



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

**ANNUAL PERFORMANCE PLAN  
2007/08 TO 2009/2010**

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#### **APOLOGY**

We fully acknowledge the Province's language policy and endeavour to implement it. It has been our experience that the English version is in the greatest demand. Consequently, the document will be available in the other two official languages as soon as possible. In the event of any discrepancy between the different translations of this document, the English text shall prevail.

#### **VERSKONING**

Ons gee volle erkenning aan die Provinsie se taalbed en streef daarna om dit toe te pas. Praktyk het egeer geleer dat die Engelse weergawe van die document in aanvraag is. Die document sal gevolglik so gou moontlik in die ander twee amptelike tale van die Wes-Kaap beskikbaar wees.

#### **ISINGXENGXEZO**

Siyawuqonda umgaqo-nkqubo weelwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke esiye sayiqwalasela yeyokuba lulwimi lwesiNgesi ekufuneka lusetyenzisiwe kolu xwebhu. Iyakufumaneka nangezinye iilwimi ezimbini ezisemthethweni zaseNtsona Koloni kwakamsinya.

## Foreword

Zora Neale Hurston said *“There are years that ask questions, And years that answer”*. This year must be one that answers questions!

iKapa Elihlumayo, the Provincial Growth and Development Strategy (PGDS), sets the overall vision and direction for the Western Cape. This vision is one based upon shared growth and integrated development, all within a paradigm of sustainability. So many opportunities exist for the Department of Transport and Public Works to support this vision. Our sphere of control is a broad one, while that of influence is even greater.

Since I took office in July 2005 the focus of this department has been on utilising its allocations to leverage aspects of growth, fight poverty and broaden economic participation. Our effort on this will not only continue, but be strengthened in the years to come.

However, critical to achieving this vision is ensuring that sufficient skills exist to deliver on the promises made and to implement the numerous plans which have been developed over the years. To this end, the commitment shown by this department to developing skills for the future in terms of, amongst other interventions, the allocation of 230 bursaries to students to study for degrees and diplomas in the scarce skills categories, must be lauded. In fact, a human capital development strategy that involves all role-players in the built environment sector (including the universities, industry, parastatals and municipalities) has been initiated. This strategy calls for the department to provide bursaries and academic mentors and to provide opportunities for workplace/service learning and continuing professional development. The department’s contribution to this strategy is a substantial injection in resources for bursaries and a dedicated team to provide support for bursars and facilitate the supply of work integrated opportunities in industry and municipalities. We are setting a new benchmark for the rest of the public and private sector to follow.

We must not lose sight of our important role in terms of the delivery of infrastructure. Growth needs to be infrastructure led and this department is at the forefront of infrastructure delivery! Emphasis on road infrastructure continues, with a large proportion of the department’s allocation earmarked for this purpose. Upgrading of specific portions of the provincial network, including the Koeberg Interchange is required to support the 2010 FIFA World Cup and we are on track to ensure that the necessary work is completed on time. Despite the nominal growth in the allocations for roads infrastructure, dramatic increases in contract prices have been experienced which is, of course, cause for concern. Alternative sources of finance need to be found to allow us to stretch our limited resources.

The PGDS demands that we consider the utilisation and delivery of our provincial property portfolio and transport systems in a strategic manner. The year ahead will bring a number of key projects to fruition, delivery being the focus. Furthermore, the National Youth Service programme is to be incorporated into our building maintenance programme, further heightening our focus on youth development.

Improvement of public transport has been on the top of our priority list for some time. There is no quick fix to the challenges which face us in this regard. However, the time for discussing and planning is at an end. Of course some questions still remain, but answers have been found to many of the previously perplexing questions. Perhaps the single critical question to be posed is “when will we see some real changes in the system?” This is the

year. Strategies and implementation plans have been developed, some tried and tested, others still to be tested, but all will begin their roll out this year.

My department will continue to play a driving and co-ordinating role regarding the Expanded Public Works Programme. The mainstreaming of EPWP, the monitoring thereof and ensuring that we are able to meaningfully intervene and provide support to the second economy and SMME's is crucial for us to be able to say that we have left a lasting legacy within our communities.

I fully endorse the Annual Performance Plan, 2007 and want to provide my assurance that I am committed to ensuring its implementation. Further, I wish to commit myself to the Provincial Executive Council, the Provincial Parliament, as well as the public that the implementation of this plan is of critical importance in ensuring that we deliver on the goals set, and achieve our vision of *"A people centred infrastructure and transport system through a transformed department."*

I want to thank the Standing Committees for their positive engagements and debates in the past and look forward to strengthening such engagements in the year ahead.

As Thomas Carlyle wrote: *"The block of granite which was an obstacle in the path of the weak becomes a stepping stone in the path of the strong."* Our challenges are many, but together we will succeed.

Finally, I must acknowledge the management team in this department and all the other staff, led by Mr Thami Manyathi, for their perseverance and support over the last year. As they can count on me to support them in their work, I know that I can count on them to continue with determination to fight the levels of poverty, unemployment and inequality. *"Perseverance is not a long race; It is many short races one after another."* Walter Elliot



**MINISTER M FRANSMAN**

**MARCH 2007**

# ORGANISATIONAL STRUCTURE



Minister of Transport and Public Works  
Marius Fransman

HEAD OF THE DEPARTMENT



Thami Manyathi

Strategic Support



Jacqui Gooch

CORPORATE AFFAIRS



Darryl Jacobs

- Human Resource Management
- Labour Relations
- Human Resource Development

ROADS  
INFRASTRUCTURE



Jakkie van Heerden

- Roads Planning and Policy
- Design
- Operations
- District Office George
- District Office Paarl
- Government Motor Transport
- Road Infrastructure Admin

COMMUNITY BASED  
WORKS PROGRAMMES



Liziwe Ramcwana

- Western Region
- Central Region
- Southern Region
- Empowerment Unit
- Admin Co-ordination

FINANCIAL  
MANAGEMENT



Cedric Ismay

- Supply Chain Management
- Management Accounting
- Financial Accounting
- Financial Control

PUBLIC WORKS



Richard Petersen

- Property Management (James Slabbert)
- Property Planning
- Property Development
- Operational Property
- Works (Thando Mguli)
- General Buildings
- Educational Buildings
- Health Buildings
- George Regional Office
- Public Works Admin

PUBLIC TRANSPORT



Neil Muller

- Modal Contract Development
- Business Development
- Safety and Compliance
- Regulation and Control

Project Management Office



Yasir Ahmed

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## Abbreviations

ABE	Affirmable Business Enterprises	MTEF	Medium Term Expenditure Framework
AsgiSA	Accelerated and shared growth initiative for South Africa	MVTS's	Motor Vehicle Testing Stations
BBBEE	Broad Based Black Economic Empowerment	NaTIS	National Traffic Information System
BBBEEA	Broad Based Black Economic Empowerment Act, 2003	NEMA	National Environmental Management Act, 1998
BEE	Black Economic Empowerment	NHTS	National Household Travel Survey
BOT	Build, Operate and Transfer	NLTTA	National Land Transport Transition Act, 2000 (Act 22 of 2000)
CARP	Community Access Road Projects	NQF	National Qualification Framework
CBD	Cedtral Business District	PDI	Previously Disadvantaged Individuals
CBP	Community Based Programme	PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
CBPWP	Community Based Public Works Programme (Branch)	PGDS	Provincial Growth and Development Strategy Green Paper
CCT	City of Cape Town	PIG	Provincial Infrastructure Grant: National conditional grant
CETA	Construction Sectoral Education and Training Authority	POLB	Provincial Operating Licence Board
CIDB	Construction Industry Development Board	PPP	Public Private Partnerships
DBSA	Development Bank of South Africa	PrDP	Professional Drivers Permits
DLTC	Driver Licence Testing Centre	PSAIP	Provincial Strategic Accommodation Infrastructure Plan
EEP	Employment Equity Plan	PTP	Public Transport Plan
DORA	Division of Revenue Act	PTIP	Public Transport Improvement Programme
EIA	Environmental Impact Assessment	ROD	Record of Decision
EPWP	Expanded Public Works Programme	RPM	Rational Portfolio Management system
FET	Further Education and Training	TETA	Transport Education and Training Authority
FIFA	Federation Internationale de Football Association	SALGA	South African Local Government Association
GIAMA	Government Immoveable Asset Management Bill	SANRAL	South African National Roads Agency Limited
HDI	Historically Disadvantaged Individual	SAPS	South African Police Service
HEI	Higher Education Institutions	SARCC	South African Rail Commuter Corporation
IDP	Integrated Development Plan (municipal)	SDA	Service Delivery Agreement
IDT	Independent Development Trust	SIP	Strategic Infrastructure Plan
IDIP	Infrastructure Development Improvement Programme	SME	Small Medium Enterprise
ITP	Integrated Transport Plan	SMME	Small Medium and Micro Enterprise
LIC	Labour Intensive Construction	TRACK	Technology Research Activity Centre
MEC	Member of the Executive Council	UA	User agreement
MEDS	Microeconomic Development Strategy	WCLAA	Western Cape Land Administration Act, 1998
MIG	Municipal Infrastructure Grant: National Conditional grant	WEO	Women Equity Ownership

# **PART A: STRATEGIC OVERVIEW**

## **1 Overview of Strategic Performance Plan**

This year's Annual Performance Plan is the third of a five-year Strategic Plan for 2005/06 to 2009/10, which was presented, to the Provincial Parliament during 2005/06.

The strategic goals of the department remain unchanged from 2006/07. This is so as to consolidate on the broad thrust of the Strategic Plan, and the two previous Annual Performance Plans, which has focused on the following:

- Getting the basics right.
- Maintaining routine core functions, but with an eye to efficiency and opportunities for improvement.
- Taking on ground breaking initiatives.

Activities to be undertaken by way of getting the basics right will include the following:

- Further development of enterprise risk management and internal audit capacities in the department.
- Implementation of the new macro structure for the Department which focuses on strengthening and promoting strategic and integrated planning and eliminating silo'd approaches to infrastructure and service delivery.
- Addressing the critical shortage of skills in the transport, engineering and other built environment fields, through the Masakh'Isizwe and Learnership 1000 programs, setting up of a Public Transport Academy and EPWP Centre for Innovation, and exchange programs with other authorities.

Ground breaking initiatives will be a feature of the process for the implementation of the Public Transport Improvement Program (PTIP), Provincial Property Investment and Accommodation Strategies and 2010 FIFA World Cup Plans.

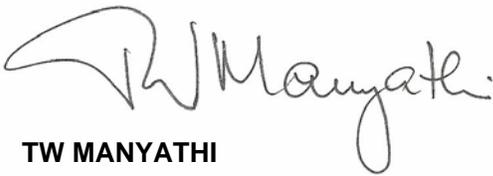
The following are some of the important targets for the 2007/08 financial year:

- The delivery of health infrastructure through 17 planning projects, 350 maintenance projects and 26 construction projects.
- The delivery of education infrastructure through 8 planning projects, 62 maintenance projects and 23 construction projects.
- The development of an immovable asset management plan and implementation of a City of Cape Town Central Business District Office accommodation plan for the Provincial Government.
- Improved safety, access and mobility and reduced road user costs through 28 construction projects, maintenance of 1028 km roads (regravelling and resealing) and 18 designs.
- In support of integrated public transport, the customisation, adoption and testing of an integrated fare management and integrated ticketing system, the training of 3 000 persons involved in the public transport system, the conclusion of 10 service level agreements with authorities to undertake enforcement and the reduction in the response time on operating licence application to 85 days.

- To assist in identifying high accident locations improve the management of accident information through the verification of 18 000 accident forms;
- To reduce the damage to provincial road infrastructure through testing 480 000 vehicles for overloading.
- The creation of 40 000 work opportunities, establishment of eleven EPWP forums (sector, provincial and district) to promote the mainstreaming of EPWP, ensuring that 800 learners quality from the Learnership 1000 program, and taking on 500 learners as part as part of the National Youth Service.

Some notable projects include the following:

- Setting up of the Public Transport Operating Entity
- Roll-out of projects in preparation of the 2010 FIFA World Cup:
  - Upgrading of the Koeberg Interchange
  - Upgrading of the N2 Corridor to provide Public Transport Priority lanes and the Airport Interchange.
  - Commissioning of the Integrated Fare Management and Intelligent Transport systems.
- Completion of the Postdam Interchange
- “Massification” of the expanded Public Works Program
- Construction of the licensing shared services centre.



**TW MANYATHI**

**ACCOUNTING OFFICER**

**MARCH 2007**

## **2 Strategic plan update analysis**

### **Background**

It is a legislative requirement for the department to develop annual three year performance plans within the context of the Five Year Strategic and Performance Plan. The Five Year Strategic and Performance Plan for 2005/06 to 2009/10, was tabled in the Provincial Parliament in 2005. During the development process of the Annual Performance Plan for 2006/07, the strategic goals were reviewed.

These goals were then linked to strategic objectives for each programme.

### **Review Process**

During 2006/07, the Provincial Government of the Western Cape developed iKapa Elihlumayo, the PGDS Green Paper. Strategic direction is given to the Department within the PGDS, by highlighting the critical focus which needs to be placed upon integrated transport as a number one priority. Should the Western Cape not address the challenge of providing integrated transport, it will struggle to achieve the objectives of shared growth and integrated development. In addition, the priority to utilise the provincial property portfolio in a strategic manner to leverage other public sector and private sector investment is of paramount importance.

Further to this, the need to maintain and manage the assets which we own is crucial. The Strategic Infrastructure Plan (SIP) promotes the requirement of prioritising the management and maintenance of infrastructure, while addressing the provision of new infrastructure when required. However, a balance must be achieved between these two seemingly disparate objectives.

The department underwent a process of reviewing its objectives and programmes to ensure alignment with the PGDS, which contains a Plan of Action for delivery. The departmental strategic goals and objectives are informed by, inter alia, the

- Provincial Growth and Development Strategy – iKapa Elihlumayo.
- AsgiSA
- State of the Nation Address of the President of South Africa, 2007
- State of the Province Address by the Premier of the Western Cape, 2007
- Medium Term Budget Policy Statement 2007 - 2010 of the Western Cape Government.
- Western Cape Provincial Economic Review and Outlook, 2006

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, empowerment, EPWP and skills development. Thus, where required, objectives and outputs have been adjusted to achieve a coherent approach.

### **Strategic Goals**

The seven 2006/07 strategic goals, developed in November 2005, remain unchanged for 2007/08. They are:

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.
7. Ensure that BBBEE is realised.

### **Strategy and Alignment with the PGDS**

The PGDS outlines priorities for each department within the Provincial Government. These are linked to the lead interventions and have been prioritised, planned and budgeted for by the department. The key deliverables linked to the lead interventions are the following: Development of Integrated Transport Plans, refinement of the SIP, EPWP massification, roads upgrading to unlock and enhance economic activity, establishment of a Public Transport Operating Entity, development of the Klipfontein Corridor, establishment of a single ticketing system for public transport, upgrading of key road interchanges to unblock traffic jams, pedestrianisation of the inner CCT – link to Green Point, development of a Freight Logistics Strategy, transport linkages to the port and airport and development and implementation of the George Mobility Strategy

### **Measurable Objectives**

Measurable objectives for each programme as they relate to the 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**

Given the dynamic environment within which the department functions, it strives to be a learning organisation, seeking and unlocking the appropriate opportunities presented. The department's 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

# PART B: BUDGET PROGRAMME AND SUB-PROGRAMME PLANS

## 3 Overall Programme Structure

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

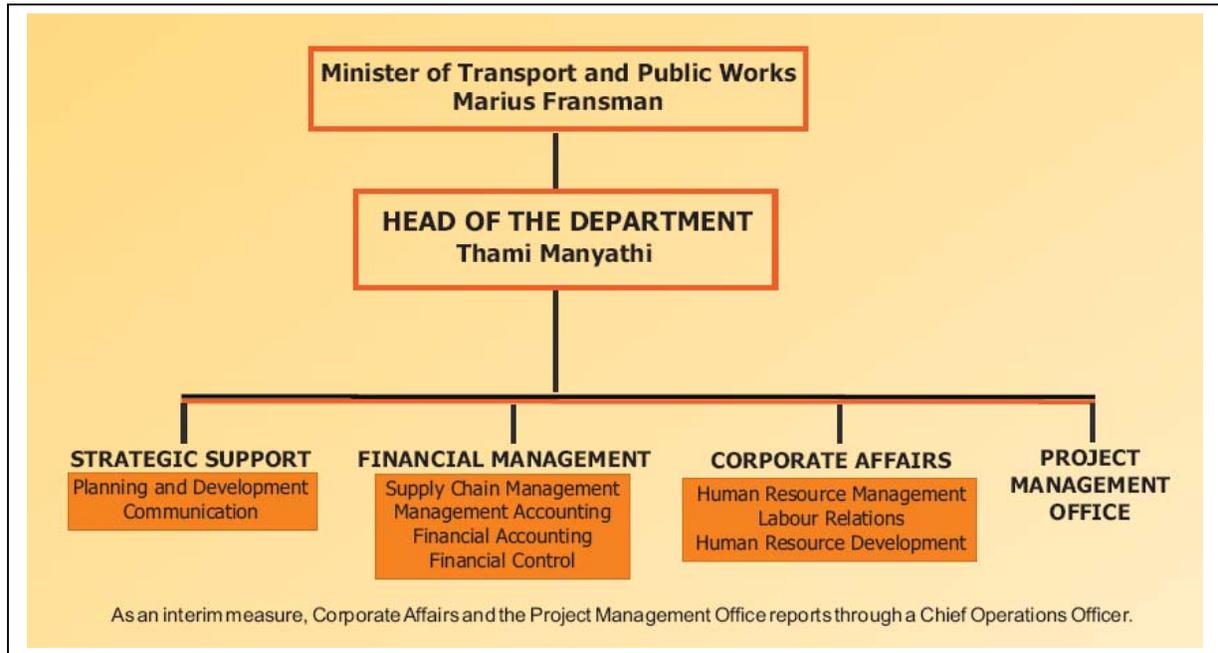
**Table 1: Programme Structure of the Department**

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 1: Administration

This programme provides for the overall management and administrative support of the department, which includes human resources management and financial management. In addition, it provides for strategic direction, a measure of integrated planning, project management oversight as well as communication services.

Figure 1: Organisational Structure linked to Programme 1



### 4.1 Situational analysis

The Provincial Cabinet approved a macro-level functional model for the department. This model forms the basis for the development of an organisational structure that will give greater effect to government's strategies and objectives, by providing for integrated planning and reducing inefficiencies and duplication. The roll-out of implementation is underway.

Human resource management's relationship with other programmes is that it operates on a completely centralised basis, but with decision making delegated to appropriate levels. Financial management operates on a partially decentralised basis. Powers are delegated to ensure that officials are empowered to perform efficiently and effectively, to foster a culture of responsibility and accountability and to enhance service delivery.

Currently the department is audited at a level 3 audit capability, i.e. the control level with the focus on compliance and control. The basics in relation to financial management need to be improved to systematically advance towards achieving an audit capability at level 4, i.e. the information level focussing on measuring how resources are used – economy, efficiency, and effectiveness.

The recruitment of appropriate finance staff to reduce the vacancy rate in the financial management domain is in different stages. These vacancies were mainly caused by institutional re-organising in financial control and supply chain management components and the establishment of an enterprise risk management component.

A detailed analysis of select Engineering and Built Environment skills shortages in the Western Cape has been undertaken by the Faculty of Engineering and Built Environment of the University of Cape Town. Summary findings are that in 2006 there were 3 700 vacancies and a supply of only 1 450 personnel in South Africa. There was a particularly high imbalance between the supply and demand in civil engineering, with supply being 12% of the demand. Averaging across all fields, the supply was less than 30% of the demand at the professional level, less than 60% at the technological level and less than 40% at the technical level.

As the Employment Equity Plan (EEP) duration has expired, a process of developing a new plan has been started. Consequently an Employment Equity Consultative Forum was established to develop the new/updated EEP in consultation with all stakeholders, to monitor the implementation of the EEP with a view to ensuring that objectives are achieved and to review and revise the EEP as and when deemed necessary.

Provincial Cabinet approved the Strategic Infrastructure Plan (SIP) in December 2006. The purpose of the SIP is to align, co-ordinate, target and leverage public and private sector investment so as to achieve shared growth and integrated development. This plan was launched in March 2007, and the focus is now placed on implementing the projects and programmes identified within it. Given that annual updates will be undertaken, improvements to areas such as programme funding/financing will be focused upon.

#### **4.2 Policies, priorities and strategic objectives**

To give effect to AsgiSA, the priority of the Masakh'iSizwe Centre of Excellence, is to address the imbalance of supply and demand of 'high level' qualified personnel in the construction sector by developing professionals, technologists and technicians through providing bursaries and technical support for study in these fields at the Higher Education Institutions (HEIs) in the Western Cape.

Presently, the public transport system is not universally accessible to special needs passengers and constrains their ability to pursue economic and social opportunities due to their lack of mobility. A policy relating to improving access to transport for special needs passengers has been drafted and, as a first step, is to be consulted with the Western Cape Network on Disability. Thereafter, it will be submitted to the relevant authorities for in principle approval and subjected to a public participation process, before being presented to the Provincial Cabinet for approval.

Depending on government's decentralisation programme in respect of centralised shared internal audit service, it is the Provincial Treasury's intention to establish an Internal Audit Committee for this department specifically. This action will strengthen the control environment, as envisaged by the PFMA and the Shared Internal Audit Committee will no longer have a responsibility towards this department.

Table 2 below presents the strategic goals and strategic objectives for the Programme 1: Administration. Only those that have an external focus have been captured.

