effected to the Beaufort West Municipality in the 1st quarter of the 2006/07 financial year. The contract to transfer Karatara to Knysna will be finalised during the 1st quarter of the 2006/07 financial year, where after transfer will take place.

Roads infrastructure

Municipalities:

Transfer payments are made to municipalities, including the City of Cape Town, to maintain proclaimed municipal main roads within municipal areas. These subsidies are payable to municipal councils that are road authorities in terms of Ordinance 19 of 1976. Allocations are based on the pavement management system and are placed on a priority listing system.

The municipalities provide 20% of the costs and the province subsidises the other 80%. The projects may not exceed the approved budget.

District Municipalities:

Prior to the establishment of regional services councils during the period 1987 to 1989, the divisional councils were the road authorities for proclaimed main roads, divisional roads, minor roads and public paths in rural areas, in outer municipal areas.

During 1992 all assets, liabilities, rights, duties and obligations of the regional services councils in respect of proclaimed main roads, divisional roads, minor roads and public paths were passed to the then Administrator of the Cape of Good Hope.

This resulted in the Province becoming the road authority for all provincially proclaimed rural roads in the Province and the regional services council acting as agents of the Province for the maintenance of main roads, divisional roads and minor roads.

Public Transport

Local government has an integral part to play in planning, designing and developing public transport in their areas. In terms of the National Land Transition Act, 2000 (Act 22 of 2000), all municipalities are deemed to be planning authorities. Through this, it is anticipated that the municipalities would provide improved input to their Integrated Development Plans (IDP's) as they would have completed processes of developing public and integrated transport plans.

Apart from the planning function, local government is critical from an infrastructural perspective. Funding is transferred from the Public Transport Branch to municipalities in support of mobility strategy projects and for some specific infrastructure required. Over the last few years, funding has been allocated without approved public transport plans in place. Given that now there are at least draft PTP's available, it was considered that the 2006/07 financial year budget should be used to consolidate where the branch is currently, what it has achieved over the last few years and where it sees itself moving over the next few years.

A further element which requires mentioning is that of the development of a Public Transport Authority. The entity formed will have representation from the key municipalities such as George, Cape Winelands, City of Cape Town and Saldanha Bay.

Traffic management

The following activities are being undertaken with the assistance of local authorities:-

Table 42: Traffic management activities:

Activity	Vote 10 Programmes	Vote 10 Operational Cost R'000
Registration and licensing of motor vehicles	Programme 5	3 790
Management of driving licence testing centres	Programme 5	211
Management of motor vehicle testing stations	Programme 5	212

Community based programme

A limited quantum of funds are allocated for transfer to local municipalities (2006/2007 R7.871m) where there is capacity to implement the designated Community Development Projects in terms of the need for labour enhanced processes. These projects undertaken within municipalities require this agreement to provide ongoing maintenance of the assets developed by the provision of continuous employment of some the workers engaged on the asset construction phase of the projects. In some instances the municipalities provide additional funding for the projects to be increased in scope.

District level EPWP working sessions will be held on a quarterly basis with all municipalities in the area to enable the proper coordination of EPWP. The provincial Department of Local Government and Housing will partner the CBP in this process.

11.3 Public entities

There are no public entities under the control of the Department.

11.4 Public, private partnerships, outsourcing etc.

Chapman's Peak Drive has been operating as a toll road since December 2003. A thirty year concession agreement with Entilini Concession (Pty) Ltd has been concluded. To date approximately R26m in toll fees have been collected.

The construction of the permanent toll plazas has yet to commence due to environmental requirements. Application for approval to construct the plazas was forwarded to the Department of Environmental Affairs and Tourism in December 2003 after the completion of an Environmental Impact Assessment. A ROD was issued on 3 July 2005. Numerous appeals relating to the ROD were submitted during the statutory thirty day appeal period. In terms of the relevant legislation the Minister of Environmental Affairs and Tourism must rule on the appeals and finalize the ROD. To date no ruling has been forthcoming.

Due to the interim nature of the operation of the toll road a *Designated Event* has been declared in terms of the concession agreement. The Designated Event makes provision for the toll income to accrue to the Province and the Concessionaire is compensated according to the financial model that formed the basis of the concession agreement. The financial risk of the project has thus been transferred to the Province, a situation that is contrary to the principles of a PPP.

12 Financial Management

12.1 Strategies to address audit queries

Steps to remedy matters of significance, and emphasis reported in the Auditor-General's management letter of 18 July 2005 and report of 30 July 2005 for the financial year ended 31 March 2005, have been implemented during the 2005/06 financial year and which will be followed up after commencement of the next audit.

The rolling internal audit plan has been adjusted to focus on property management and the MDA property debtors system, as well as the e-Works system that has recently been enhanced to generate payments through interfacing with the Basic Accounting System.

The Financial Control component will be strengthened through the building of capacity to broaden and increase financial inspections and monitor the progress made with addressing shortcomings emanating from the relevant audits.

12.2 Implementation of PFMA

The PFMA assumes a phased approach towards improving the quality of financial management. The Department is in different phases of implementation, focussing on both the basics of financial management and on the efficient and effectiveness of programmes and best practice financial management. The department reports on a quarterly basis on the progress made with the implementation of the normative measures via the Provincial Treasury to the National Treasury.