**Table 2: Strategic objectives for Programme 1: Administration**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>1.1 To maintain the relevance of the Strategic Infrastructure Plan</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>3.1 To ensure that integrated planning is undertaken which promotes public transport</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <p>4.1 To develop and implement mentorship programmes to promote skills development.</p> <p>4.2 To enhance, develop and implement programmes to develop specialised skills towards infrastructure led growth</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate.</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <p>6.1 To mainstream transformational elements into the Department's operational activities.</p> <p>6.2 To promote a harmonious working environment compliant with the transformational agenda.</p>

**4.3 Analysis of constraints and measures planned to overcome them**

A critical shortage of skills in the transport, engineering and built environment fields throughout the country has been identified as a significant 'binding constraint' on the infrastructure-led growth that is necessary to reduce unemployment in the country. This scarcity impacts negatively on Roads Infrastructure, Public Transport and Public Works. To address this constraint in the longer term, the department embarked on a human capital development strategy that involves all role-players in the built environment sector (including the universities, industry, parastatals and municipalities). The strategy calls for the department to provide bursaries and academic mentors and to provide opportunities for workplace/service learning and continuing professional development. The department's contribution to this strategy is a substantial injection of resources for bursaries and the strengthening of the provision for a dedicated team within the human resource development component to provide support for bursars and facilitate the supply of work integrated learning opportunities in industry and municipalities.

Further, the number of bursaries awarded in any one year is constrained by the capacity of the faculties in the Higher Education Institutions (HEIs) in the Western Cape. The throughput rate is being addressed through negotiations with the HEIs concerned for the provision of additional tutors where necessary.

The scarcity of skilled professionals from designated groups constrains the improvement of representivity in terms of employment equity targets. To alleviate the scarcity, a skills development drive to provide trained professionals from the designated groups has been embarked upon.

Non-competitive remuneration packages offered by the public sector in comparison to the private sector, to built environment professionals constrain the recruitment and retention of skilled professionals. A process to develop a skills retention strategy and a succession policy has commenced to reduce the number of staff leaving the department for the private sector.

Capacity is limited in district and local municipalities, to effectively deal with integrated transport planning. To overcome this constraint, a capacity building programme will be developed in partnership with the Department of Local Government and Housing and the national Department of Transport. In the meantime, service providers were mandated to assist district municipalities with the development of Integrated Transport Plans (ITPs) at a district level.

#### ***4.4 Description of planned quality improvement measures***

The Masakh'iSizwe Centre of Excellence which focuses on human capital development, will improve its systems to better track the academic progress and personal development of bursars and to provide effective support for them, for example through a web-accessed database.

The reviewed EEP will span 5 years commencing in 2007 and is intended to be a firm, objective commitment by the Department. It will inter alia embody timeframes, goals and measurable objectives towards achieving employment equity whilst promoting service delivery. Furthermore, it will be transparent, inclusive and directed at establishing sustainable employment equity.

#### ***4.5 Specification of measurable objectives and performance indicators***

Measurable objectives linked to the strategic goals and strategic objectives for Programme 1: Administration as a whole are presented in Table 3.

**Table 3: Programme 1: Administration: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09	Year 3 2009/10
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4	(target)	(target)
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.1 To maintain the relevance of the Strategic Infrastructure Plan</b>										
To develop regional level SIPs to inform the annual update of the Provincial SIP	SIP for each district developed							3	3	
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development</b>										
<b>3.1 To ensure that integrated planning is undertaken which promotes public transport</b>										
To ensure approved annual municipal integrated transport plans are in place	Number of plans approved		0	5				6	6	6
To review the Provincial Land Transport Framework	Annual review undertaken		Yes			Yes			Yes	Yes
To develop mobility strategy concepts for transport in district areas	Mobility strategy concepts in place for relevant area			George / Central Karoo			Cape Wine-lands	West Coast		
To develop projects in support of integrated transport	Number of project plans				2	2	2	2	10	10
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth</b>										
<b>4.1 To develop and implement mentorship programmes to promote skills development</b>										
To appoint mentors for departmental bursary students	One mentor appointed for each 20 bursars			6	0	6	0	0	13	13
To hold information sessions to clarify the roles between mentor and mentee	Number of sessions per year			0	2	1	1	1	5	5
<b>4.2 To enhance, develop and implement programmes to develop specialised skills towards infrastructure led growth</b>										
To award bursaries to students studying in the scarce skills categories	Number of bursaries awarded per academic year			127	230	0	0	0	250	250

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
To develop an exit strategy for EPWP learners	Implementable strategy in place for EPWP learners				0	0	1	0	0	0
<b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate</b>										
<b>6.1 To mainstream transformational elements into the Department's operational activities</b>										
To incorporate transformational elements into the performance agreements of all SMS members	Number of SMS performance concluded			7	31	0	0	0	31	31
To ensure focal unit meetings occur within the department	Quarterly focal unit meetings			2	1	1	1	1	4	4
<b>6.2 To promote a harmonious working environment compliant with the transformational agenda</b>										
To implement diversity management training for all staff	Number of staff trained			0	0	250	250	250	750	150
To implement programmes / interventions to counter negative aspects identified in the health and wellness risk assessment	Number of programmes run			0	0	0	1	1	2	2

#### 4.5 Reconciliation of budget with plan

Table 4 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 4: Nominal Expenditure on Programme 1: Administration**

<b>Programme 3: Roads Infrastructure</b>	<b>Year – 2 2004/05 (actual) R'000</b>	<b>Year – 1 2005/06 (actual) R'000</b>	<b>Base year 2006/07 (estimate) R'000</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 2007/08 (budget) R'000</b>	<b>Year 2 2008/09 (MTEF projection) R'000</b>	<b>Year 3 2009/10 (MTEF projection) R'000</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
1.1. Programme support	3 995	4 419	4 118	1.5%	4 363	4 644	4 822	5.4%
1.2. Head of Department	16 481	28 954	42 718	61.0%	40 016	39 782	39 965	(2.2%)
1.3. Corporate Support	27 762	32 056	43 528	25.2%	63 298	68 299	69 870	17.1%
<b>Total programme 1:</b>	<b>48 238</b>	<b>65 429</b>	<b>90 364</b>	<b>36.9%</b>	<b>107 677</b>	<b>112 725</b>	<b>114 657</b>	<b>8.3%</b>

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

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

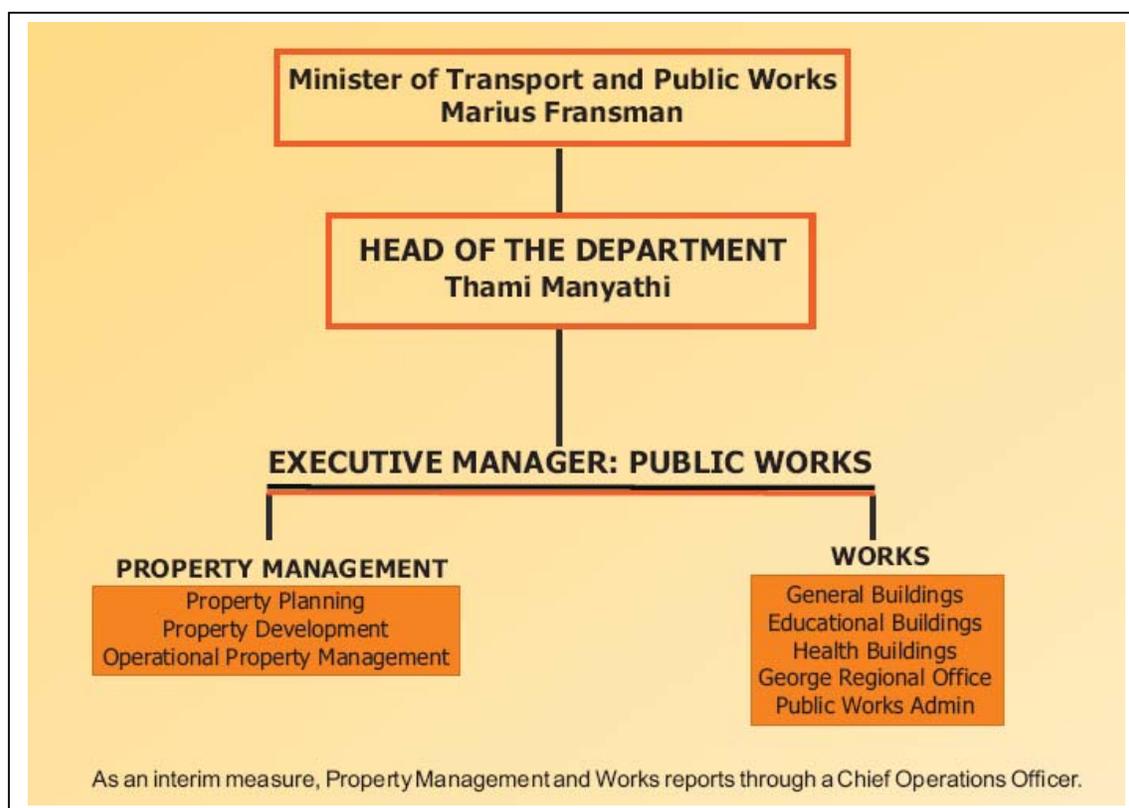
Furthermore, the provision for 2007/08 for the programme as a whole has increased by 19,16 per cent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows at a steady growth of 26,88 per cent over the MTEF. The provision for payments of capital assets has increased by 48,37 per cent compared to the main appropriation for 2006/07, while current payments has increased by 13,44 per cent and transfer payments have increased by 142,07 per cent. This increase is due to the increase in payments for the bursary programme.

In support of the approved macro-level functional model for the department, public transport planning activities have been combined with other planning responsibilities and vested under Programme 1 - Administration to promote integrated planning.

## 5 Programme 2: Public Works

This programme is aimed at the management of the provincial property portfolio and the provision, construction, upgrading and maintenance of accommodation. As custodian of all provincial properties the Branch Public Works fulfils the dual roles of property manager and implementing agent. It therefore renders professional, technical and support services, in respect of property development and the planning, construction and maintenance of buildings and related infrastructure, to provincial departments.

**Figure 2: Organisational Structure linked to Programme 2**



### 5.1 *Situational analysis*

Immovable assets are instrumental in delivering government services and in contributing towards attaining set objectives. Given the extent of immovable assets owned and used by the provincial government, and the significant impact such assets have on the economic, social and environmental dimensions in the Western Cape, there is a need to manage assets uniformly as well as efficiently, effectively and economically.

User departments are not always optimally utilising allocated space. This requires the introduction of a mechanism to measure performance of such space, as well as unallocated properties.

As custodian of the provincial property portfolio Property Management is responsible for the Immovable Asset Management (IAMP) This plan integrates all provincial accommodation needs for the next five years.

The Provincial Property Portfolio consists of both owned and leased properties. Table 5 and Table 6 below give a summary of the owned and leased property portfolio as on 31 March 2007, respectively. It is important to note that as more than one building may be erected on one erf, the number of buildings is more than the number of erven. Land and buildings not utilised by user departments are included under un-utilised land and buildings.

**Table 5: Provincial 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	348	348	18 420	0	0
<b>Total</b>	<b>6 557</b>	<b>348</b>	<b>348</b>	<b>316 402</b>	<b>12 332</b>	<b>7 145 945</b>

**Table 6: 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			61	83 759	R12.008m
Education Department			445	125 103	R47.006m
Social Development Department			31	18 304	R8.750m
Other clients combined			83	54 478	R38.401m
Unutilised			0	0	0
<b>Total</b>			<b>620</b>	<b>281 644</b>	<b>R106.165m</b>

To enable the provision of properties to support government's policies and strategies, there is a need to consolidate property registers of land registered in the name of all spheres of government. Thus far 3,398 properties have already been endorsed in the name of the Province and now vest in the State. A further 2 605 properties must still be endorsed after the necessary approval has been obtained and the required certificates have been issued by the national Minister of Land Affairs.

In addition to this, the following endorsements are being addressed:

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

The continuous expansion of the staff establishments and business of client departments requires more office space and other functional accommodation to be provided. This is achieved through the purchasing or leasing of such accommodation.

The department is not adequately resourced to meet these demands.

Works, as the provincial implementing agent, renders the professional and technical services required for the implementation of provincial department's infrastructure plans as well as IAMP. Despite the Branch's best efforts the backlogs in accommodation and maintenance are increasing.

#### Condition of government buildings

The department is responsible for one of the largest property portfolios in the country. The buildings and structures vary in age from a few hundred years old to brand new. Table 7 indicates the current state of the provincial physical property portfolio of 12 388 buildings: 4% very good, 21% good, 65% fair, 9% poor, 1% very poor. The provincial property portfolio maintenance backlog amounts to about R2,8 billion and increases annually by 2%. Although 65% of the properties are in a fair condition, continued limited resources for planned and preventative maintenance to preserve the existing property portfolio will cause the condition to deteriorate.

**Table 7: 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
<b>Grand Total</b>	<b>484</b>	<b>4%</b>	<b>2 644</b>	<b>21%</b>	<b>8 002</b>	<b>65%</b>	<b>1 103</b>	<b>9%</b>	<b>105</b>	<b>1%</b>	<b>12 338</b>

#### Demand for new accommodation

The property market in the Western Cape is experiencing phenomenal growth. Prices of vacant land to build schools, hospitals and other community facilities have doubled over the last few years.

The boom in the property market coupled with massive infrastructure investment is placing a huge demand on already scarce resources. Not only is there fierce competition for skilled professionals and artisans but shortages in some materials such as cement, and cost escalation may aggravate the situation even further.

Demand for new accommodation from client departments, as shown in Table 8 increased in particular for schools, hospitals and other social infrastructure and amounts to approximately 235 new facilities constituting approximately 503 523m<sup>2</sup> of space. Due to budget constraints the backlogs for new accommodation are increasing. Alternative options need to be found.

**Table 8: The Demand for New Space by Department**

New Demand for Space	Number	Number of square metres	Planned Capital Expenditure*		
			Base year 2007/08 R'000	MTEF 1 2008/09 R'000	MTEF 2 2009/10 R'000
Health Department (hospitals)	12		See Footnote		
Education Department (schools)	60		See Footnote		
Other:					
Agriculture	10		5 240	5 476	5 476
Social Development	3				
Other Infrastructure	27		33 760	64 544	40 818
<b>Grand Total</b>	<b>112</b>		<b>39 000</b>	<b>70 020</b>	<b>46 294</b>

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

## **5.2 Policies, priorities and strategic objectives**

The Construction and Property Transformation Charters provide for the implementation of a scorecard to transform organisations to promote meaningful participation and empowerment of women and black people in the construction and property industries.

The Public Works environment is being affected by new legislation amongst others GIAMA, CIDB, Construction & Property Charters, Broad Based Black Economic Empowerment Act, Expanded Public Works Programme, Provincial Growth and Development Strategy, DORA 2007, NEMA, Built Professions Legislation, PPPFA and the Western Cape Land Administration Act, 1998 (Act 6 of 1998) and the White Paper on Property Management.

As part of the national Department of Public Works' property management reform programme, the payment of property rates function is intended to be devolved to provinces. The department thus needs to prepare for this devolution that will take place in 2008.

The provincialisation of health clinics from municipalities is continuing. Primary health care services that were devolved to municipalities are in the process of being transferred back to the Province. Only the non-metro properties are currently receiving attention. At this stage approximately 220 properties will revert back to Public Works.

A primary objective is to improve service delivery to client departments. In support of this, an Immovable Asset Management Plan underpinned by GIAMA in the process being developed to guide the planning, acquisition, operation, maintenance and disposal of provincial fixed assets. As an immediate action, a Cape Town CBD accommodation plan, which clearly derives the demand for provincial head office accommodation over the next 5 to 10 years in the process of being developed and implemented

User agreements must be concluded with departments, institutions and entities. In addition, property user portfolios need to be developed.

In pursuit of the objective of BBBEE, properties have been identified to accelerate the empowerment of women in the property industry through the sale and lease of such properties.

Opportunities within the property portfolio will be explored to support the objective of creating sustainable and integrated human settlements.

The introduction of new legislation and policy frameworks affects the processes involved in the planning and execution of projects. With the assistance of the technical advisors of IDIP appointed by National Treasury, the department is continuing to develop and revise processes. The development and implementation of the CIDB toolkit and the implementation of our role as an infrastructure implementation agent, is of particular significance.

Important developments relating to environmentally friendly technologies, issues of safety and surveillance, multi-purpose use of community facilities, materials and quality issues, learnerships and employment, requires the department to rethink design criteria and construction methods of buildings.

Table 9 provides strategic goals and strategic objectives for the programme.

**Table 9: Strategic objectives for Programme 2: Public Works**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>1.1 To ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and prescripts</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>2.1 To accelerate infrastructure delivery and reducing infrastructure and maintenance backlog.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>3.1 To provide technical and professional built sector advise and manage infrastructure delivery for all public transport built sector facilities</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>4.1 To build a critical mass of skilled built sector practitioners and professionals to meet the demand for built sector skills.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>5.1 To reduce income poverty and unemployment.</p>

**STRATEGIC GOAL**

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

**STRATEGIC OBJECTIVE**

6.1 To improve efficiency, effectiveness, and representivity of the Public Works Branch.

**STRATEGIC GOAL**

**7. Ensure that BBBEE is realised**

**STRATEGIC OBJECTIVE**

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

**5.3 Analysis of constraints and measures planned to overcome them**

The conclusion of service delivery agreements, user agreements and the development of property user portfolios are time consuming processes. Linked to this are under-resourced operating expenses such as security, municipal services, and maintenance. In order to accelerate this, resources will be contracted in.

Current provincial land administration legislation is, to a certain extent, not aligned to the PFMA or the GIAMA Bill and leaves room to streamline the process of acquisition and disposal of property. The Western Cape Land Administration Act, 1998 and its regulations will be modernised to accommodate best practice.

Resources allocated to the department, do not address the reduction of backlogs in the maintenance of the provincial building stock. Innovative ways such as life cycle costing, improved facilities and building management to limit future maintenance burdens must be established.

The Branch is the designated provincial government-implementing agent for built sector infrastructure. In this capacity building industry professionals and technical personnel, including foreign built sector professionals, are employed and contracted. Services are rendered in terms of customised Service Delivery Agreements (SDAs) concluded with client departments.

It is envisaged that the Public Works mandate as described in the White Paper on Provincial Properties be re-affirmed as recommended by IDIP. This requires Public Works and Property Management to review their existence in the current form and work towards setting up a trading entity that will be solely responsible for the Provincial Government of the Western Cape property and building infrastructure. This is currently in a conceptualisation stage.

Given the difficulty of attracting and retaining built environment professionals, internal capacity will be enhanced through development of a retention strategy to retain currently employed professionals and practitioners as well as drawing entry level professionals into the ranks. The department will provide accredited experiential training to young graduates and continue with the employment of retired professionals to mentor graduates.

Funding shortages remains the biggest constraint. The department will appoint a task team together with the Provincial Treasury and user departments to research options such as PPPs and BOTs.

#### **5.4 Description of planned quality improvement measures**

The quality of services provided will be enhanced through the following measures:

- Development of the Immovable Asset Management Plan and implementation of the Cape Town CBD accommodation plan.
- Entering into service delivery agreements and user agreements with all client departments
- Building synergy with other line function departments and stakeholders with regard to service delivery
- Appointment of planning officers and core business portfolio managers to liaise directly with client departments to ensure better client relations and performance
- Provision of 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.
- Retain the level of PDI participation in the construction industry.
- Contribute to the skills development and employment of youth within the built sector.
- Contribute to the implementation of the EPWP.
- Comply with CIDB and IDIP prescripts.
- Develop a quality management plan to improve delivery on time, within budget and to specification.
- Develop strategy, and implement, a Scarce Skills Plan

#### **5.5 Specification of measurable objectives and performance indicators**

The measurable objectives and performance indicators for the Public Works Branch are listed in Table 10.

**Table 10: Programme 2: Public Works: Measurable Objectives, Performance Indicators and Targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.1 Ensure alignment of accommodation and infrastructure projects to provincial and national priorities, targets and prescripts</b>										
To develop the Immovable Asset Management Plan for the Province	Percentage complete	0	50	90	50	60	100	100	100	100
To review service delivery agreements with client departments and entities	Number of service delivery agreements	0	0	0	0	0	0	12	12	12
To conclude user agreements with departments, institutions and entities	Number of departments	0	0	0	3	3	3	3	N/A	N/A
	Number of institutions	0	0	0	0	0	0	0	100	100
	Number of entities	0	0	0	0	0	0	0	0	0
To conclude property user portfolios	Percentage of properties with user agreements	0	0	0	0	0	70	80	100	100
To develop sustainable and integrated human settlements	Number of projects	0	0	4	2	2	2	2	10	15
To vest state land in the name of the Province	Percentage of properties vested	0	0	0	70	80	90	100	100	100
<b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 Accelerate infrastructure delivery and reduce infrastructure and maintenance backlogs</b>										
To construct infrastructure	Number of health projects	36	18	133	42	30	30	33	35	36
	Number of education projects	36	54	32	10	15	20	43	43	43
	Number of general buildings projects	21	18	32	10	15	19	19	20	20
To reduce the maintenance backlog of the building stock	Number of health projects	135	107	250	65	63	35	36	230	250

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
	Number of education projects	250	1 194	300	20	30	30	44	100	100
	Number of general buildings projects	278	265	300	10	30	50	100	250	250
To optimise revenue through the sale of land and buildings	Number of properties sold	40	23	40	10	10	10	40	40	40
To optimise revenue through the rental of land and buildings	Number of rental agreements	750	750	750	650	650	650	650	700	750
To provide accommodation through the acquisition (buy & lease) of land and buildings	Number of properties purchased	25	30	40	1	1	1	1	150	30
To optimally utilise the provincial property portfolio	Number of properties leased in	450	500	460	470	470	470	470	470	500
	Number of user department assessment reports	0	0	0	0	0	0	0	0	0
	Number of properties inspected	30	100	100	50	100	150	300	400	400
	Number of properties evaluated	80	100	100	0	0	0	300	400	400
	Number of properties ennobled	10	0	40	0	0	0	50	60	50
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development</b>										
<b>3.1 To provide technical and professional built sector advise and manage infrastructure delivery for all public transport built sector facilities</b>										
To provide technical and professional built sector advise and manage infrastructure delivery for all public transport built sector facilities	Number of public transport buildings & Facilities			3	3	3	3	3	10	20

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth</b>										
<b>4.1 To build a critical mass of skilled built sector practitioners and professionals to meet the demand for built sector skills</b>										
To facilitate practical training for learners, artisans, tradesmen and built sector professionals	Number training opportunities for learners									
	Health	250	99	250	80	100	100	100	120	120
	Education	250	116	250	50	50	50	50	250	250
	General buildings	100	26	100		20	20	20	20	20
	Property Management	1		3	0	0	0	1	1	0
<b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province</b>										
<b>5.1 Reduction of income poverty and unemployment</b>										
To create employment opportunities	Number of direct employment opportunities created through Health infrastructure	3 791	5 316	6 456	4 500	4 500	5 000	5 000	8500	8500
	Number of direct employment opportunities created through Education infrastructure	3 060	3 780	1 750	400	400	400	150	1500	1 750
	Number of direct employment opportunities created through general building infrastructure	1 513	1 613	1 782	250	500	750	1000	2 000	2 200
	Number of direct national youth service employment opportunities created through public works	0	0	0	0	100	300	500	500	500
	Number of EPWP building preventative maintenance work opportunities	2 500	2 500	2 800	3 000	3 000	3000	3 000	2 000	2 000

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
7. Ensure that BBBEE is realised										
7.1 To create opportunities among historically disadvantaged to enable entry into the first economy										
To increase participation of BBBEE enterprises and black professional service providers in the mainstream built sector	Percentage of value of tenders and quotes to BEE service providers	65	95	71	65	65	65	65	70	80
	Percentage of value of tenders to women	25	42	30	50	50	50	50	50	50
	Percentage of value to PDI professional service providers	25%	63%	75%	50%	50%	50%	50%	50%	50%
	Number of information sessions				0	1	1	0	2	2

## 5.6 Reconciliation of budget with plan

Table 11 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 11: Nominal Expenditure on Programme 2: Public Works**

Programme 2: Public Works	Year – 2 2004/05 (actual) R'000	Year – 1 2005/06 (actual) R'000	Base year 2006/07 (estimate) R'000	Nominal average annual change (%) <sup>1</sup>	Year 1 2007/08 (budget) R'000	Year 2 2008/09 (MTEF projection) R'000	Year 3 2009/10 (MTEF projection) R'000	Nominal average annual change (%) <sup>2</sup>
2.1. Programme support	22 930	32 972	31 884	17.9%	37 423	50 074	53 753	19.0%
2.2 Health	11 059	10 861	13 742	11.5%	18 169	19 427	26 178	24.0%
2.3. Education	10 814	13 890	15 857	21.1%	19 390	20 689	27 481	20.1%
2.4. Agriculture	19 467	13 299	8 930	(32.3%)	6 030	5 476	0	(100.0%)
2.5. Social development	4 478	2 452	3 000	(18.2%)	0	0	0	(100.0%)
2.6. Other infrastructure	94 954	111 828	119 077	12.0%	137 909	170 004	214 882	21.7%
2.7. Property management	110 634	162 400	138 006	11.7%	198 571	207 376	230 230	18.6
<b>Total programme 2:</b>	<b>274 336</b>	<b>347 702</b>	<b>330 496</b>	<b>9.8%</b>	<b>417 492</b>	<b>473 046</b>	<b>552 524</b>	<b>18.7%</b>

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

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

Furthermore, the provision for 2007/08 for the programme as a whole has increased by 26,32 percent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows a steady growth of 67,18 percent over the MTEF. The provision for payments of capital assets has decreased by 9,67 per cent compared to the main appropriation for 2006/07, while current payments have increased by 38,32 per cent and transfer payments have decreased by 0,10 per cent.

No provision has been made for the purchasing of fixed property as per the agreement with the Provincial Treasury; actual proceeds from the sale of land will be appropriated in the annual adjustments estimates.

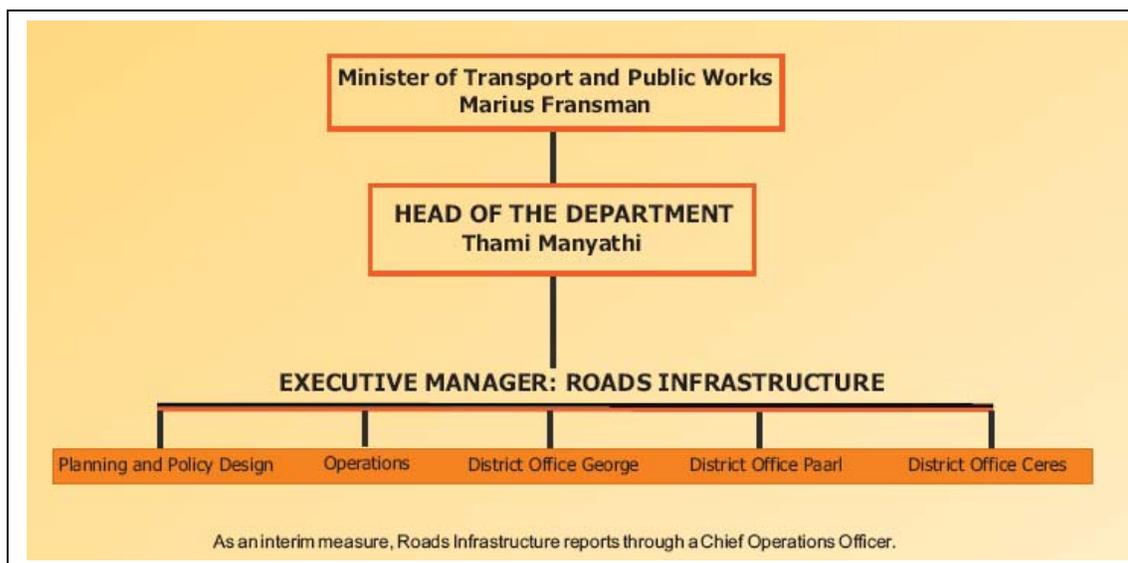
There is growing competition for scarce resources for the maintenance of the asset base in relation to general provincial buildings, roads and public transport infrastructure and operations. Taking this into account, as well as the earmarked funding, a balance had to be found between resource allocation in respect of Roads, Public Works and Public Transport.

Continued demands from departments to supply accommodation, either through rented buildings, acquisition of buildings or construction of buildings have exhausted the resources to such an extent that only current rental and operational commitments could be afforded. To prevent the state owned building stock, from deteriorating and to strengthen property management, the baseline was increased. In exchange for an increased allocation, Public Works will develop and/or act on a number of new policies. Firstly, Public Works will deliver a roll-out plan for the accommodation for the Provincial Government, the implementation of more effective mechanisms and systems that will ensure optimal utilisation of space by client departments, and the development of proposals for the delivery of integrated office accommodation at George and the so-called "government precinct" in the Cape Town central business centre. Secondly, properties will be valuated and ennobled. Thirdly, the transformation of Property Management to enable the implementation of the user-pay principle will begin.

## 6 Programme 3: Roads Infrastructure

This programme promotes accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of roads infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social and economic growth through socially just, developmental and empowering processes.

**Figure 3: Organisational structure linked to Programme 3**



### 6.1 Situational Analysis

The Roads Infrastructure Programme is responsible for the proclaimed road network within the Western Cape Province consisting of 6 344km of surfaced roads, 10 351km of unsurfaced roads and approximately 17 000km of mainly unsurfaced minor roads. The estimated asset value of the surfaced road network is R 50 billion.

In line with the general economic well being of the country, traffic counts show an upswing in vehicle kilometres travelled. Where an average annual growth rate of 3 % was noted in the 1990's, traffic growth on our roads has now grown to more than 4 % per annum. An estimated 16,3 million vehicle kilometres are travelled on the province's road network every day of which about 95 % is travelled on the surfaced network.

Roads are designed for a normal lifespan of 25 years. About 75% of the surfaced network in the Province is already older than this. This not only puts a serious maintenance burden on the road authority but also detrimentally affects road safety because of design standards inappropriate for the nature of the traffic on the roads. Roads and bridges are assets that have to be managed and maintained like all other assets and this includes planning to renew or replace an asset when it reaches the end of its economical lifespan.

In order to minimize vehicle operating costs as well as minimize the loss of asset value, the required annual funding level should be approximately R3,2 billion. Compared to the required funding level, the average allocation over the MTEF period is R1,259 billion.

The roads infrastructure budget reflects a declining trend over the medium term. In addition, the high demand for construction of infrastructure together with limited competition amongst suppliers results in high construction prices. An average increase of 30% in contract prices

is experienced. As a consequence few new projects can be launched and some planned projects need to be rescheduled to the outer years.

Preparation for the 2010 FIFA World Cup event requires appropriate rescheduling of road infrastructure projects to meet the deadline.

Flood damage to roads infrastructure remains a risk due to the unpredictability of its occurrence and magnitude. Flooding and consequential damage should no longer be deemed a rare occurrence, but rather reality. However, in the case of occurrence, resources, services and planned projects need to be reprioritised often causing delays in intended delivery.

Growing private vehicle ownership and tourism, exacerbated by a lack of adequate public transport, continues to place pressure on the already congested road network. This pressure is further aggravated by increasing road freight traffic and the overloading thereof. Linked to this, the condition of the gravel road network serving the agricultural sector is deteriorating.

Transport planning capacity constraints within municipalities hampers institutional co-ordination. Roads infrastructure planning requires integration with the general planning and approach of municipalities, as outlined within their IDP's. This is done through the Integrated Transport Plan – a sector plan included in the IDP. However, substantial improvement of the first iteration of the ITPs is required to ensure that all projects and programmes are contained and aligned.

The scarcity of engineers, project managers and artisans and the like in South Africa is well documented. This phenomenon has a constraining impact on elements such as planning, design, construction and maintenance within the roads infrastructure domain. This scarcity, combined with the inability to compete with the private sector remuneration packages, makes it difficult to attract and retain staff. In addition, transformation through the attainment of employment equity targets is difficult to achieve.

The aforementioned situation is exacerbated by the average age of 54 years of current professionals and a vacancy rate of 40 per cent within roads infrastructure. A further dynamic which places pressure on the existing staff complement are approaches by the private sector to head-hunt the well qualified and experienced individuals in the public sector.

The Construction Education and Training Authority seems to be struggling to finance skills development programmes.

**Table 12: Critical Vacancies and Supernumeries**

Sub-programme	Managerial Positions SMS		Professional and Technical Positions		Other Positions		Supernumeries
	No. of posts	Vacant Posts	No. of posts	Vacant Posts	No. Of posts	Vacant Posts	
Programme support	3	2	10	2	46	8	0
Planning	1	0	11	6	6	4	0
Design	1	0	64	23	33	17	0
Maintenance	3	3	31	13	651	121	0

## 6.2 Policies, priorities and strategic objectives

The key priority is to support, through its core functions, the Provincial Growth and Development Strategy, inclusive of AsgiSA and work opportunity and skills development goals of the EPWP. To support the above the focus will be on 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.

Table 13 provides strategic goals and strategic objectives for the programme.

**Table 13: Strategic objectives for Programme 3: Roads Infrastructure**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>1.1 Road infrastructure delivery that supports iKapa Elihlumayo lead strategies</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>2.1 Optimal allocation of resources</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>3.1 Public transport first</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>4.1 To improve the capacity of government to deliver on roads infrastructure projects</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>5.1 Road infrastructure delivery through the application of EPWP principles</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>6.1 Improved efficiency, effectiveness, and representivity of the Roads Infrastructure Branch</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>7. Ensure that BBBEE is realised</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>7.1 Black and Women participation in road infrastructure procurement</p>

### **6.3 Analysis of constraints and measures planned to overcome them**

Insufficient technically skilled human resources and inadequate financial resources remains the most serious constraint.

The current level of public sector salaries remains unattractive for professionals in the built environment. As a result, special emphasis is being placed on training of staff at all levels. An engineer and technician practical training programme has been introduced, as well as the recruitment of retired professional civil engineers to act as mentors and provide additional capacity.

As mentioned previously, the shortage of engineers, project managers and artisans is constraining the delivery of economic infrastructure, such as roads infrastructure. The following interventions have been planned to contribute in overcoming this constraint:

- A vigorous recruitment process and training of junior staff through mentoring will be undertaken;
- Professional Engineers Certification training course has been re-introduced for recent graduates in the department's employ.
- Retired engineers have been employed on contract to assist with the mentoring of graduates and reducing the overload on permanent staff;
- Services of consulting engineers will still be contracted in to ensure the continuity of service delivery;
- Design of road infrastructure projects takes into account the maximization of work opportunities and skills development;
- 28 contractor learnerships and 56 supervisor learnerships are currently managed which will be increased by 10 contractor and 20 supervisor learnerships during 2007. The required road maintenance contracts to train the learner contractors are managed and funded at an average of R2 million per learner contractor over a training period of 2 years.
- Skills of existing small maintenance contractors are increased by advertising EPWP tenders to cover a range of contract values including CIDB levels 1 and 2. All the maintenance tenders include formal training requirements.
- Employees will be assessed for prior learning, followed by skills training and/or learnerships.

Integrated planning will continue to be strengthened through the improvement of Integrated Development Plans, Integrated Transport Plans and the implementation of SIP. The approved functional model for the department enhances this integration as various planning components will be consolidated.

Despite the increase in budget over the past two years, the current level of funding makes it inadequate to minimise the vehicle operating costs, road maintenance costs and loss of road infrastructure asset value.

The roads infrastructure budget reflects a declining trend over the medium term. In addition, the high demand for construction of infrastructure together with limited competition amongst suppliers results in high construction prices. An average increase of 30% in contract prices is experienced. As a consequence few new projects can be launched and some planned projects need to be rescheduled to the outer years. It is anticipated though that special funds will be made available through the following initiatives:

- The fuel levy (investigated by Treasury)

- RIFSA funds for roads infrastructure
- Additional funds for EPWP projects over the next MTEF period (ASGISA initiative)
- PTIF for 2010 World Cup road infrastructure projects

Resource constraints at district municipalities, that deliver agency services to the department for the maintenance of gravel roads, are being addressed through the increased use of the private sector both contractors and consultants.

The capacity constraints faced by many of the smaller municipalities to maintain their main roads are to be addressed through a greater direct involvement by the Branch (with the agreement of the relevant municipalities).

High levels of unemployment combined with low skills levels are being addressed through road infrastructure projects which aim to maximise labour intensity and include other EPWP principles in their design.

#### **6.4 Description of planned quality improvement measures**

Refer to the sub-programmes for details.

#### **6.5 Sub programme 3.2: Planning**

##### **6.5.1 Situational Analysis**

Planning deals with the road network and integrated developmental planning issues in both rural and urban areas, either in a leading or supportive capacity. This involves evaluating and ensuring appropriate interventions are implemented on the road network in support of land use development initiatives, conducting feasibility studies and conceptual planning of road projects as well as making recommendations on road proclamation proposals.

The funding levels for roads infrastructure may slow down planning initiatives.

Over-reliance on road-based freight transport adversely impacts on the management of the road infrastructure network. It contributes to congestion problems in highly developed urban areas and to road safety problems, accelerated pavement deterioration and increased road user costs. A shift of freight from road to rail will yield positive socio-economic benefits to the public and reduce road infrastructure maintenance costs.

##### **6.5.2 Policies and priorities**

Planning will continue to align road infrastructure projects and programmes to the direction outlined in the Provincial Transport White Paper, the SIP and key elements encapsulated within the PGDS as the path-breaker for shared growth and integrated development.

Current priorities include:

- The finalisation of draft legislation, namely
  - Western Cape Transport Planning and Administration Bill
  - Western Cape Public Transport Regulatory Bill
  - Western Cape Road Traffic Bill
  - Western Cape Road Management Bill (to be restyled Transport Infrastructure Bill)
- The conclusion of proposed regional road network studies such as the Atlantis Corridor to the north of Cape Town and the Helderberg Basin study.

- Undertaking an investigation into the devolution of certain classes of proclaimed roads to local authorities.

### **6.5.3 Analysis of constraints and measures planned to overcome them**

Alternative sources of funding in the form of private sector contributions to projects will be pursued so as to limit the effect of the diminishing financial resource allocation.

Furthermore, the optimisation model used to optimise the funding allocation to specific elements within the road network, attempts to minimize the vehicle operating costs and road maintenance costs as well as minimize the loss of road infrastructure asset value.

Intergovernmental planning will be improved through inter alia the effective implementation and amendment of current planning legislation and strengthening of the existing liaison forums.

### **6.5.4 Description of planned quality improvement measures**

Project selection is optimised by, inter alia, utilising improved management information systems.

Promoting co-operative governance through forums also ensures better adherence to a consistent approach to development planning throughout the Province.

The development of a modelling laboratory to conduct micro-simulation exercises on important interchanges and intersections on the provincial road network will be investigated.

Through the application of a project management system, RPM, a vast amount of information is available per project and management reports can be produced to meet the needs of individual managers at different operational levels.

### **6.5.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 3.2: Planning is presented in Table 14 below.

**Table 14: Sub-programme 3.2: Planning: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.1 Road infrastructure delivery that support iKapa Elihlumayo lead strategies</b>										
To ensure approved municipal Integrated Transport Plans	Number of plans approved	0	0	0	0	0	0	6	6	6
To review the Provincial Land Transport Framework	Percentage completed	50	0	100	0	0	0	100	100	100
To update and draft transport legislation and regulations	Number of pieces of legislation finalised	3	0	2	0	0	0	2	3	0
<b>2. Deliver and maintain integrated public infrastructure in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 Optimal allocation of resources</b>										
To optimise roads infrastructure resource allocation	dTims optimisation model results	0	0	0	0	0	dTims run	0	dTims run	dTims run
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b>										
<b>3.1 Public transport first</b>										
To respond timeously to development plan applications and land use proposals	Percentage dealt with on time (non-cumulative)	98	0	98	98	98	98	98	98	98
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth</b>										
<b>4.1 To improve the capacity of government to deliver on roads infrastructure projects</b>										
To promote the study of maths and science at school	Number of schools visited	0	0	3	5	10	10	5	60	60
	Annual TRAC report	0	0	0	0	0	0	1	1	1
To provide accredited professional training to graduates	Number of graduates trained	0	0	7	0	0	0	7	14	21

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
7. Ensure that BBBEE is realised										
7.1 Black and women participation in road infrastructure projects										
To promote BEE in road planning and design through the appointment of majority black owned service providers	Percentage of the total black owned service providers appointed	50	55	55	0	0	0	55	55	55

## **6.6 Sub programme 3.3: Design**

### **6.6.1 Situational Analysis**

The aim of designing is 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. The designs for all projects to be implemented by contract are outsourced.

The number of designs is dependent on the allocation of resources. Furthermore, it is experienced that the private sector as well as in-house capacity are over-saturated with work and not able to cope with the demand side.

Urgent ad hoc designs required as a result of, for example, the replacement and or repair to flood damaged infrastructure, place an extra burden on the design component.

A number of projects are being delayed due to the application of new environmental regulations that came into effect during 2006.

### **6.6.2 Policies and priorities**

The priorities are aimed at preserving the existing road network. The objective of designing 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 maintaining minimum infrastructure standards.

Taking economics into account, there is a shift towards surfacing gravel access roads in rural areas as opposed to regravelling. This direction is supported by environmental considerations and a shortage of suitable gravel materials in many areas.

### **6.6.3 Analysis of constraints and measures planned to overcome them**

Communication lines with the Department of Environmental Affairs and Tourism will continue to be improved to smooth EIA processes.

### **6.6.4 Description of planned quality improvement measures**

In managing a vast asset such as the provincial road network, it is of paramount importance to not only know the network but also its condition and how it is being used. To this end, information and management systems are continuously improved.

Project selection is optimised by, inter alia utilising improved management information systems. Norms and standards are regularly reviewed to ensure best practices and innovative solutions are followed. Promoting co-operative governance through forums also ensures a better adherence to consistent design standards throughout the Province.

Intelligent Transport Systems use sophisticated electronic technology to manage road traffic, relieve congestion, improve safety, security and enhance productivity. A provincial Intelligent Transport System architecture (including the necessary policy) that will eventually link up with national and local authority systems will be designed.

### **6.6.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 3.3: Design is presented in Table 15 below.

**Table 15: Sub-programme 3.3: Design: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
2.	Deliver and maintain integrated public infrastructure in line with the Strategic Infrastructure Plan for the Western Cape									
2.1	Optimal allocation of resources									
To design roads that meet the appropriate standards	Number of designs completed	2	20	8	0	0	0	14	20	20

## 6.7 Sub-programme 3.4: Construction

### 6.7.1 Situational analysis

Table 16 below reflects new or major upgrading of road infrastructure over the last three years by region.

**Table 16: Construction of Road Infrastructure by Region**

Region of Province	2004/05	2005/06	2006/07	Total
<b>Central Karoo District Municipality</b>				
Highways (no of km <sup>2</sup> )				
Surfaced roads (excluding highways) (no of km <sup>2</sup> )				
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)	1.0			1.0
<b>Eden District Municipality</b>				
Highways (no of km <sup>2</sup> )				
Surfaced roads (excluding highways) (no of km <sup>2</sup> )			4.1	4.1
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)		1.0		1.0
<b>Overberg District Municipality</b>				
Highways (no of km <sup>2</sup> )				
Surfaced roads (excluding highways) (no of km <sup>2</sup> )		6.1		6.1
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)				
<b>Cape Winelands District Municipality</b>				
Highways (no of km <sup>2</sup> )		2.0	2.1	4.1
Surfaced roads (excluding highways) (no of km <sup>2</sup> )	14.9	10.0		24.9
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)				

Region of Province	2004/05	2005/06	2006/07	Total
<b>West Coast District Municipality</b>				
Highways (no of km <sup>2</sup> )				
Surfaced roads (excluding highways) (no of km <sup>2</sup> )	3.2	12.2		15.2
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)				
<b>City of Cape Town</b>				
Highways (no of km <sup>2</sup> )				
Surfaced roads (excluding highways) (no of km <sup>2</sup> )	2.0			2.0
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)			1.0	1.0
<b>Whole Province</b>				
Highways (no of km <sup>2</sup> )		2.0	2.1	4.1
Surfaced roads (excluding highways) (no of km <sup>2</sup> )	20.1	28.1	4.1	52.3
Gravel roads (no of km <sup>2</sup> )				
Unsurfaced dirt roads (no of km <sup>2</sup> )				
Bridges with span > 2m (number)	1.0	1.0	1.0	3.1

The Branch has been forced to concentrate its efforts on the maintenance of the existing road network and so the funds available for major upgrades are extremely limited. As it is, the backlog on maintenance may be expected to increase.

### 6.7.2 Policies and priorities

The priorities are aimed at preserving the existing road network. Increases in construction costs have further limited the ability to extend the existing network or cater for the alleviation of congestion on the major arterials. Funds allocated to 2010 FIFA World Cup have made further inroads into the available resources.

The recent transfer of the EPWP projects from Community Based Public Works Branch has highlighted the conditionalities imposed by Treasury on the provision of Provincial Infrastructure Grants. Issues such as the maximising of labour intensive activities, training, increased utilisation of women and youth, will be addressed.

### 6.7.3 Analysis of constraints and measures planned to overcome them

The recent amendments to the Construction Industry Development Board (CIDB) regulations and practice notes impacts profoundly on Branch's standard documentation and procedures. It will be necessary to obtain a legal opinion to establish the way forward.

The demands on this Branch relative to the National Environment Management Act have necessitated a more long term view of our planning needs. In this regard the introduction of the new Project Management programme is proving invaluable in determining project management information (cashflows, tender dates, statistics).

#### 6.7.4 Description of planned quality improvement measures

Contract documentation is being updated on a regular basis so as to comply with current and amended legislation. Currently, amendments are being considered to meet new CIDB and EPWP criteria which will enable the Branch to meet its commitments to the provision of quality infrastructure whilst at the same time promoting job creation, training, SMME capacity building and BBEE.

The EPWP “life skills” training courses offered to each labourer on our contracts are in need of restructuring to assist the individual to be better prepared for further employment opportunities on completion of the contract. The HIV / AIDS and Financial life skills courses serve social needs while the Career Guidance Course serves the further employment needs.

#### 6.7.5 Specification of measurable objectives and performance indicators

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 3.4: Construction is presented in Table 19.

**Table 17: 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	68 000	11 000	26 000	2006	2007
C415.2 Saldanha – TR77	58 000	8 000	18 000	2009	2011
C776.1 Bredasdorp – Gansbaai phase 1	90 000	14 000	32 000	2006	2007
C776.2 Bredasdorp – Gansbaai phase 2	120 000	18 000	42 000	2009	2012
C842 Pakhuis Pass	38 000	6 000	13 000	2008	2009
C783 Algeria road	36 000	4 000	10 000	2008	2009
C788 Marcuskraal road	29 000	2 000	6 000	2006	2007
C498.2 Stellenbosch Arterial phase 2	42 000	4 000	10 000	2008	2009
C527.4 Mount Pleasant - Hermanus	30 000	5 000	11 000	2008	2009
C733 Somerset West – Sir Lowrys Pass phase 1	105 000	17 000	40 000	2009	2010
C377.11 George – Outeniqua Pass	70 053	11 000	26 000	2004	2006
C637 Paarl – N1 DR1118	45 751	6 000	15 000	2004	2006
C707.5 Rehab N1 phase 2	65 000	10 000	22 000	2005	2006
C708.6 Rehab N2 Westbound	62 000	10 000	24 000	2006	2007
C636 Wellington - Hermon	122 000	18 000	43 000	2006	2008
C708.7 Rehab N2 Eastbound	101 000	14 000	32 000	2008	2009
C708.8 Rehab N2 from km 2.9 – 8.4	36 000	5 000	13 000	2007	2008
C552 Malmesbury - Hermon	40 000	6 000	14 000	2006	2007
C586 Pniel - Simondium	30 000	3 000	8 000	2008	2009
C838 Caledon – Hemel-en-Aarde	60 000	7 000	16 000	2008	2009
C706 Koeberg i/c	465 000	26 000	62 000	2008	2010

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
C794.1 White Bridge - Knysna	28 000	4 000	10 000	2008	2010
C634 Nuwekloof - Wolseley	108 000	9 000	20 000	2009	2011
C638 TR24/1 – TR11/2 Moorreesburg	26 000	4 000	9 000	2008	2009
C500.2 Mossel Bay safety phase 1	12 000	2 000	4 000	2007	2007
C546.2 Stellenbosch – Somerset West Bredell & Stellenrust i/s	14 000	3 000	7 000	2008	2010
C707.6 N1 streetlights	29 000	3 000	8 000	2007	2008
C500.21 Mossel Bay safety phase 2	28 000	4 000	10 000	2008	2010
C847 Calitzdorp	24 000	4 000	4 800	2008	2008
C754.1 Piketberg – R/huys	37 000	6 000	7 400	2007	2008
C810 Rehab Bottelary Road	64 000	10 000	12 800	2007	2008
C413.4 Wingfield - Malmesbury	14 000	2 000	2 800	2006	2007
C802.1 Rehab TR77 – St Helena	27 000	4 000	5 400	2006	2007
C812 Rehab Firgrove	27 000	4 000	5 400	2007	2007
C789 Greyton / Genadendal	16 000	2 000	3 200	2006	2007
CBP projects	45 900	7 000	9 180	2007	2010
C708.1 Repair balustrade on N2	13 557	2 000	2 711	2004	2007
Total other projects <R10m	125 900	19 000	60 000	2007	2010

**Table 18: Planned capital expenditure on roads infrastructure**

	Name of project	No. of projects	Total Budget for projects	Planned expenditure over MTEF		
				2007/08	2008/09	2009/10
<b>Surfaced roads</b>	Total					
Projects < R10m	Sub-Total	10	174 700	21 481	3 508	
Projects > R10m	Stellenbosch Arterial Phase 2		42 000		15 000	27 000
	Mount Pleasant - Hermanus		30 000		10 000	25 000
	Somerset West – Sir Lowrys Pass		105 000			25 000
	Koeberg i/c Phase 1		465 000		200 000	265 000
	N2 Westbound		62 000	22 367		
	Wellington - Hermon		122 000	64 776	500	
	Rehab N2 km 2.9 – 8.4		36 000	11 206		
	Piketberg Redelinghuys		37 000	30 506		
	N2 Eastbound		101 000	29 000	24 000	
	Malmesbury - Hermon		57 000	41 753		
	Bottelary Road		64 000	43 979		
	St Helena Baai		27 000	22 015		
	Firgrove		27 000	23 504		

	Name of project	No. of projects	Total Budget for projects	Planned expenditure over MTEF		
				2007/08	2008/09	2009/10
	Pniel - Simondium		30 000		20 000	10 000
	White Bridge Knysna		28 000		20 000	8 000
	Nuwekloof Wolseley		108 000			20 000
<b>Gravel Roads</b>	Moorreesburg		26 000		10 000	16 000
	Postdam i/c		68 000	20 031		
	<b>Total</b>					
	Projects < R10m		16 000	4 998		
	Projects > R10m					
	Bredasdorp – Gansbaai Phase 1		90 000	44 600	380	
	Bredasdorp – Gansbaai Phase 2		120 000			30 000
	Caledon – Hemel-en-Aarde		60 000		28 000	32 000
	Marcuskraal		29 000	27 085		
	Pakhuis Pass		38 000		20 000	15 000
	Algeria road		36 000	6 000	30 000	
	Calitzdorp		24 000		16 000	8 000
	Saldanha – TR77		58 000			13 841
	<b>Total</b>					
Projects < R10m		25	147 457	59 497	53 625	46 400
Projects > R10m						
<b>Other</b>						
Film studio			15 000		15 000	
Stellenbosch – Somerset West Bredell & Stellenrust i/s			14 000		13 000	1 000
Mossel Bay Safety Phase 1			12 000	8 000	3 000	
Mossel Bay Safety Phase 2			28 000		10 000	18 000
N1 Streetlighting			29 000	8 000	21 000	
<b>Overall Totals</b>			<b>2 326 157</b>	<b>488 798</b>	<b>512 013</b>	<b>560 241</b>

**Table 19: Sub-programme 3.4: Construction: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>2. Deliver and maintain integrated public infrastructure in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 Optimal allocation of resources</b>										
To upgrade gravel roads to surfaced roads	Number of km	12	13	50	0	0	0	47	50	50
To upgrade surfaced roads	Number of km									
To rehabilitate surfaced roads	Number of km	56	33	66	0	0	0	102	60	60
To improve safety and community access	Number of projects completed	12	0	13	0	0	0	12	12	12
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth</b>										
<b>4.1 To improve the capacity of government to deliver on roads infrastructure projects</b>										
To register category 18.2 Learnerships with the CETA	Number of learnerships	330	0	310	0	0	0	330	330	330
<b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province</b>										
<b>5.1 Road infrastructure delivery through the application of EPWP principles</b>										
To promote employment opportunities through employment contracts	Number of person days per quarter	1 200 000	72 752	1 200 000	20 000	40 000	60 000	80 000	80 000	80 000
To promote EPWP employment	Number of jobs created									
<b>7. Ensure that BBBEE is realised</b>										
<b>7.1 Black and women participation in road infrastructure projects</b>										
To promote BEE through procurement	Percentage value of contracts to black owned contractors	50	30.38	50	0	0	0	60	60	60
To empower women in the construction industry	Percentage value of contracts to women-owned contractors	0	0	0	0	0	0	5	5	5

## 6.8 Sub programme 3.5: Maintenance

### 6.8.1 Situational Analysis

Current funding levels are inadequate to maintain both surfaced and gravel roads to the minimum performance levels. Only 5% of the total vehicle kilometres are travelled on the gravel roads. 73% of the pavements are older than their design life of 25 years. Over the past seven years the average rate of rehabilitation was 45 km per year compared to a desired optimal replacement rate of 300 km per year.

Since 2002 the proportion of surfaced roads in a good and very good condition has increased from 44% to 60% through a major resealing effort. However, for the same period, the proportion of gravel roads with no gravel material has increased from 72% to 82%. The average gravel thickness (desirable thickness should be 125mm) of gravel roads changed from 63mm in 1998 to 28mm in 2004. At this rate of gravel loss, the backlog for regravelling continues to grow thereby further increasing the proportion of gravel roads in a poor and very poor condition.

**Table 20: 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	
<b>Central Karoo District Municipality</b>						
Surfaced roads	83.15	320.98	167.35	8.00	0.00	579.48
Gravel roads	5.00	314.94	774.38	973.17	358.31	2 425.80
Bridges with span > 2 metre						88
Culverts with span > 2 metre						297
<b>Eden District Municipality</b>						
Surfaced roads	238.70	606.42	461.82	53.19	0.00	1 360.13
Gravel roads	10.76	500.09	1 375.59	970.48	185.13	3 042.05
Bridges with span > 2 metre						181
Culverts with span > 2 metre						377
<b>Overberg District Municipality</b>						
Surfaced roads	266.90	350.40	130.76	24.45	0.00	772.51
Gravel roads	0.00	104.42	465.52	585.86	210.28	1 366.08
Bridges with span > 2 metre						105
Culverts with span > 2 metre						183
<b>Cape Winelands District Municipality</b>						
Surfaced roads	382.84	633.46	396.45	117.84	24.98	1 555.57
Gravel roads	5.80	95.02	356.09	631.90	173.88	1 262.69
Bridges with span > 2 metre						188
Culverts with span > 2 metre						311
<b>West Coast District Municipality</b>						
Surfaced roads	330.82	397.58	585.51	349.17	78.24	1 741.32
Gravel roads	10.33	88.06	847.75	1 010.70	181.59	2 138.43
Bridges with span > 2 metre						182
Culverts with span > 2 metre						230

Region of Province	Condition of infrastructure (km's or number)					Total km's or total no.
	Very Good	Good	Fair	Poor	Very Poor	
<b>CCT</b>						
Surfaced roads	103.62	107.97	107.74	9.66	0.00	328.99
Gravel roads	0.00	0.00	0.00	0.00	0.00	0.00
Bridges with span > 2 metre						128
Culverts with span > 2 metre						24
<b>Total Whole Province</b>						
Surfaced roads	1 406.03	2 416.81	1 849.63	562.31	103.22	6 338.00
Gravel roads	31.89	1 102.53	3 819.33	4 172.11	1 109.19	10 235.05
Bridges with span > 2 metre						872
Culverts with span > 2 metre						1 422
For the purpose of this table, the degrees of overall condition of pavement mean the following:						
Very Good	Very few or no defects. Degree of defects c 3 (less than warning)					
Good	Few defects. Degree of structural defects mostly less than warning					
Fair	A few defects with degree of defects seldom severe. Extent is only local if degree is severe (excluding surfacing defects)					
Poor	General occurrence of particularly structural defects with degrees warning to severe					
Very Poor	Many defects. The degree of the majority of structural defects is severe and the extent is predominantly general to extensive.					

Increased costs of road maintenance and construction and the fact that the total available budget for the Branch has remained static or regressed has meant that there is less money available for resealing and regraveling. The inevitable result will be a deterioration of the network condition.

### 6.8.2 Policies and priorities

Any upward adjustment of resource allocation to road maintenance would be aimed at small maintenance contracts. This approach increases the participation of the private sector in road maintenance activities and improves service delivery. Furthermore, small maintenance contracts and the implementation of the EPWP creates opportunities for sustainable job creation, BEE and SMME development, increasing women participation and contractor learnerships in road maintenance.

### 6.8.3 Analysis of constraints and measures planned to overcome them

Late EIA approvals relating to gravel material borrow pits are fundamental to delays in commencing and rolling out of projects. However, improving communication with the relevant authorities has allowed the identification of strategic borrow pits to be made well in advance of planned gravel projects which in turn allow projects to progress according to schedule.

Table 21 shows the maintenance backlogs for roads infrastructure by region. The information indicates that the backlog, currently in excess of R3 billion, will be increasing and the road network deteriorating accordingly.

**Table 21: Maintenance backlogs for roads infrastructure in the province**

Region of Province	Current maintenance backlog per annum R'000s	Actual maintenance expenditure R'000s		
		2005	2006	2007
Total for province	891 000	405 938	574 254	664 883

**6.8.4 Description of planned quality improvement measures**

Quality is improved by investing in maintenance management systems and the training of staff. Computer software for the Integrated Maintenance Management System is continuously being improved.

As emerging road maintenance contractors may require assistance to ensure that the work produced is of the appropriate quality, consulting engineers are appointed to provide support. Similarly, support is provided to regional offices and district municipalities.

**6.8.5 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 22 below.

**Table 22: 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)	275 822	41 000	55 164	2007	2010
Regravel	364 151	55 000	72 830	2007	2010
Total other projects	121 400	18 000	24 280	2007	2010

**Table 23: Planned maintenance expenditure on road infrastructure**

	Name of project	No. of projects	Total Budget for projects	Planned expenditure over MTEF		
				2007/08	2008/09	2009/10
<b>Surfaced roads</b>	Total					
Projects < R10m	Sub-Total	4	6 949	6 949		
Projects > R10m	Elandsbaai		17 278	15 278	2 000	
	Beaufort West - Aberdeen		13 164	13 164		
	Barrydale - Ladismith		17 866	17 866		
	Robinson Pass		11 479	11 479		
	Mitchell Pass		11 203	11 203		
	Vredendal area		24 883	24 883		
	TR 44 Uniondale		26 000		18 000	8 000

	Name of project	No. of projects	Total Budget for projects	Planned expenditure over MTEF		
				2007/08	2008/09	2009/10
	TR 33 Phase 1		42 000		15 000	27 000
	TR 33 Phase 2		42 000		23 000	19 000
	Karwyderskraal		18 000		14 000	4 000
	Malmesbury Hopefield -		6 000			6 000
	Ceres - Citrusdal		6 000			6 000
	DM reseal		33 000	10 000	11 000	12 000
	Municipal reseal		31 500	10 000	10 500	11 000
<b>Gravel Roads</b>	<b>Total</b>					
Projects < R10m	Sub-Total					
Projects > R10m	Het Kruis Graafwater -		13 000		4 000	9 000
	Ceres Karoo		16 531	16 531		
	Ceres area		25 000		6 350	18 650
	Overberg area		21 000	8 000	13 000	
	Brandrivier		20 000		6 000	14 000
	Stilbaai		17 000	4 000	13 000	
	Redelinghuys		28 000		4 000	24 000
	Bitterfontein		17 000	4 000	13 000	
	DM Regravel		206 620	64 620	68 000	74 000
<b>Bridges &gt; 2m</b>	<b>Total</b>					
Projects < R10m	Sub-Total	12	60 650	32 750	16 400	11 500
Projects > R10m	Oudtshoorn		26 600	26 600		
<b>Other</b>	<b>Total</b>					
Projects < R10m	Sub-Total	2	43 500	14 500	14 500	14 500
Projects > R10m	Routine maintenance current -		918 803	291 001	306 301	321 501
<b>Overall Totals</b>			<b>1 721 026</b>	<b>582 824</b>	<b>558 051</b>	<b>580 151</b>

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 3.5: Maintenance is presented in Table 24 below

**Table 24: Sub-programme 3.5: Maintenance: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>2. Deliver and maintain integrated public infrastructure in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 Optimal allocation of resources</b>										
To reseal tarred roads	Number of km	364	548	348	0	0	0	340	350	350
To re-gravel roads	Number of km	575	581	660	0	0	0	410	450	450
To undertake routine maintenance	Number of km	34 000	34 000	34 000	0	0	0	32 182	32 182	32 182
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth</b>										
<b>4.1 To improve the capacity of government to deliver on roads infrastructure projects</b>										
To register category 18.2 Learnerships	Number of learnerships	30	35	45	0	0	0	45	45	0
To register category 18.1 Learnerships for the training of staff as artisans and operators	Number of learnerships	0	0	100	0	0	0	50	50	50
To recognition prior learning of staff	Percentage of staff assessed	0	0	0	0	0	0	10	50	100
<b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province</b>										
<b>5.1 Road infrastructure delivery through the application of EPWP principles</b>										
To promote employment opportunities through employment contracts	Number of person days per annum	400 000	221 794	400 000	0	0	0	200 000	250 000	300 000
To promote EPWP employment	Number of jobs created  Number of community based projects implemented									

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>7. Ensure that BBBEE is realised</b>										
<b>7.1 Black and women participation in road infrastructure projects</b>										
To promote BEE through procurement for routine maintenance contracts	Percentage value of contracts to black owned contractors	90	89.33	90	0	0	0	95	95	95
To empower women in the construction industry	Percentage value of routine maintenance contracts to women-owned contractors	0	0	0	0	0	0	35	40	45

## 6.9 Reconciliation of budget with plan

Table 25 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 25: Nominal expenditure on Programme 3: Roads Infrastructure**

<b>Programme 3: Roads Infrastructure</b>	<b>Year – 2 2004/05 (actual) R'000</b>	<b>Year – 1 2005/06 (actual) R'000</b>	<b>Base year 2006/07 (estimate) R'000</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 2007/08 (budget) R'000</b>	<b>Year 2 2008/09 (MTEF projection) R'000</b>	<b>Year 3 2009/10 (MTEF projection) R'000</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
3.1. Programme support	11 805	13 960	15 229	13.6%	17 308	18 444	19 999	9.5%
3.2. Planning	25 810	28 937	31 465	10.4%	40 875	43 920	47 425	14.7%
3.3. Design	52 515	69 303	57 815	4.9%	93 930	102 285	110 885	24.2%
3.4. Construction	179 457	275 763	537 025	73.0%	488 798	506 213	560 241	1.4%
3.5. Maintenance	405 938	574 254	574 166	18.9%	582 824	564 851	580 151	0.3%
<b>Total programme 3:</b>	<b>675 525</b>	<b>962 217</b>	<b>1 215 700</b>	<b>34.2%</b>	<b>1 223 735</b>	<b>1 235 713</b>	<b>1 318 701</b>	<b>2.7%</b>

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

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

Furthermore, the provision for 2007/08 for the programme as a whole has increased by 0,66 percent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows a steady growth of 8,47 percent over the MTEF. The provision for payments of capital assets has decreased by 2,50 per cent compared to the main appropriation for 2006/07, while current payments has increased by 4,99 per cent and transfer payments have increased by 36,19 per cent.

Motor vehicle licence fees are one of the revenue sources that sustain the expenditure level of Programme 3 - Roads Infrastructure.

There is growing competition for scarce resources for the maintenance of the asset base in relation to general provincial buildings, roads and public transport infrastructure and operations. Taking this into account, as well as the earmarked funding, a balance had to be found between resource allocation in respect of Roads, Public Works and Public Transport.

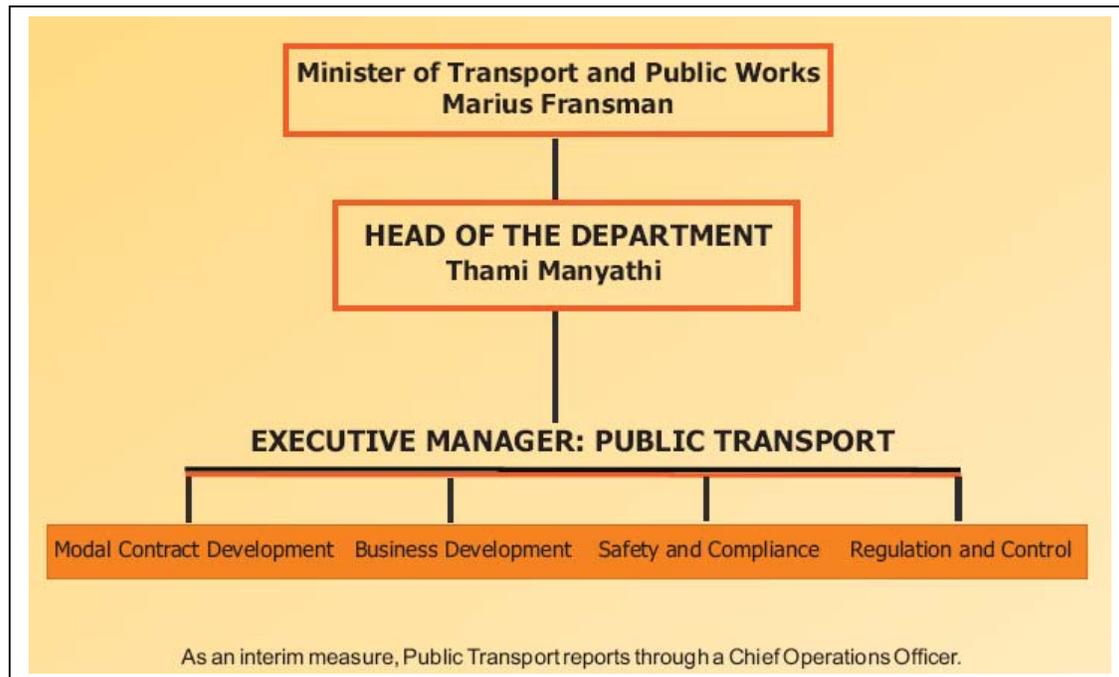
Despite that the provincial road network provides the basis for developing and growing the provincial economy by efficiently linking places of production to markets and facilitates the easy distribution of goods, services and people in the region and rural areas, the allocations for roads infrastructure over the medium term will be growing at a lower rate than originally intended, which may affect rolling back maintenance backlogs. However, the expenditure levels have been topped up to levels above the earmarked allocations to smooth expenditure and delivery. The slower growth rate in the main is attributed to a decline in resource allocation from the Provincial Revenue Fund and a trade-off insofar as addressing commitments in relation to sustaining the current provision of accommodation and managing the provincial property portfolio. Due to an estimated average increase of 30 per cent in contract prices, few new projects will be launched and some planned projects have been moved back to later years.

During 2006/07 the roads infrastructure programme was under pressure to accelerate delivery of infrastructure. Consequently R14 million was shifted from Programme 4 – Public Transport to Programme 3 – Roads Infrastructure during that financial year, with the proviso that Programme 4 is reimbursed in 2007/08.

## 7 Programme 4: Public Transport

This programme plans, regulates and facilitates the provision of public transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities.

**Figure 4: Organisational structure linked to Programme 4**



### 7.1 *Situational analysis*

An efficient, effective and safe public transport system is a critical enabler for accelerated and shared economic growth, and establishment of sustainable and livable communities in the Western Cape. It is also a key requirement for our Province and Nation as a whole to successfully host the 2010 FIFA World Cup. It is for these reasons that it has been identified as the number one priority by the Provincial Government of the Western Cape. It has also been listed in the Provincial Growth and Development Strategy, *Ikapa Elihlumayo*, as a path breaker for economic development in the Province.

The public transport system currently in place in the Province is, however, far from being efficient, effective and safe, as highlighted in the 2003 National Household Travel Survey. Concerns raised in this survey ranged from:

- Safety and security risks from deteriorating rolling stock and signals in the rail network,
- Unroadworthy vehicles, combined with unsafe driving, for passengers utilizing minibus taxis, to
- Inadequate infrastructure at bus stops, and
- Lack of safety when accessing and traveling on any of the modes of public transport.

In addressing the concerns raised by the users of the public transport system, and needs of a growing economy, the three spheres of government have joined forces around key interventions, which include the following:

- a. Development of a Public Transport Improvement Program for the Western Cape, which is an overarching framework for restructuring public transport based on the integration of all modes of public transport to provide seamless journeys, investment in key priority corridors (rail and road) to establish integrated rapid public transport networks, establishment of appropriate institutions for managing and funding public transport, and integrating public transport and landuse development. The PTIP will guide public transport investment, and align priorities and budgets by all spheres of government for purposes of improving public transport.
- b. Development of the National Public Transport Strategy and Action Plan, which have been approved by National Cabinet.
- c. Regional Rail Plan, with an investment strategy for upgrading commuter rail rolling stock, increasing the number of new trainsets, upgrading signals and infrastructure in the priority corridors of Khayelitsha – Cape Town, Simon’s Town – Cape Town, and Kraaifontein – Cape Town. The Rail Plan has been approved by the National Cabinet.
- d. Strengthening inter-governmental co-operation through the establishment of the Inter-governmental Transport Steering Committee with the City of Cape Town and National Department of Transport. A similar structure is being set up with the Eden and George municipalities to drive public transport improvements and statutory planning in the Eden District Municipality and George functional region.

In combination, these interventions provide the foundation for an implementation program to improve the public transport system, which is heavily influenced by the Cape Town functional region, while outside the functional region public transport infrastructure is less developed, and the system is reliant on minibus taxis.

The appointment of new members of the Provincial Operating Licensing Board, coupled with the redesign of business processes in the licensing center, the restructuring of the administrative organization, and appointment of new staff is anticipated to bring about much improvement in the functioning of the Board and the Licensing Center. Allegations of corruption and inefficiencies in the functioning of the Board and the Licensing Administration were cited as contributors to the instability in the minibus taxi industry by the Ntsebeza Committee of Inquiry.

The Ntsebeza Committee also recommended that a dispute resolution unit be established to bolster the Registrar’s capacity for dealing with conflict in the minibus taxi industry. Such a dispute resolution unit has been set up, and consists of a panel of mediators and a permanent secretariat. The existence of structures like the unit and the Western Cape Provincial Taxi Council has greatly contributed to promoting a relatively stable minibus taxi industry in the Province. These structures are expected to continue to play a pivotal role as the Department rolls out the taxi recapitalization program, which was launched in February 2007; as well as the program to restructure public transport to integrate the minibus taxi operations with the other scheduled and subsidized services of buses and commuter rail.

## ***7.2 Policies, priorities and strategic objectives***

Transforming the public transport system in the Western Cape is imperative in supporting the Provincial Growth and Development Strategy and the Accelerated and Shared Growth Initiative of South Africa (AsgiSA). All lead strategies of the PGDS, viz. the Micro-Economic Development Strategy, Provincial Spatial Development Framework, Social Capital Formation Strategy as well as the Strategic Infrastructure Plan, identify the critical role public transport has to play to support economic and social development, and providing a sustainable alternative to private vehicle travel.

The Public Transport Improvement Program provides the overarching framework within which all public transport initiatives will be undertaken over the next ten years. In large measure, the PTIP has served as an informant for the National Public Transport Strategy and Action Plan, which have been approved by the National Cabinet. To Achieve the set objectives of the PTIP, the following critical policy decisions, priorities and strategies will be addressed:

Table 26 provides strategic goals and strategic objectives for the programme.

**Table 26: Strategic objectives for Programme 4: Public Transport**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>1.1 Integration of public transport into broader provincial and local development plans to ensure improved safety, reduced environmental costs, enhanced mobility and accessibility.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>2.1 To stimulate economic growth and social development through the provision and maintenance of public transport infrastructure.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <p>3.1 To ensure safer public transport vehicles, infrastructure and operations.</p> <p>3.2 To implementation of an integrated public transport system in the CCT.</p> <p>3.3 To attract private vehicle users to the public transport system.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>4.1 To improve the capacity of government and operators to deliver the public transport function.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>5.1 To increase the number of opportunities linked to the EPWP in public transport.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>6.1 Improved efficiency, effectiveness and representivity of the Public Transport Branch.</p>

## **STRATEGIC GOAL**

### **7. Ensure that BBBEE is realised**

#### **STRATEGIC OBJECTIVE**

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

To achieve the set objectives, the following critical policy decisions, priorities and strategies will be addressed:

- i. Development of an enhanced intergovernmental partnership based planning and implementation framework. Partnerships will be the key to leveraging provincial and local resources for public transportation. Initiatives will include the further development of activities through the intergovernmental transportation Steering Committee as well as the adoption by the Provincial Cabinet of a phased approach towards establishing and institutionalisation of a Public Transport Operating Entity. Legislation for the establishment of the Public Transport Operating Entity will also be finalized and taken through due process.
- ii. The commissioning and implementation of an Integrated Fare Management (IFM) and Intelligent Transport Systems. A back-office and suitable banking arrangements will be established to support the Integrated Fare Management System.
- iii. The roll-out of legally sound road-based operator contracts inclusive of the bus and mini-bus taxi industry, linking taxi-recapitalisation, training and empowerment with this initiative as well as the roll-out of contracts at Klipfontein and Lansdowne Corridors.
- iv. Institutionalisation of the shared service centre, providing regulatory, administrative, safety and security support services to the POLB, the Registrar and the public transport users as well as defining a governance framework for working with the Western Cape Provincial Taxi Council (WCPTC), Regional Council and Associations.
- v. Public transport infrastructure will be developed in several municipalities and in the CCT. Key among these will be the completion of the upgrade of Sandkraal Road, as well as the start of upgrades on the Klipfontein Corridor.
- vi. FIFA 2010 World Cup projects.

### ***7.3 Analysis of constraints and measures planned to overcome them***

Fragmentation of the public transport function across all three spheres of government created an environment in which implementation of an integrated public transport system is problematic. However, the establishment of an Intergovernmental Transport Steering Committee on transportation issues between the Province, the CCT and the national Department of Transport, together with the SARCC in 2006, chaired politically with technical inputs from the officials as well as the proposal to create a Public Transport Operating Entity with representation from all three spheres of government aims to overcome this obstacle. It is further planned to include the District Municipalities in the said committee, to ensure aligned planning between all three spheres of government on issues related to public transport.

The functioning of public transport will improve as a result of the approval of the PTP's by the Planning Authorities, throughout the Western Cape. The 2006/07 financial year was a year of consolidation, in which the plans were finalised, mobility strategies agreed upon in specific municipal areas and implementation begun. A constraint identified even at national level was the capacity to develop these PTP's and then thereafter to review and continuously improve such plans. The latter together with the capacity building programme in the district municipal

areas, it is anticipated that the Planning Authorities, and the municipalities falling under them will be in a position to undertake the review of the ITP's on an annual basis and facilitate the complete design of an implementation process relating to public transport matters.

With the need to restructure and integrate the public transport system through the inclusion of previously disadvantaged operators as well as the linking of the taxi recapitalisation programme with this initiative, there is a real concern that the levels of funding received from national government for subsidy payments may be insufficient. The Branch has embarked on a new governance and management approach to unpack and cost the full implication of this restructuring, integration and transformation of the current road-based public transport systems. This will assist in understanding the complete strategic, institutionalisation and project/programme management activities and related costs, where after it will be in a better position to finalise and consult the PTIP and also align its financial requirements with available funding streams and sources, such as the Public Transport Infrastructure Fund (PTIF) and increased own revenue generation possibilities.

#### **7.4 Description of planned quality improvement measures**

The biggest challenge 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.

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

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

An extensive Communication, Public Participation and Marketing and Livery exercise will be embarked upon to ensure that citizens and patronage are fully informed of these initiatives and appreciative of the derived benefits.

#### **7.5 Sub-programme 4.2: Planning**

##### **7.5.1 Situational analysis**

Planning - The Public Transport Plans (PTPs) and Integrated Transport Plans (ITPs) of the five district municipalities have been approved by their Councils. The PTP and ITP of the CCT are in draft form only and still need to be approved by the CCT Council. In support of the approved macro-level functional model for the department, public transport planning has been combined with other planning responsibilities and vested under Programme 1 – Administration to promote integrated planning.

Modal contracts - Plans for the restructured public transport service in the CCT, consisting of a description of road based public transport services to be provided for in various modes and corridors – (line haul; feeder and distribution) have been completed. These designs form the

basis for public transport contracts, of which Klipfontein and Lansdowne Corridors will be negotiated as part of the first phase of implementation.

An Integrated Fare Management (IFM) and Intelligent Transport System (ITS) has been procured with the roll-out commencing within the CCT as a 1st phase. It will also be rolled-out to other locations in the Western Cape. The commissioning and implementation of the IFM and ITS systems will commence within the third quarter of the financial year.

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.

### **7.5.2 Policies and priorities**

The restructuring of the CCT road-based, scheduled, subsidised public transport system designs have been completed. The output of the detailed design process are subsidised, road-based public transport contracts. The detailed designs consist of the following elements (amongst others):

- Fare policy
- Infrastructure designs
- New public transport vehicles specifications
- A re-designed route network
- Integrated Fare Management and Intelligent Transport Systems
- Provision of the inclusion of the minibus-taxi industry

It is imperative that a sustainable public transport be implemented on key corridors identified in the City of Cape Town 2010 FIFA World Cup transport plan.

The roll-out of operations will be undertaken in a phased manner to ensure that operators are able to negotiate 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 negotiated will be the Klipfontein and Lansdowne Corridor package during 2007/2008.

A fare policy relating to the public transport services is in its final stages of finalisation and adoption.

### **7.5.3 Analysis of constraints and measures planned to overcome them**

Preliminary designs for an integrated and restructured public transport service in the metropolitan area indicate that the current levels of subsidy funding received from the National Government will insufficient to deliver the types of public transport service which is required to support AsgiSA. Once a complete strategic, institutionalisation and project/programme management analysis of required activities and related costs has been developed the Provincial and National Treasury will be engaged with to secure additional funding.

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. Engagements will continue until the issue is resolved.

The current 'Learner Study' conducted by the Western Cape Education Department to consider, inter alia, where learner transport resides, will assist in responding to the numerous issues which arise regarding this service. The department is working with the Education Department in this regard.

#### **7.5.4 Description of planned quality improvement measures**

Levels of service have been increased in the redesigned public transport system for CCT. 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 private vehicle use.

The introduction of IFM will assist in the integration of a seamless journey for the commuter. It will provide a cashless public transport system through the use of a smart card technology. The introduction of a cashless transport network will reduce the potential for crime. The IFM system will also improve the accuracy of the Current Public Transport Record (CPTR) studies by taking the entire public transport system into account and reduce the time of the study by providing instant public transport demand records.

ITS will provide real-time information to assist the commuters to plan their journeys better. The Automatic Vehicle Location function of the ITS will provide a monitoring mechanism of the service levels of contracted public transport operators. The ITS will make provision for bus priority at traffic lights and heavily congested areas to ensure that vehicles arrive at their destination on time.

Design of park-a-ride facilities, based on international benchmarking, will commence. The establishment of these facilities will increase the public transport ridership as private vehicles will be parked securely.

Support to the Dial-A-Ride public transport service for special needs passengers will continue to be provided to ensure accessibility to passengers with disabilities.

#### **7.5.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 4.2: Planning is presented in Table 27.

**Table 27: Sub-programme 4.2: Planning: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.										
1.1 Integration of public transport into broader provincial and local development plans to ensure improved safety reduced environmental costs, enhanced mobility and accessibility.										
<b>Modal Contracts</b>										
To develop and implement a Branding and Livery strategy for Public Transport	Percentage work complete	0	0	0	15	10	10	15	0	0
To develop and negotiate public transport operator contracts	Number of contract packages awarded	1	0	0	0	1	1	1	2	1
To commission and install the ITS and IFM system and back office	Percentage work complete	0	0	0	5%	30%	60%	50%	0	0
To establish a monitoring mechanism for operations	Approved methodologies	0	0	0	0	0	0	1	0	0

## **7.6 Sub-programme 4.3: Infrastructure**

### **7.6.1 Situational analysis**

During the past financial year the directorate consolidated their infrastructure expenditure by completing projects started in the previous financial year. All the Planning Authorities submitted their approved PTP's and ITP's and the CCT their draft documents. In future infrastructure expenditure will be in terms of the listed projects within these plans. The directorate will also continue to fund infrastructure projects linked to the mobility strategies.

Progress on the infrastructure upgrades of Klipfontein Corridor has been slow. The City of Cape Town was required to give approval of the conceptual design for the corridor before all detailed design could be completed and tender documents could be produced. Non-motorised transport projects linked to the Corridor were undertaken.

### **7.6.2 Policies and priorities**

Investment in infrastructure is a requirement of supporting AsgiSA and iKapa Elihlumayo. Although the CCT already has a large number of public transport interchanges and ranks, the restructured system will require infrastructure upgrades to specific roads in support of the restructured scheduled service, 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 roads, 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. With conceptual approval for the Klipfontein Corridor from the CCT, detailed design will continue on priority sections of the corridor which are critical to the successful movement of the public transport vehicles.

Linked to the road based services infrastructure improvements, the rail network will be upgraded by the South African Rail Commuter Corporation (SARCC). Priority corridors have been identified in the Regional Rail Plan to which focussed attention will be given. These corridors are Kraaifontein – Bellville – CBD, Khayelitsha – CBD, and Simonstown – CBD. Future links which have been identified as a priority are the Blue Downs link and the Atlantis Corridor.

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.

### **7.6.3 Analysis of constraints and measures planned to overcome them**

The main constraint that will be experienced is the amount and sustainability of continued funding for the provision and maintenance of infrastructure in the CCT as well as in the rural areas. Projects, which are to be undertaken in future, will have to be included in the municipal PTP's, Integrated Transport Plans and ultimately their IDP's. In addition, infrastructure requirements will be identified during the development of the George, Mossel Bay, Cape Winelands and Saldanha/West Coast mobility strategies, which will require

infrastructure funding to support the public transport interventions identified in the aforementioned mobility strategies.

#### **7.6.4 Description of planned quality improvement measures**

The Province in partnership with the City and municipalities must agree on the prioritisation, as per the ITP's, of infrastructure and provide the infrastructure to the standards as required.

#### **7.6.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 4.3 are presented in Table 28.

**Table 28: Sub-programme 4.3: Infrastructure: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 To stimulate economic growth and social development through the provision and maintenance of public transport infrastructure.</b>										
To complete Rural Mobility Strategy Projects	Number of projects completed	0	2	4	0	0	0	2	0	0
Sandkraal Road (project begun at start of 2007/08)	Percentage completed			0	15%	30%	45%	60%	100%	
To develop non-motorised transport infrastructure	Number of projects completed	0	0	1	0	0	0	1	1	0
To provide Klipfontein Corridor infrastructure:										
Detailed design	Percentage completed	60	20	90	0	0	0	100	0	0
Implementation	Percentage completed	20	20	40	0	0	0	100	0	0
<b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate</b>										
<b>6.1 Improved efficiency, effectiveness and representivity of the Public Transport Branch</b>										
To reduce the number of managerial vacancies in the Sub-programme	Number of vacant posts	2	0	0	0	0	0	0	0	0

## **7.7 Sub-programme 4.4: Empowerment and Institutional Management**

### **7.7.1 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 which sub-contracts the Atlantis to Cape Town service; a multiplicity of unsubsidised minibus taxi owners which own anything from a single vehicle to a number of vehicles and which provide unscheduled services, 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 on tourist transport services in the CCT 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. For this purpose, the minibus taxi and SMME bus industry will have to be transformed into formal business entities. One of the critical success factors of this process is to negotiate new road-based operator contracts for the restructured public transport service and linking such negotiations with the national initiative of the taxi recapitalisation programme.

Integral to the restructured system, is the concept of a unified road-based public transport system to bring the existing bus and minibus services into a unified travel market. The key to the successful implementation of taxi recapitalisation is ensuring the sustainability and affordability of taxi services and therefore the linking thereof with public transport restructuring. This will only be achieved through an appropriate empowerment model, which facilitates the participation of the minibus taxi industry and SMME bus operators in the provision of subsidised services. The Empowerment Model will consist of principles that will guide the criteria that will inform the incorporation of the minibus taxi and SMME bus sector into a new operating entity that will provide the service under the restructured contracts, together with the current subsidised bus operator. The realisation of the empowerment model will be driven by a team of technical experts from the financial, business development, labour and social development fields, which will advise the Department on the appropriate business model and the kind of assistance required to ensure a successful transition process.

Skills development and proper communication, public participation and branding and livery become an important part in ensuring that a holistic approach to improving the public transport system is taken. Such skills development and training will be accredited training and will be linked with the FET colleges as an element of the Human Capital Formation Strategy and the training may inter alia, include advanced, professional and eco-driving skills to improve the driving skills of taxi and bus drivers. Training will also be provided to taxi and bus owners to improve their business and financial management skills, entrepreneurship and tendering skills. The required service providers to render the above training and communication services have been appointed.

In co-operation with the Department of Economic Development and Tourism and the CCT, the metered taxi industry must be transformed into businesses linked to call and dispatch centres to ensure sustainability. This will improve the inner-City metered taxi services in preparation for the 2010 FIFA World Cup event. In addition, training programmes will be provided to ensure that the business and financial management skills of owners are improved. Drivers will be provided with advanced and professional driving skills as well as with programmes to improve their knowledge of the City and the tourist attractions.

### **7.7.2 Policies and priorities**

In general, the priorities will focus on the following:

- Facilitation/management of the transition and empowerment of the minibus taxi and SMME bus operators to formal business entities in support of the restructuring programme.
- Training and skills development for public transport operators and drivers, with specific focus on operators within the areas in which public transport operational contracts are to be rolled out. Specific training requirements including training in the usage of the IFM system and equipment will be rolled out for drivers in the identified corridors.
- Support to the metered taxi industry to improve their market opportunities through the formation of appropriate business entities and the establishment of a call and dispatch centre.
- Public participation, awareness and communication campaigns and information dissemination to inform the public and users of the system of the changes to the restructured services and other key programmes.

### **7.7.3 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, an economic argument to convince the industries that their current path of operation is unsustainable in the long term is being developed.

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 and development programmes, strengthening of the industry's structures and the executive council's role in the industry. Strategic sessions have been held with the industry leadership so as to ensure that they understand and support the department's position.

The metered taxi environment is characterised by the marginalisation of the single and small operator in their traditional market. The implementation of the relevant BEE Charter is critical to ensure transformation of the sector and sustainability of their businesses. A critical aspect for this diverse industry is to develop consensus around the business model that can ensure it is able to recapture lost market share.

Communication, or the lack thereof, may be one of the most critical tasks to be undertaken to ensure that any possible constraints are minimised. Effective communication programmes are by their diverse nature, dynamic and complex, given the various stakeholders involved. Discussions with various stakeholders 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 public transport users, the Provincial Development Council, Standing Committees, public transport operators, national departments of transport and the treasury, as well as other provincial departments. A structured public participation process on the restructuring initiatives in the CCT as well as in George will commence.

#### **7.7.4 Description of planned quality improvement measures**

The formalisation into appropriate business entities envisaged for the SMME bus, minibus and metered taxi industries will enhance the corporate nature and professionalism of the public transport system. These enhancements together with the branding of vehicles will improve the overall image of the public transport system.

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

The development of a complete communication and public participation strategy taking account of all initiatives will minimise risks. In addition, it will ensure that the general public and users of the system are informed of the new processes of the system.

#### **7.7.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 4.4: Empowerment and Institutional Management is presented in Table 29.

**Table 29: Sub-programme 4.4: Empowerment and Institutional Management: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b>										
<b>3.3 To attract private vehicle users to the public transport system</b>										
To develop and implement a communication strategy and marketing plan to promote the use of public transport	Stages of strategy development process	0		20	1 <sup>st</sup> draft developed	2 <sup>nd</sup> draft consultation process completed	Consultation completed for 3 <sup>rd</sup> draft	Final draft submitted for adoption		
	Number of events/ activities/ projects initiated				2	2	2	2	8	8
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b>										
<b>4.1 To improve the capacity of government and operators to deliver the public transport function.</b>										
To develop an empowerment entity for minibus taxi inclusion	Stages of document drafting			1 <sup>st</sup> Draft base document developed	Consultation initiated with authorities	Consultation with industry initiated	Final draft developed for adoption			
To form an appropriate business entity for the metered taxi industry	Development of base document for adoption by industry			1 <sup>st</sup> Draft base document developed	Consultation process initiated	2 <sup>nd</sup> draft document adoption by industry	Establishment of business entity			
To train transport operators, drivers and guardjies to improve levels of customer service	Number of person days training (cumulative) Number of training courses offered	1 500 person days	128	2 000	500	1 000	1 500	2 000	3 000	0

## **7.8 Sub-programme 4.5: Operator Safety and Compliance**

### **7.8.1 Situational analysis**

The results of the National Household Survey indicate that many passengers consider the public transport system to be unsafe. The provision of a safe and secure system is fundamental to the effective functioning of the public transport network.

The additional capacity of the Railway Police in the Cape Flats Network has improved the safety on the rail system. An investment of twenty-five closed-circuit television cameras (CCTV) has been made on the Klipfontein priority Corridor, as a monitoring tool, to enhance public transport operator safety.

The safer train programme targeted 37 railway stations within the Cape Flats area, and 295 volunteers are deployed to enhance safety on the trains.

### **7.8.2 Policies and priorities**

There are a number of areas which will require intervention in order to deliver a safe and secure public transport system for passengers. Only through targeted and specific interventions will the public transport system be made safer to draw, *inter alia*, private vehicle users. The targeted specific interventions are the following:

- A safety and compliance strategy and
- An enforcement strategy (operating plan and enablement plan)

A Safety and Compliance strategy has been concluded, focussing on the following:

- Coordination, integration and communication of:
  - General enforcement
  - Fighting of taxi crime
  - Pedestrian safety improvement initiatives
  - Links with courts
  - Emergency reporting and responding
  - Provincial Operating Licensing Board (POLB)
- Information management
- Funding
- Community involvement
- Disaster planning
- Driver testing capacity

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.
- 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.
- To improve safety levels, the inspection of public transport vehicles as a regulatory mechanism is undertaken on a voluntary basis (small-scale). The intention is to expand this practice to all public transport operations.
- Leading the enforcement co-ordination amongst the various agencies, including the National Intelligence Agency Criminal Intelligence, to achieve maximum security of public transport users and operators through, mainly, the establishment of service level agreements.
- Strengthen linkages with health and emergency services.

### **7.8.3 Analysis of constraints and measures planned to overcome them**

Integrated public transport enforcement strategies, as well as safety guidelines are not adequately in place to assist in guiding the interventions required. This is of importance given the numerous role-players involved in the field such as the Metro Police, Provincial Traffic and the South African Police Services. The required strategy has been developed in 2006 and will be consulted and converted into action plans during 2007.

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, and general marketing and awareness campaigns.

### **7.8.4 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. Training programmes are in the process of being developed and will be rolled-out in the 2007/08 financial year and beyond.

Strategies and Implementation plans, especially regarding security, will be required for the Safety and Compliance programme. The roll-out of the Safety and Compliance programme will be implemented before the 2010 FIFA World Cup. An Automatic Vehicle Location (AVL) system will be able to identify the location of all public transport vehicles in real time, in accordance with the priority Corridors. This system will increase public transport operator compliance. It will be incumbent upon the Public Transport Programme to ensure that the public transport system provided is safe and secure for all users.

### **7.8.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 4.5: Operator Safety and Compliance is presented in Table 30.

**Table 30: Sub-programme 4.5: Operator Safety and Compliance: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development.</b>										
<b>3.1. Ensure safer public transport vehicles, infrastructure and operations</b>										
To conclude service level agreements with authorities to undertake enforcement	Number of agreements	0	0	10	0	0	0	10	10	0
To develop and implement a public transport safety and compliance strategy	Percentage developed	10	80	100	0	0	0	0	0	0
	Percentage implemented	0	0	0	10	20	30	40	0	0
	Number of projects completed									
To develop and implement safety guidelines for public transport infrastructure	Percentage developed	0	0	100	0	0	0	0	0	0
	Percentage implemented	0	0	0	20	20	20	40	0	0
To execute public transport safety marketing and communication campaigns	Number of campaigns	3	3	3	3	3	3	4	6	0
To develop and implement training courses for law enforcement authorities	Number of officials trained	0	350	600	0	0	0	1 000	1 000	0
<b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate</b>										
<b>6.1. Improved efficiency, effectiveness and representivity of the Public Transport Branch</b>										
To reduce the number of managerial vacancies in the Safety and Compliance Sub-programme	Number of vacant posts	3	0	0	0	0	0	0	0	0

## **7.9 Sub-programme 4.6: Regulation and Control**

### **7.9.1 Situational analysis**

This sub-programme provides administrative support to the Provincial Operating Licence Board (POLB) and the Public Transport Registrar. It is responsible for the development of appropriate policies and regulations to improve the regulation of public transport and to give effect to the statutory obligations of the Registrar and POLB.

In terms of the NLTTA, the POLB is responsible for receiving, processing, considering, approval/ refusal and issuing of operating licences. A new POLB was appointed in 2006 and administrative support is provided.

The Public Transport Registrar is responsible to ensure that all minibus taxi operators are registered as members of a taxi association and grants, upon application, provisional registration to all associations and non-members. The office of the Registrar is facilitating the roll-out of the verification process which, inter alia, improves the accuracy of the database. The office includes the panel of assessors, whose role is to verify operating routes and operating compliance.

The POLB has undergone an aggressive re-engineering of the business processes, which were partly informed by the Committee of Inquiry Report. The re-engineering process covered the following areas:

- Organisational structure
- Information systems
- Electronic document management systems
- Change management
- Customer service improvement

### **7.9.2 Policies and priorities**

An additional priority for this sub-programme is the provision of administrative support to the minibus taxi recapitalisation process. A database is being developed of operators wishing to exit the industry, as well as those wishing to recapitalise their vehicles.

### **7.9.3 Analysis of constraints and measures planned to overcome them**

In terms of Section 102 of the NLTTA, assessors may be appointed to advise the Registrar and assist him or her in the performance of his/her duties. Seven assessors were identified to assist the Registrar in performing his/her duties.

A limitation that will be addressed is the execution of oversight of the POLB and the Registrar. A governance structure and framework will be developed that will regulate the administrative support to these bodies, guaranteeing the independence of such bodies, without detracting the oversight responsibilities by the Executive Authority and Accounting Officer.

### **7.9.4 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.

The business process re-engineering has made provision for the following improvements:

- Organisational structure
  - An appropriate staff establishment has been implemented. A new management team has been appointed to drive the implementation and management of the service centre.
- Information systems:
  - Electronic document management solutions system
  - Short messaging services (sms)
  - Company search engine
  - Geographic information systems (GIS)
  - Activation of the National Land Transport Information System (NLTIS)

#### **7.9.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 4.6: Regulation and Control is presented in Table 31.

**Table 31: Sub-programme 4.5: Regulation and Control: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>3. Make public transport a safe, reliable, efficient alternative to private transport and the basis for all development</b>										
<b>3.1. Ensure safer public transport vehicles, infrastructure and operations</b>										
To establish and roll-out a Shared Services Centre – Public transport operating Licences	Date implemented	0	0	June 2006	0	0	0	0	0	0
	Percentage roll-out	0	0	0	20	20	20	40	0	0
To establish a West Coast regional office	Office established	1	0	1	0	0	0	0	0	0
To convert permits to operating licences	Percentage converted	90	98	100	0	0	0	0	0	0
To improve response time on applications	Number of days	90	76	90	0	0	0	85	85	0
To participate in legislative reform to align activities with new operator contracts	Regulations drafted and issued	0	0	0	0	20	40	80	100	0
<b>6. Transform the Department to improve the representivity, efficiency and effectiveness of delivering its provincial mandate</b>										
<b>6.1. Improved efficiency, effectiveness and representivity of the Public Transport Branch</b>										
To reduce the number of managerial vacancies in the Regulation and Control Sub-programme	Number of vacant posts	2	0	0	0	0	0	0	0	0

### 7.10 Reconciliation of budget with plan

Table 32 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 32: Nominal Expenditure on Programme 4: Public Transport**

<b>Programme 4: Public Transport</b>	<b>Year – 2 2004/05 (actual) R'000</b>	<b>Year – 1 2005/06 (actual) R'000</b>	<b>Base year 2006/07 (estimate) R'000</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 2007/08 (budget) R'000</b>	<b>Year 2 2008/09 (MTEF projection) R'000</b>	<b>Year 3 2009/10 (MTEF projection) R'000</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
4.1. Programme support	9 218	4 535	5 315	(24.1%)	6 603	10 293	9 833	22.8%
4.2. Planning	1 221	8 297	45 050	507.4%	58 714	40 863	38 195	(5.4%)
4.3. Infrastructure	19 693	115 074	56 082	68.8%	65 847	106 013	27 164	(21.5%)
4.4. Empowerment and institutional management	5 339	12 597	38 608	168.9%	28 123	28 839	30 999	(7.1%)
4.5. Operator Safety and compliance	147	13 944	20 959	1094.1%	10 664	10 332	11 409	(18.3%)
4.6. Regulation and Control	11 166	18 297	19 169	31.0%	32 523	36 608	39 288	27.0%
<b>Total programme 4:</b>	<b>46 784</b>	<b>172 744</b>	<b>185 183</b>	<b>99.0%</b>	<b>202 474</b>	<b>232 948</b>	<b>156 888</b>	<b>(5.4%)</b>

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

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

Furthermore, the provision for 2007/08 for the programme as a whole has increased by 9,34 per cent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows a decline of 15,28 per cent over the MTEF. The provision for payments of capital assets has increased by 34,53 per cent compared to the main appropriation for 2006/07, while current payments has decreased by 6,48 per cent and transfer payments have increased by 22,24 per cent.

Growing competition for scarce resources is being experienced for the maintenance of the asset base in relation to general provincial buildings, roads and public transport infrastructure and operations. Taking this into account, as well as the earmarked funding, a balance had to be found between resource allocation in respect of Roads, Public Works and Public Transport. Resources originally set aside for the construction of a Public Transport Service Centre were shifted from this Programme to Programme 2 - Public Works.

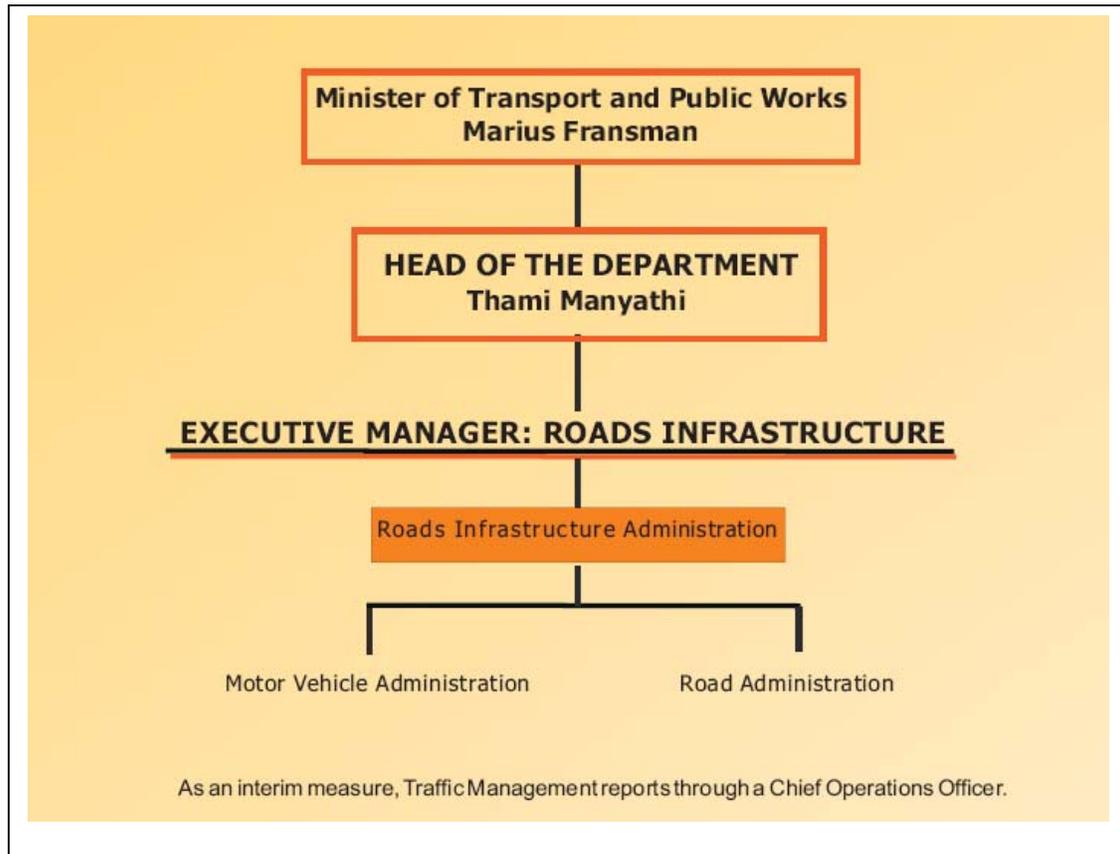
The provision for Programme Support has been strengthened through internal shifts to assist leadership to execute strategic initiatives, such as strategic planning and information tools to support strategic public transport planning and the verification of public transport data as well as the finalisation and related consultation of the PTIP and consideration of possible PPP's.

During 2006/07 the roads infrastructure programme was under pressure to accelerate delivery of infrastructure. Consequently R14 million was shifted from Programme 4 – Public Transport to Programme 3 – Roads Infrastructure during that financial year, with the proviso that Programme 4 is reimbursed in 2007/08.

## 8 Programme 5: Traffic Management

This programme aims to ensure adequate road safety engineering on provincial roads, that all vehicles registered in the province are licensed annually, that all drivers are appropriately authorised to drive their vehicles and performs overload control.

Figure 5: Organisational structure linked to Programme 5



### 8.1 Situational analysis

Approximately 1,450 million vehicles as at 31 January 2007 are registered in the Western Cape. A growth of about 5% in the Western Cape motor vehicle population has been experienced over the past year. Registering and licensing of motor vehicles is undertaken at 76 municipal registering authorities who have been appointed as agents of the Department. As at 31 December 2006 approximately 2,1% of the vehicle population has been unlicensed for periods ranging between one and four years from January 2002. This has resulted in the accumulation of arrear licence fees and penalties amounting to R201 million over the four years. These arrears and penalties are reduced through either their collection or the updating of the computerised motor vehicle record. To prevent fraud and corruption in the registration and licensing of motor vehicles, a number of transactions that require centralised electronic capturing are retained at Provincial Helpdesk level. These include the authorisation to persons who are not the registered owners of vehicles to obtain duplicate registration certificates for these vehicles and the reduction in the tares of heavy vehicles.

Altogether 53 driving licence testing centres in the Province attend to the requirements of approximately 1,3 million driving licence holders and 191 616 professional drivers as a designated function. Further, there were 137 758 persons in possession of learner's licences and a considerable percentage of these persons will apply for a driving licence test. Unacceptable delays in the booking of appointments for driving licences hinder most learner's licence holders from being tested for a driving licence before the lapsing of their learner's licences. The delays are being experienced particularly in the Cape Town metropolitan area where the City of Cape Town will shortly open five new testing centres to cope with the eradication of the backlogs.

Approximately 130 000 drivers have not converted these licences to the new credit card driving licence format. Continued conversion beyond 30 April 2003, which was the last day for the conversion is possible in only prescribed instances – such as persons who have studied abroad, employed abroad or incarcerated or institutionalised at 30 April 2003. These persons are afforded a period of six months from the date of return or release to apply for conversion.

The Compliance Monitoring Unit has been actively involved in the detection of fraud and corruption in the issuing of learner's and driving licences. Over the last year more than 37 000 records have been extracted and just over 3 000 possible fraudulent licences and certificates have been investigated in consultation with the South African Police Service and the Special Investigating Unit that was appointed by the President to assist the nine Provinces in their monitoring functions.

The certification of roadworthiness for vehicles is executed at 85 motor vehicle testing stations through either a designated local authority function or the appointment of a private business to operate a testing station. These institutions are monitored by the department's Compliance Monitoring Unit to ensure compliance with the legal requirements. To prevent fraud and corruption in the industry, a number of transactions are captured at Provincial Helpdesk level, pending the final installation of computerised equipment that will enable these stations to capture test results and issue roadworthy certificates on the National Traffic Information System.

The issuing of roadworthy certificates to unroadworthy vehicles and driving licences to unqualified persons poses a safety risk for road users. Legislation amendments to empower the Compliance Monitoring Unit to enforce compliance at driving licence testing centres and vehicle testing stations are being drafted for consideration by the national Minister of Transport.

The implementation of the new computer hardware and the development of the new software for the replacement of the current National Traffic Information System (NaTIS) with the new eNaTIS by the national Department of Transport commenced during the 2006/07 financial year. Approximately 500 users of the system were timeously trained before January 2007 and new trainees will be trained as and when the need arises. With the implementation of the eNaTIS comes redesigned software and simplified electronic capturing of motor vehicle, learner's and driving licence and roadworthy test transactions by a more representative contractor who has replaced the contractor who was responsible for the original NaTIS since 1993.

The use of abnormal vehicles and the transportation of abnormally heavy or big loads involve approximately 550 transporters / haulers. Permits for transportation activities are considered on a daily basis in line with traffic conditions and expected traffic volumes. Similarly, permits are also issued to approximately 1 000 organisations to undertake film activities and to stage sports or fun activities on provincial roads.

The capturing of accident data reports is conducted in partnership with the CCT in respect of all accidents that occur in the Cape Town metropolitan area. The remainder of the accident data reports is captured in the department. The data is available in the department upon request by insurance companies, financial institutions and motor vehicle owners. To ensure a focused effort in reducing the number and severity of accidents it is essential to gather accident data and to produce accident statistics. Such data is managed by the accident data centre of the department. As a result of recently upgraded reporting measures and high staff turn-overs in the accident data centre, the department is experiencing a delay in the capturing of accident data reports. Involving very routine capturing procedures, staff retention is not easy. The department has, therefore, recently outsourced a large portion of the capturing duties to eliminate the current backlog in the shortest timeframe possible.

## **8.2 Policies, priorities and strategic objectives**

The following new policies and guidelines have been finalised during 2006:

- New guidelines for the collection of arrear motor vehicle licence fees and penalties have been formulated;
- The Department is part of a national working group that is in the process to define a policy that will determine the manner in which the managers of driving licence testing centres will be required to operate.
- A recently completed draft policy in terms of which the Department will consider and approve sports, fun and filming activities on provincial roads is currently being consulted.

Policies to ensure the uniform handling of overloaded vehicles are being developed in partnership with the Department of Community Safety and Director of Public Prosecutions.

National coordinating committees set standards and create policies for accident recording and analysis. The department participates in these forums.

Strategic goals and strategic objectives for Programme 5: Traffic Management as a whole are presented in Table 33 below.

**Table 33: Strategic objectives for Programme 5: Traffic Management**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVE</b></p> <p>1.1 To ensure data integrity in respect of accident data reports.</p> <p>1.2 To ensure vehicle safety and driver competence.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <p>2.1 To protect revenue and minimise arrear licence fees.</p> <p>2.2 To optimise the utilisation of weigh bridges and develop effective systems to protect public infrastructure.</p>

### **8.3 Analysis of constraints and measures planned to overcome them**

The Department's Compliance Monitoring Unit operates in partnership with the Special Investigations Unit, appointed by the President to expose fraud and corruption at Driving License Testing Centres and Motor Vehicle Testing Stations throughout the country. This has marginally expedited the audit actions in the Western Cape. Combined actions will continue as a normal operational initiative. Nevertheless, the national Minister of Transport must still authorise the Compliance Monitoring Unit to perform its functions independently.

Service level agreements have not been concluded with the 76 registering authorities, 48 driving licence testing centres and the 85 motor vehicle testing stations as yet. A service provider has been appointed in January 2007 to conduct a survey of the activities being undertaken by these institutions and to design a suitable agreement. The draft interim agreements that have been circulated to the mentioned institutions for comments has been amended to cater for some of the comments that have been received and are now the subject of legal scrutiny. Once in place, the department will be in a position to monitor and audit all transactions and take corrective measures in line with the agreements.

To improve the integrity of accident data and to update the information, training is provided to end-users and the SAPS.

Given the inefficiencies in the collection of accident data, measures to record field data electronically are being investigated. A pilot project is being run in partnership with the Department of Transport and the Department of Community Safety to test the use of cellular telephone technology to record accident locations.

To ensure that correct and complete data is transferred to the provincial accident data centre and NATIS, regular engagements with local authorities capturing such data take place.

Video records of the rural road network, produced as part of the Network Information System, will assist with the identification of accident locations.

The current backlogs experienced by the courts have resulted in a lack of capacity to timeously prosecute overload offenders. This has resulted in the efficient collection of fines through the legal process. Public prosecutors have been trained by the department in overload control matters and are therefore adequately equipped to deal with these cases, but the priority given to other criminal cases have resulted in overload cases receiving a lesser priority. Negotiations with the Department of Justice to afford overload control a higher priority are being conducted on a regular basis.

### **8.4 Description of planned quality improvement measures**

To strengthen debt collection and to reduce arrear licence fees, a project targeting approximately 1 500 companies who have recorded arrears in excess of R10 000 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 Motor Vehicle Testing Stations (MVTs) and Drivers Licence Testing Centres (DLTC) to monitor compliance and to address non-compliance.

Service level agreements are to be signed between the department and municipalities regarding MVTS, DLTC's and registering authorities once the department has reached final consensus with the municipalities on the draft agreements that have been circulated for comment.

Physical inspections of freight vehicles and freight will be performed before permits are issued. This will be done in partnership with the Department of Community Safety.

Refresher and informal training sessions, to improve efficiency at DLTC's and MVTS will be undertaken in partnership with the Gene Louw Traffic College.

A retraining program for all NaTIS users in the new eNaTIS functionalities will continue as and when the need arises.

The DLTS's and the MVTS's will be exposed to the national Department of Transport's initiative to establish best practice at these institutions in order to prevent fraud and corruption.

In previous years accident data reports were issued on a monthly basis. Although the information that is contained in the reports is useful and required from time to time for a range of purposes, the individual monthly reports were not regularly researched. It has therefore been decided to only issue one annual report in future.

In anticipation of the implementation of a new fuel levy for the Western Cape the Provincial Treasury is in the process of undertaking a study to determine the impact of the levy, with specific reference to the motor vehicle licence fees. In this regard the department is actively engaged in providing statistical information relative to current licence fees, motor vehicle population, vehicle growth over the last few years and a licence fee table that will complement the fuel levy.

Physical inspections of freight vehicles and freight will be performed before permits are issued. This will be done in partnership with the Department of Community Safety. The recently installed electronic weigh-in-motion equipment that has been installed at the Beaufort West weighbridge enables the Department of Community Safety to detect overladen vehicles at an early stage, thereby negating the need for seemingly needless weigh-in actions for vehicles that are not overloaded. Portable equipment is now being used at the popular escape routes to prevent transgressors from by-passing weighbridge stations.

The description of roads and nodal positions on those roads are not always sufficiently defined. Investigations to identify such roads and improve the descriptions thereof are ongoing. These activities will improve the integrity of accident data and subsequently the quality of statistics.

### **8.5 Specification of measurable objectives and performance indicators**

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 5.2: Safety Engineering is presented in Table 34.

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 5.3: Transport Administration and Licensing is presented in Table 35.

Measurable objectives linked to the strategic goals and strategic objectives for Sub-programme 5.4: Overload Control is presented in Table 36.

**Table 34: Sub-programme 5.2: Safety Engineering: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.1 To ensure data integrity in respect of accident data reports</b>										
To improve productivity in relation to the verifying of accident reports	Verifiers per 10 000 reports	4.3	2.3	4.3	0	0	0	4.3	4.3	4.3
To improve productivity in relation to the capturing of accident reports	Data capturers per 10 000 reports	3.2	0.9	3.2	0	0	0	3.2	3.2	3.2
To verify and capture accident forms	Number of accident forms	18 000	5 459	18 000	0	0	0	18 000	18 000	18 000
To provide copies of accident form requests	Number of requests	900	1 345	900	0	0	0	1 300	1 300	1 300
To produce regular and ad hoc accident reports	Number of regular accident reports	13	1	1	0	0	0	1	1	1
	Number of ad hoc accident reports	30	96	90	0	0	0	90	90	90

**Table 35: Sub-programme 5.3: Transport Administration and Licensing: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.2 To ensure vehicle safety and driver competence</b>										
To ensure compliance at MVTs	No of stations monitored	85	0	85	0	0	0	85	85	85
	No of audits performed	170	0	170	0	0	0	285	340	340
To ensure compliance at DLTC's	No of centres monitored	48	0	48	0	0	0	48	48	48
	No of audits performed	96	0	96	0	0	0	192	384	384
To license motor vehicles	No of new vehicle licenses issued				0	0	0	8 074	6 000	5 000
To enforce compliance	No of license compliance inspections executed							376	376	376
<b>2. Deliver and maintain integrated public infrastructure, in line with the Strategic Infrastructure Plan for the Western Cape</b>										
<b>2.1 Protect revenue and minimise debt</b>										
To conclude service level agreements with Registering Authorities	Number of agreements	0	0	0	0	0	0	76	0	0
DLTC,	Number of agreements	0	0	0	0	0	0	48	0	0
MVTs	Number of agreements	0	0	0	0	0	0	85	0	0
To reduce arrear licence fees	Rands million collected	3	3.2	3	0	0	0	3	3	3
	No of arrear license fee cases followed up	3 000	4 087	3 000	0	0	0	3 000	3 000	3 000
To update motor vehicle licence records	Number of records updated	0	0	0	10 000	10 000	10 000	10 000	42 000	42 000
To maximize revenue from public road events	Rands collected	R0,3m	R0,2m	R0,3m	0	0	0	R0,4m	R0,4m	R0,4m

**Table 36: Sub-programme 5.4: Overload Control: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
2. Deliver and maintain public infrastructure in line with the Strategic Infrastructure Plan										
2.2 To optimise the utilisation of weigh bridges and develop effective systems to protect public infrastructure										
To reduce overloading and damage to road infrastructure	Number of vehicles weighed	480 000	0	480 000	0	0	0	400 000	400 000	400 000
	Number of vehicles overweight									
	Number of weighbridges									
	Number of hours weighbridges to be operated									

## 8.6 Reconciliation of budget with plan

Table 37 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 37: Nominal Expenditure on Programme 5: Traffic Management**

<b>Programme 5: Traffic Management</b>	<b>Year – 2 2004/05 (actual) R'000</b>	<b>Year – 1 2005/06 (actual) R'000</b>	<b>Base year 2006/07 (estimate) R'000</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 2007/08 (budget) R'000</b>	<b>Year 2 2008/09 (MTEF projection) R'000</b>	<b>Year 3 2009/10 (MTEF projection) R'000</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
5.1. Programme Support	2 547	2 086	2 898	6.7%	3 084	3 273	3 312	4.6%
5.2. Safety Engineering	678	950	1 055	24.7%	1 203	1 280	1 423	10.5%
5.3. Transport Administration and Licensing	166 315	170 630	176 247	2.9%	184 786	195 747	202 221	4.7%
5.4. Overload control	21 558	19 759	22 744	2.7%	23 239	24 941	24 995	3.2%
<b>Total programme 5:</b>	<b>191 098</b>	<b>193 425</b>	<b>202 944</b>	<b>3.1%</b>	<b>212 312</b>	<b>225 241</b>	<b>231 951</b>	<b>4.6%</b>

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

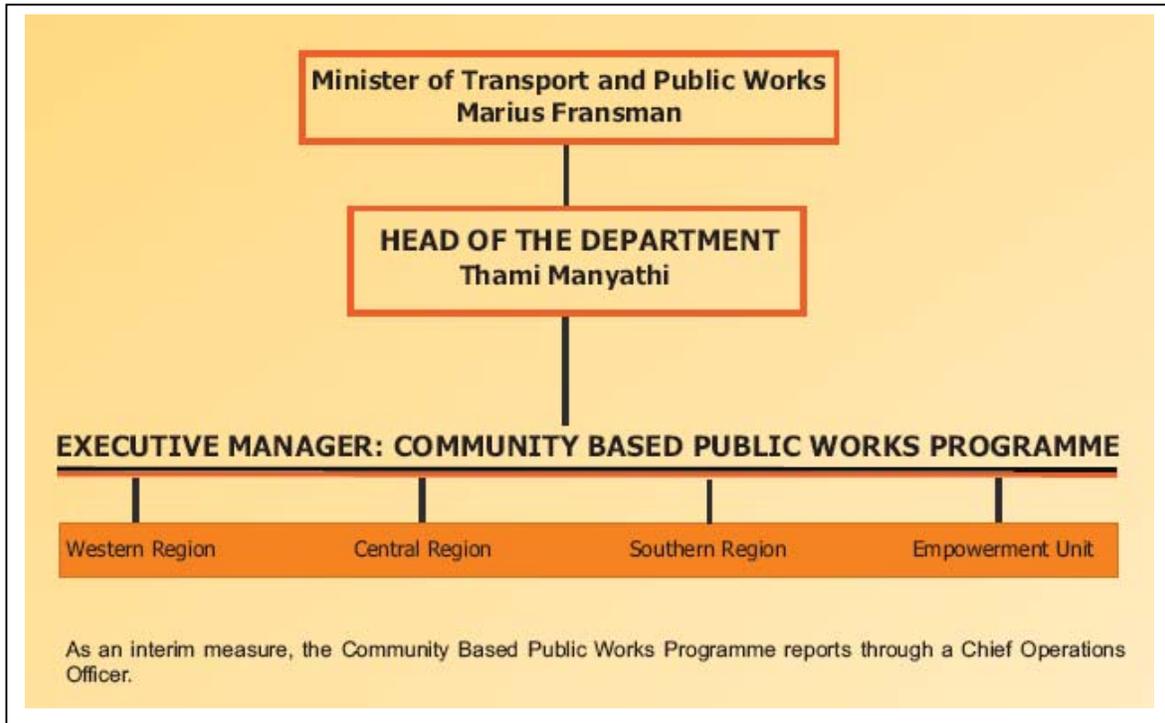
Furthermore, the provision for 2007/08 for the programme as a whole has increased by 4,62 per cent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows a steady growth of 14,29 per cent over the MTEF. The provision for payments of capital assets has increased by 20,03 per cent compared to the main appropriation for 2006/07, while current payments has increased by 4,53 per cent and transfer payments have decreased by 86,84 per cent.

The majority of expenditure relates to the payment to an agency fee for the collection of motor vehicle registration and licence fees to 76 registering authorities. The provision was increased to provide for the carry through costs related to the Value Added Tax (VAT) payable to municipalities in respect of agency service fees.

## 9 Programme 6: Community Based Programme (CBP)

This programme ensures the delivery of accessible services through integrated, socially just, developmental and empowering processes to improve the quality of life of communities within the Western Cape through mainly the expanded public works programme.

**Figure 6: Organisational structure linked to Programme 6**



### 9.1 Situational analysis

A renewed focus has been placed on EPWP delivery as per the AsgiSA policy document that states: "Another key, Second Economy intervention is the Expanded Public Works Programme. This programme will be expanded beyond its original targets in terms of AsgiSA." The February State of the Nation address and recent announcements that EPWP officials will no longer "just coordinate EPWP but also drive it", give renewed emphasis to the role EPWP has as one of the key public sector poverty alleviation strategies. Furthermore, the Western Cape Provincial Growth and Development Strategy (PGDS) has prioritised EPWP as a key second economy intervention.

The AsgiSA emphasis on expanding EPWP will also be linked in a direct way to the goal of halving poverty in South Africa by 2014. The role of EPWP is to provide a bridge between the first and second economies by reducing unemployment through limited-term work opportunities that enable skills development of beneficiaries so that they may re-enter the labour market better able to earn income.

In this respect, the 2001 Census states that between 320,000 to 430,000 persons are unemployed in the Western Cape and more flexible definitions of unemployment place the figure at 500 000. The Provincial Economic Review and Outlook (PERO) analysis shows that broad unemployment in the Western Cape has increased by 9.2% per annum. The

PERO also reveals a segmented labour market in defining who the unemployed are, namely by race, 44.0% are African, 25.3% Coloured and 6.6% White. 52% of the unemployed are among 15-24 year olds, while spatially, severe unemployment is prominent in Central Karoo, Eden and the CCT. Taking this into account, the original provincial target of 120 000 must be exceeded to effectively respond to the unemployment challenge. The Expanded Public Works Programme (EPWP) had an original national target of creating one million work opportunities in its first five year term starting 2004/05 financial. The Western Cape is currently on target to deliver 120 000 of those work opportunities as the agreed provincial target. In 2005/6 the Western Cape created 28 417 work opportunities, exceeding the annual target of 24 000. However, two areas of concern exist. Firstly, an additional 12375 work opportunities could not be claimed due primarily to faulty reporting on the part of the public sector implementers. Secondly, the poor delivery of EPWP work opportunities by local municipalities as they contributed only 18% of the 28417 figures.

Table 38 below shows the problem of poor reporting and duplication. Given that the target for 2005/06 was 24 000, and that close on 40 000 work opportunities were created, with improved reporting and the elimination of duplication, an increased target is clearly achievable. As a result, the target per annum for the 2006/07 MTEF period was set at 40 000 work opportunities. As shown in Table 39 below, accurate reporting indicates improved performance with 48% of the target met mid-year.

**Table 38: Performance of community based programmes by sector for year 2005/06**

Analysis	Economic Sector	Social Sector	Environment Sector	Infrastructure Sector	Sub-Totals
Work Opportunities	0	5541	24747	9631	39919
Excluded through poor reporting	0	4115	1283	1461	6859
Duplicates	0	0	4643	0	4643
<b>TOTALS</b>	<b>0</b>	<b>1426</b>	<b>18821</b>	<b>8170</b>	<b>28417</b>

Source: Audited Western Cape 2005/06 4<sup>th</sup> quarter EPWP report

**Table 39: Performance of community based programmes by sector for half of the 2006/07 year**

Analysis	Economic Sector	Social Sector	Environment Sector	Infrastructure Sector	Sub-Totals
Work Opportunities	62	1793	12141	4738	18734
Excluded through poor reporting	0	0	0	0	0
Duplicates	0	0	0	0	0
<b>TOTALS</b>	<b>62</b>	<b>1793</b>	<b>12141</b>	<b>4738</b>	<b>18734</b>

Source: Audited Western Cape 2006/07 2<sup>nd</sup> quarter EPWP report

In accordance with the “*Renewed Mandate for EPWP in the Western Cape*” strategy, approved by the Provincial Cabinet in 2005, the department is responsible for the coordination of EPWP in the Western Cape Province. The institutional arrangements are

being re-organised to allow for the shift in functions from implementing community-based projects to coordinating and mainstreaming EPWP. Capacity will be strengthened to accelerate EPWP operations and to focus on the following strategic areas:

- EPWP Provincial Coordination,
- Monitoring and Evaluation,
- Skills Development and Innovation,
- Construction Industry Development and EmplA.

Skills development in the scaling up of EPWP, of necessity, needs to expand. There are many poverty alleviation programmes at provincial and municipal level that do not meet EPWP criteria due to a lack of skills development and assisting these programmes and projects to incorporate a skills development component is critical. The Department of Labour and the SETAs are key players in this process.

An empowerment impact assessment tool informs the design and construction processes, as well as the recording of actual impact with respect to HDI's economic empowerment as contemplated in the departmental Preferential Procurement Implementation Plan.

There is a need to initiate and establish economic empowerment and community development programmes to empower the previously disadvantaged sector of the Province. Excellent examples of Labour Intensive Construction according to EPWP principles should be provided.

With regard to SMME development, most emerging businesses face difficulties when entering the market due to complexities in accessing opportunities, finance to fund their businesses, and a lack of capacity and experience.

There is a need to expand the contractor development programmes as part of a broader Construction Industry Development Programme which will focus on all targeted groups and be aligned to targets set in the Construction Sector Charter.

## **9.2 Policies, priorities and strategic objectives**

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 require provinces and municipalities to use the "Guidelines for the implementation of labour intensive infrastructure projects under the EPWP" for identification, design and construction or projects financed through the MIG or PIG. The AsgiSA initiative will accelerate and scale up EPWP activities in the infrastructure sector.

The following activities will be focussed on during 2007/08:

- Provincial Co-ordination paying specific attention to the organisational structure and the provincial institutional framework.
- The mainstreaming of EPWP throughout all spheres of government in the province.
- Monitoring and evaluation in particular the implementation of uniform reporting mechanisms and researching and development of best practices. Monitoring and

evaluation functions include the necessary collation of EPWP data for quarterly EPWP reporting and a poverty impact assessment to measure the impact of the programme on reducing poverty levels in the Western Cape.

- Targeting specific groups for development within the construction industry.
- Skills development and innovation, paying specific attention to an unemployed and skills level database and the replication of best practices.

The AsgiSA policy document states that renewed emphasis will be placed on SMME development in respect of the EPWP. The Western Cape is experiencing challenges to achieve the national EPWP economic sector goals. The following areas will be prioritised:

- Skills level and unemployed database
- Consolidated skills development planning
- Linkages to Local Economic Development Strategies

Strategic goals and strategic objectives for Programme 6: Community Based Programmes as a whole are presented in Table 40 below.

**Table 40: Strategic objectives for Programme 6: Community based programmes**

<p><b>STRATEGIC GOAL</b></p> <p><b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies.</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <p>1.1 To intensify Labour Intensive Activities within infrastructure and environmental projects.</p> <p>1.2 To perform Empowerment Impact Assessments on infrastructure projects greater than R2 million.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <p>4.1 To develop and implement a Construction Industry Development Programme on targeted groups.</p> <p>4.2 Facilitate the relationship between all EPWP role-players and the Department of Labour (DOL) and SETAs.</p> <p>4.3 Facilitate the integration and mainstreaming of L1000 in all government project</p> <p>4.4 Facilitate the implementation of a database of skill levels and the unemployed at district level.</p>
<p><b>STRATEGIC GOAL</b></p> <p><b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <p>5.1 To ensure the Institutional framework for EPWP coordination in the province is in place (eg District, Sector and Steering Committee Forums).</p> <p>5.2 To ensure the Monitoring and reporting mechanisms for EPWP in the province is in place.</p> <p>5.3 To ensure that the Provincial sector, and local government EPWP Implementation Plans are developed and monitored.</p> <p>5.4 To design EPWP best practice and user guides for purposes of growth and to replicate national best practices (ie. Zibambele and Vukuphile).</p>

<p><b>STRATEGIC GOAL</b></p> <p><b>7. Ensure that BBBEE is realised</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <p>7.1 Monitor and evaluate the implementation of BBBEE policy (eg, youth, disabled and women contractors)</p> <p>7.2 Identifying opportunities for BBBEE by Utilisation of Empowerment Impact Assessment tool.</p>
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### 9.3 Analysis of constraints and measures planned to overcome them

The constraints and measures planned to overcome them are summarised in Table 41 below.

**Table 41: Constraints and measures planned to overcome them**

Constraints	Remedial Measures
Poor reporting	Establish clear reporting framework through Institutional framework Biannual training on reporting framework
Lack of delivery by municipalities	Constitute District Forums in conjunction with Department of Local Government and Housing to ensure accountability Identify champions in all municipalities Train Community Development Workers and Ward Committees on EPWP EPWP compliance to be included in IDP's
Need to upscale EPWP in Roads Sector	Constitute Infrastructure Sector Forum Increase number of Labour Intensive Construction compliant projects
Capacity to render ongoing strategic support	Organisational structure to provide capacity to up scale function
Up scaling of EPWP at district level	Provincial database of skills levels and the unemployed EPWP training linked to LEDS
Effective programme to realize BBBEE targets	Revision of Empowerment Impact Assessment tool Implement an Industry Development Programme concentrating on targeted groups

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 AsgiSA targets due to a lack of funding within the CETA, but this is being overcome through a partnership with the Department of Labour.

Inadequate baseline data to measure impact of programmes will be addressed through the unemployed databases. There was some resistance to the roll out of the empowerment impact assessment tool to inform BBBEE targets on construction projects. The tool is undergoing a full assessment and redesign to also include development processes in the EPWP.

Limited understanding of the functioning of community representative structures and co-ordination between the department and the Department of Social Development in the engagement of beneficiaries of social grants proved to be a constraint. The request for a national policy for the inclusion of beneficiaries of social grants is being pursued to address the challenge.

The stated outputs of the national EPWP Economic Sector plan do not as yet allow for flexible definitions of SMME development that meet EPWP criteria. The Western Cape has many such initiatives that require agreement with the national Public Works office to ensure that credit is given for the actual skills development that is taking place. There is a willingness to overcome these obstacles on the part of the national EPWP officials.

Emerging contractors experience constraints in accessing opportunities. This has largely been addressed through the development of the Preferential Procurement Implementation Plan. The expansion of an Emerging Contractor Development Programme is aimed at helping emerging contractors build technical and business management capacity.

#### ***9.4 Description of planned quality improvement measures***

From an institutional perspective it is planned that three directorates, namely EPWP Support, Monitoring and Evaluation; and Construction Industry Development will manage the mainstreaming of EPWP and industry development to ensure effective and efficient delivery of services. Placing resources and support at district municipal level is also critical to the mainstreaming of the EPWP in the Western Cape.

In relation to EPWP support, provincial, sector and district EPWP forums will be established to enable effective organising and buy-in on EPWP at the appropriate levels. In addition, social facilitation support will be provided to implementing agents. Furthermore, the establishment of appropriate EPWP institutional arrangements and the development of Sector Implementation Plans leading to the development of a Provincial EPWP Implementation Plan should assist the EPWP in the Western Cape in moving away from ad hoc small poverty projects to a systematic mode of operation for applicable activities.

Accountability for EPWP performance per department and municipality will be enhanced. To this end a Provincial Steering Committee to address the accountability for EPWP performance needs to be established. It is envisaged that heads of departments and municipal managers will serve on this committee.

Research and development will continue with an innovative development approach and implementation of national best practices. Line managers will support the development of best practices in labour intensive construction compliant programmes.

EPWP work opportunity targets will be agreed with all stake holders. Reporting on these targets through agreed reporting lines such as the respective forums as well as rigorous checking processes will improve the accuracy of information. Monitoring and evaluation will therefore be enhanced by means of improved reporting mechanisms supported by integrated reporting systems. All stakeholders and implementers will be trained on the reporting framework. In addition, the impact of EPWP on communities will be evaluated.

With regard to construction industry development, programmes will be designed, developed and implemented to further develop emerging contractors to progress through the CIDB database levels. Financing solutions to enhance the development of emerging enterprises in the construction industry will be developed in conjunction with financial institutions. In addition, an enabling environment for designated groups will be created. A redesigned Empowerment Impact Assessment tool will be utilised to set targets to influence the increase of BBBEE suppliers to all major contracts. Skills development, including learnerships will be part of a project's design. The following measures are also planned to aid Emerging Contractor Development:

- Ensuring agreement on EPWP criteria for SMME skills development between the Department of Economic Development and Tourism and national Public Works EPWP office;
- Refining and implementing the Emerging Contractor Development Programme and the Preferential Procurement Implementation Plan;
- Integration with the Department of Economic Development and Tourism to provide help desk services for emerging businesses; and
- Expanding the existing agreements with selected financial institutions to establish an incubator programme for the development of emerging contractors.

#### **9.5 *Specification of measurable objectives and performance indicators***

Measurable objectives linked to the strategic goals and strategic objectives Programme 6: Community Based Programmes is presented in Table 42 below.

**Table 42: Programme 6: Community Based Programmes: measurable objectives, performance indicators and targets**

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)	(estimate)	Q1	Q2	Q3	Q4		
<b>1. Plan and monitor infrastructure and transport, in interaction with the iKapa Elihlumayo strategies</b>										
<b>1.1 To intensify Labour Intensive Activities within infrastructure and environmental projects</b>										
To promote LIC guidelines, co-ordinate technical support workshops	Number of workshops held throughout the Province	0	6	24	6	6	6	6	24	24
<b>1.2 To perform Empowerment impact Assessments on infrastructure projects greater than R2 million</b>										
To conduct poverty impact analyses in district / metro municipalities	Number of municipalities with baseline data in place	0	0	0	0	2	4	0	6	6
To perform empowerment impact analyses	Number of impact analyses undertaken	0	0	0	0	0	2	2	4	6
	Number of EmplA completed	40	21	50	0	20	20	10	30	20
<b>4. Facilitate and develop the skills required for infrastructure-led economic growth.</b>										
<b>4.1 To develop and implement a Construction Industry Development Programme on targeted groups.</b>										
To provide contract development project helpdesk services	Number of contractor and empowerment enquiries handled.	1 000	981	1 000	200	500	500	200	1400	1400
To provide contractor tendering training to existing and new ABE's	Number of contractor workshops provided (1-day workshops)	6	12	8	2	4	4	0	20	20
To provide contractor mentorship's	Number of mentoring services provided	10	6	10	0	10	5	5	20	20
To implement the Industry Development Programme	No of HDI enterprises (50% women owned SMEs) developed	0	0	0	0	0	25	25	50	50
To formulate district level consolidated skills development strategies	Number of operational strategies	0	0	0	0	2	1	1	4	6

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>4.2 Facilitate the relationship between all EPWP role-players and the Department of Labour (DOL) and SETAs.</b>										
To co-ordinate all provincial document applications for EPWP training funding	Monthly applications submitted to Department of Labour against annual training plan	0	6	12	3	3	3	3	12	12
<b>4.3 Facilitate the integration and mainstreaming of L1000 in all government projects</b>										
To place L1000 candidates for experiential training	Number of applications for experiential training on government projects	0	0	800	200	200	200	200	800	800
<b>4.4 Facilitate the implementation of a database of skill levels and the unemployed at district level.</b>										
To maintain the provincial unemployment database	Number of updates per quarter	0	0	0	3	3	3	3	12	12
<b>5. Lead and facilitate the internalisation of the EPWP across all departments in the Province.</b>										
<b>5.1 To ensure the Institutional framework for EPWP coordination in the province is in place (eg District, Sector and Steering Committee Forums).</b>										
To ensure effective EPWP provincial institutional arrangements.	Provincial Steering Committee Forum established and functioning	0	0	0	April 07	0	0	0	0	0
	No of sector forums established and functioning	0	0	4	4	4	4	4	4	4
	No of District and Metro forums established and functioning	0	0	4	6	6	6	6	6	6
	EPWP Annual Summit	0	0	0	0	0	0	1	1	1
<b>5.2 To ensure the Monitoring and reporting mechanisms for EPWP in the province is in place.</b>										
Accurate and timely EPWP reporting	No of reports	4	4	4	1	1	1	1	4	4
	No of training sessions	0	0	2	2	2	2	2	8	8
To establish reporting and monitoring mechanisms for sector plans	Completion date	0	0	0	May '07	0	0	0	0	0

Strategic Goal Strategic Objective Measurable Objective	Performance Measure or Indicator	Year – 1 2005/06		Base year 2006/07 (estimate)	Target 2007/08				Year 2 2008/09 (target)	Year 3 2009/10 (target)
		(target)	(actual)		Q1	Q2	Q3	Q4		
<b>5.3 To ensure that the Provincial sector, and local government EPWP Implementation Plans are developed and monitored.</b>										
To develop comprehensive sector plans inclusive of targets	Completion date	0	0	0	May '07	0	0	0	0	0
To create EPWP work opportunities	Number of audited EPWP work opportunities reported	25000	28417	40000	5000	15000	15000	15000	50000	0
	Number of temporary jobs created									
	Number of youths (16-25) employed									
<b>5.4 To design EPWP best practice and user guides for purposes of growth and to replicate national best practices (ie. Zibambele and Vukuphile).</b>										
To implement national best practise of EPWP	Completion Date	0	0	0	May 07	0	0	0	0	0
To increased EPWP work opportunities through technical support	No of operational manuals	0	0	0	1	0	0	0	1	1
	No of Implementation guidelines	0	0	0	0	2	2	0	4	4
	No of technical Workshops	0	0	0	6	6	6	6	24	24
	No of best practice sites engaged	0	0	0	2	0	2	0	4	6
<b>7. Ensure that BBBEE is realised</b>										
<b>7.1 Monitor and evaluate the implementation of BBBEE policy (eg, youth, disables and women contractors etc)</b>										
To determine impact of BBBEE levels at provincial and district levels	Number of reports	0	0	0	1	1	1	1	4	4
<b>7.2 Identifying opportunities for BBBEE by Utilisation of Empowerment Impact Assessment tool.</b>										
To set targets through the Empowerment Impact Assessment tool to increase BBBEE suppliers to major contracts	Percentage of supplies in contract provided by BBBEE service providers							25%	30%	35%

## 9.6 Reconciliation of budget with plan

Table 43 below shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

**Table 43: Nominal Expenditure on Programme 6: Community Based Programme**

Programme 6: Community based programmes	Year – 2 2004/05 (actual) R'000	Year – 1 2005/06 (actual) R'000	Base year 2006/07 (estimate) R'000	Nominal average annual change (%) <sup>1</sup>	Year 1 2007/08 (budget) R'000	Year 2 2008/09 (MTEF projection) R'000	Year 3 2009/10 (MTEF projection) R'000	Nominal average annual change (%) <sup>2</sup>
6.1. Programme support	8 422	8 033	8 866	2.6%	6 228	4 204	4 397	(20.8%)
6.2. Empowerment impact assessment	1 517	10 353	21 130	273.2%	9 198	9 867	10 062	(21.9%)
6.3. Community development	12 290	12 441	8 750	(15.6%)	9 431	10 131	10 196	5.2%
6.4. Emerging contractor development	418	907	893	46.2%	18 151	17 504	17 683	170.5%
<b>Total programme 6:</b>	<b>22 647</b>	<b>31 734</b>	<b>39 639</b>	<b>32.3%</b>	<b>43 008</b>	<b>41 706</b>	<b>42 338</b>	<b>2.2%</b>

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

Furthermore, the provision for 2007/08 for the programme as a whole has increased by 8,50 per cent compared to the main appropriation for 2006/07. Based on the main appropriation for 2006/07, the programme shows a steady growth of 6,81 per cent over the MTEF. The provision for payments of capital assets has increased by 134,89 per cent compared to the main appropriation for 2006/07, while current payments has increased by 9,16 per cent and transfer payments have decreased by 100,00 per cent. The increases in budget from 2007/08 can mainly be ascribed to the re-designed organisational structure to support EPWP and the Learnership 1000 programme.

This programme will concentrate on the co-ordination and mainstreaming the EPWP within the Province as well as the Learnership 1000 programme. Consequently, the capital budget for community based projects, including support staff was shifted to Programme 3 - Roads Infrastructure.

## 10 Expenditure by Programme

Table 44 shows nominal average annual change over the past three years and nominal average annual change over the MTEF period.

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

Programme 1: Administration:	4.88%
Programme 2: Public Works:	18.92%
Programme 3: Roads Infrastructure:	55.46%
Programme 4: Public Transport:	9.18%
Programme 5: Traffic Management:	9.62%
Programme 6: Community Based Programme:	1.95%

**Table 44: Nominal Expenditure by Programme**

<b>Programme</b>	<b>Year – 2 2004/05 (actual) R'000</b>	<b>Year – 1 2005/06 (actual) R'000</b>	<b>Base year 2006/07 (estimate) R'000</b>	<b>Nominal average annual change (%)<sup>1</sup></b>	<b>Year 1 2007/08 (budget) R'000</b>	<b>Year 2 2008/09 (MTEF projection) R'000</b>	<b>Year 3 2009/10 (MTEF projection) R'000</b>	<b>Nominal average annual change (%)<sup>2</sup></b>
1. Administration	48 238	65 429	90 364	36.9%	107 677	112 725	114 657	8.3%
2. Public Works	274 336	347 702	330 496	9.8%	417 492	473 046	552 524	18.7%
3. Roads Infrastructure	675 525	962 217	1 215 700	34.2%	1 223 735	1 235 713	1 318 701	2.7%
4. Public Transport	46 784	172 744	185 183	99.0%	202 474	232 948	156 888	(5.4%)
5. Traffic Management	191 098	193 425	202 944	3.1%	212 312	225 241	231 951	4.6%
6. Community Based Programmes	22 647	31 734	39 639	32.3%	43 008	41 706	42 338	(2.2%)
<b>Total:</b>	<b>1 258 628</b>	<b>1 773 251</b>	<b>2 064 326</b>	<b>28.1%</b>	<b>2 206 698</b>	<b>2 321 379</b>	<b>2 417 059</b>	<b>5.4%</b>

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

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

## 11 Medium-term revenues

### 11.1 Summary of revenue

The department's expenditure is funded/financed through three main sources, namely national transfers which includes the provincial equitable share of revenue collected nationally and conditional grants, the provincial own sourced receipts and financing from the Asset Financing Reserve for strategic infrastructure. Table 45 below shows a summation of these receipts as it pertains to the Department.

**Table 45: Summary of Revenue**

Receipts	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 MTEF R'000	Adjusted appropriation 2006/07 R'000	2007/08 MTEF R'000	2008/09 MTEF R'000	2009/10 MTEF R'000
Equitable share	449 560	422 019	627 556	628 677	869 540	1 012 710	1 211 541
Conditional grants	64 645	91 538	126 329	231 032	251 319	284 645	344 129
Departmental receipts	744 423	878 619	783 285	817 047	809 755	836 024	861 389
Financing		381 075	527 156	644 681	276 084	188 000	
<b>Total receipts</b>	<b>1 258 628</b>	<b>1 773 251</b>	<b>2 064 326</b>	<b>2 321 437</b>	<b>2 206 698</b>	<b>2 321 379</b>	<b>2 417 059</b>

### 11.2 Departmental revenue collection

The departments own receipts are derived from tax revenue and non-tax revenue. Table 46 below shows the historical trends and the medium term estimates.

**Table 46: Departmental revenue collection**

Departmental receipts	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 MTEF R'000	Adjusted appropriation 2006/07 R'000	2007/08 MTEF R'000	2008/09 MTEF R'000	2009/10 MTEF R'000
Tax revenue	695 160	758 594	753 501	753 501	776 106	799 389	823 371
Non-tax revenue							
Sale of goods and services other than capital assets	30 744	45 033	29 784	39 784	33 649	36 635	38 018
Transfers received	58			3 359			
Fines, penalties and forfeits							
Interest, dividends and rent on land	56	24					
Sales of capital assets	14 067	30 441		16 261			
Financial transactions in assets and liabilities	4 338	44 527		4 142			
<b>Total departmental receipts</b>	<b>744 423</b>	<b>878 619</b>	<b>783 285</b>	<b>817 047</b>	<b>809 755</b>	<b>836 024</b>	<b>861 389</b>

## **Tax revenue**

The main source of tax revenue is motor vehicle licence fees. Based on historical trends such as the net growth in the vehicle population as well as the results of actual revenue collected, it is estimated that the net increase in the vehicle population will be 5 per cent and that motor vehicle licence fee collection will increase by 3 per cent. Initiatives to address the collection of arrear motor vehicle fees will continue with the aim to maintain the arrears to less than 2 per cent of the total revenue base.

## **Non-tax revenue**

The main source of non-tax revenue is derived from rental of buildings. Receipts from this source are based on the space leased out, the lease amounts as per lease agreement, the periodic increases of leases and voluntary payments by tenants.

The tariffs of exemption permit fees (abnormal loads) have been revised to take effect from 1 April 2007. The percentage increase of the tariffs varies between 4.2 per cent and 12.5 per cent.

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. These factors increase the risk of not collecting the revenue timeously and therefore also influence the predictability of the expenditure level of the Department. In consultation with the Provincial Treasury it was decided not to estimate receipts from the sale of fixed assets over the medium term. Proceeds from this source will be addressed in the annual Adjustments Estimates process.

## **Conditional grants**

When introduced in 1998/99, the objective of conditional grants was to, inter alia, promote national priorities. In relation to the delivery of infrastructure the purpose of the Provincial Infrastructure Grant (PIG) is to help accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; focus on the application of labour intensive methods in the provision of access roads and maintenance of infrastructure in order to maximise job creation and skills development; gradually increase the labour intensity of certain specific types of projects over the next five years; and enhance capacity to deliver infrastructure.

The distribution of the Department's share of the PIG is set out in Table 47 below.

**Table 47: Conditional grant projects****Roads infrastructure**

		2007/08 R'000	2008/09 R'000	2009/10 R'000
1	Reseal	10 000	11 000	12 000
2	Regravel	28 251	68 000	74 000
3	C776.1 Bredasdorp – Gansbaai Phase 1	44 600		
4	C788 Marcuskraal road	27 085		
5	C708.6 Rehab N2 Westbound	22 367		
6	C636 Wellington - Hermon	64 776		
7	C776.2 Bredasdorp Gansbaai Phase 2			30 000
8	C783 Algeria road		30 000	
9	C498.2 Stellenbosch Arterial Phase 2		15 000	27 000
10	C733 Somerset West – Sir Lowrys Pass Phase 1			25 000
11	C634 Nuwekloof - Wolseley			20 000
12	C706 Koeberg I/C Phase 1		104 169	96 653
13	Maintenance current	49 000	51 000	54 000
<b>Total Allocation: Provincial Infrastructure Grant</b>		<b>246 079</b>	<b>279 169</b>	<b>338 653</b>

**Public Works**

		2007/08 R'000	2008/09 R'000	2009/10 R'000
1	Planning office accommodation	2 450	5 476	5 476
2	Provincial Parliament	2 000		
3	Eisenburg – sewerage work	790		
<b>Total Allocation: Provincial Infrastructure Grant</b>		<b>5 240</b>	<b>5 476</b>	<b>5 476</b>

**11.3 Donor funding**

No donor funding is envisaged.

## 12 Co-ordination, co-operation and outsourcing plans

### 12.1 Inter-departmental linkages

The following activities are jointly performed:

**Table 48: Inter-departmental linkages**

Activity	Department	Vote Number	Programmes Description
Abnormal load and vehicle permits	Community Safety	Vote 4	Traffic Management
Sport and fun activities on public roads	Community Safety	Vote 4	Traffic Management
Motor vehicle testing stations	Community Safety	Vote 4	Traffic Management
Driving licence testing centres	Community Safety	Vote 4	Traffic Management
Overload control stations	Community Safety	Vote 4	Traffic Management

### 12.2 Local government linkages

#### Public Works

A contribution of R30 million will be made to the CCT for the upgrading of the Athlone Soccer Stadium in support of the 2010 FIFA World Cup.

To enable the provision of properties to support government's policies and strategies, there is a need to consolidate property registers of land registered in the name of the local sphere of government.

#### Roads infrastructure

Roads infrastructure planning requires integration with the general planning and approach of municipalities, as outlined within their IDP's. This is done through the Integrated Transport Plan – a sector plan included in the IDP.

Municipalities, including the CCT, are subsidised by the department to maintain proclaimed municipal main roads within their 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 allocation.

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 district municipalities acting as agents of the Province for the maintenance of main roads, divisional roads and minor roads.

As emerging road maintenance contractors may require assistance to ensure that the work produced is of the appropriate quality, consulting engineers are appointed to provide support to regional offices and district municipalities.

## **Public Transport**

Fragmentation of the public transport function across all three spheres of government creates a complex environment for the implementation of an integrated public transport system. An Intergovernmental Steering Committee between the Province, the City and the national Department of Transport was established in 2006 to deal with the transportation issues. It is the intention to include district municipalities in the said committee, to ensure aligned transport planning between the three spheres of government.

The Department will participate in the Public Transport Planning Advisory Council, to be established by the CCT for the purpose of coordinating planning for public transport in the City.

Capacity is limited in district and local municipalities, to effectively deal with integrated transport planning. To overcome this constraint, service providers will be mandated to assist district municipalities with the review of their Integrated Transport Plans.

Public transport infrastructure will be developed in several municipalities and in the CCT to support the rollout of public transport services. Funds are transferred to municipalities in support of mobility strategy projects and for some specific infrastructure required.

Planning for and implementation of infrastructure and services to support the FIFA World Cup 2010 will be conducted with the relevant municipalities and the CCT.

It is the intention to conclude SLA's with municipalities to undertake compliance enforcement in respect of public transport services.

## **Traffic management**

Local authorities assist the department in performing functions relating to the registration and licencing of motor vehicles and the management of driving licence testing centres and motor vehicle testing stations. Service level agreements are to be concluded with municipalities regarding MVTs, DLTC's and registering authorities.

## **Community based programme**

Given the challenges facing local municipalities to deliver EPWP work opportunities, district forums will be established in partnership with the Department of Local Government and Housing to improve accountability and reporting. In addition, municipalities will be required to identify a champion to drive the EPWP to ensure that it is upscaled and mainstreamed in their programmes and projects.

Community Workers and Ward Committees will be trained on aspects relating to EPWP.

## **12.3 Public entities**

The Department is not a designated department for any public entity. However, the Provincial Growth and Development strategy identifies public transport as a path breaking intervention for the Province. The development of good public transport in the Province will give support to economic, improve general accessibility and lower the cost of doing business (i.e. improve efficiency) and provide a sustainable alternative mode to private travel. A Public transport Entity will be established to integrate the provision of public transport

services. Initially road based modes, bus and mini-bus, will be integrated to be followed by commuter rail services.

#### **12.4 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 a concessionaire has been concluded. In term of section 21.1.2 of the Concession Agreement a "designated event" has been in place since the opening of the toll road. The designated event will remain in place until such time that the Record of Decision for the construction of the permanent tolling structure (s) that was issued on 3 July 2005 is either confirmed or amended by the Minister of Environmental Affairs and Tourism. In terms of the designated event all toll revenues accrue s to the Province, the Concessionaire is paid a fixed sum monthly based on the Financial Base Case and the Province is responsible for construction costs of the temporary toll structures and escalation relating to the construction of the permanent toll structure.

### **13 Financial Management**

#### **13.1 Strategies to address audit queries**

Firstly, a steering committee has been instituted to guide and assist the audit process and to ensure that queries are replied to within the agreed timeframes. Secondly, procedures have been implemented to ensure that quality control is exercised on replies to audit requests and queries. Finally, matters contained in the auditors management letter and the audit report are continuously addressed to find and implement solutions.

#### **13.2 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.

The planning for reorganising the Financial Control component with the aim to strengthen monitoring, evaluation and analysis was completed in 2006/07. It is the intention to implement the new structure during 2007/08.

An Enterprise Risk Management component was established during 2006/07 which will become operational during 2007/08.

In 2003/04 the Provincial Government approved a centralised internal audit function for the province shared across departments. The Department of Transport and Public works is thus also serviced by the centralised internal audit function and falls under the authority of the Shared Audit committee. The Shared Internal Audit Service operating under the auspices of the Provincial Treasury indicated that the Provincial Government is currently considering a proposed restructuring of the internal audit function of the province. Should the proposal be approved, an internal audit function will be decentralised to the Department of Transport & Public Works during 2010/11. However, it is the intention that a dedicated audit committee be established for the department during 2007/08.