



Transport & Public Works

PROVINCIAL GOVERNMENT | WESTERN CAPE

Government Motor Transport Strategic Plan 2010 - 2014



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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.

NOTE

To support the Department's drive for a paperless environment and improved electronic content management, minimum hard copies of this Strategic Plan will be available.

VERSKONING

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

NOTA

Ten einde die Departement se strewe na 'n papierlose omgewing en verbeterde elektroniese inhoud bestuur te ondersteun, sal minimum harde kopieë van hierdie Strategiese Plan beskikbaar wees.

ISINGXENGXEZO

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

FOREWORD

This is the first time that Government Motor Transport (GMT) as a trading entity that operates within the administration of the Department of Transport and Public Works tables a separate Strategic Plan before Parliament. Previously it formed part of the overall Plan of the Department.

GMT will continue to render an effective and efficient fleet management and support services to client departments and other entities in the Western Cape utilising local and global best practices in their field of expertise.

Significant progress was made with the implementation of the fleet management system (FleetMan) inclusive of our flagship initiative “The Electronic Highway” which we are prepared to share with other organs of State. Thus, we enable others to utilise the web based fleet management system and the resulting benefit in expenditure reduction will release financial resources for the growing needs of the wider community.

Sound effective fleet management and transport enables our departments on provincial and national level to effectively deliver services and related provincial and national priorities. GMT is a dynamic service organisation matching its activities to the clients priorities and guided by the Government’s Medium Term Expenditure Framework.



ROBIN CARLISLE
Executive Authority
Department of Transport and Public Works

Date: 24 February 2010

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of GMT and management of the Department of Transport and Public Works under the guidance of MEC Robin Carlisle.
- Was guided by the Medium Term Strategic Framework (MTSF) which reflects political priorities.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Transport and Public Works is responsible.
- Accurately reflects the strategic goals and objectives which GMT residing under the Department of Transport and Public Works will endeavour to achieve over the period 2010 - 2014.



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GLOSSARY

Explanatory notes with regard to abbreviations

ABBREVIATION	EXPLANATION
AFS	Annual Financial Statements
BAS	Basic Accounting System
BITCOM	Branch Information Technology Committee
CCGMT	Co-ordinating Committee for Government Motor Transport
CFO	Chief Financial Officer
CIC	Charge Identification Code
COTO	National Committee of Transport Officials
CTrack	Tracking and control system
EE	Employment Equity
EFuel	Electronic Fuel Purchasing System
EMS	Emergency Medical Services
FleetMan	Fleet Management System
FM300	Tracking and control system
GAAP	Generally Accepted Accounting Practice
GMT	Government Motor Transport
GRAP	General Recognised Accounting Practice
ICT	Information Communication Technology
IMLC	Institutional Management Labour Committee
LOGIS	Logistical Information System
LPG	Liquefied petroleum gas
MDG	Millennium Development Goal
MIS	Management information statistics
Oracle	Computer programme language
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999 as amended)
SITA	State Information Technology Agency
SLA	Service Level Agreement
SQL	Computer programme language
TR	Treasury Regulation

PART A: STRATEGIC OVERVIEW

1. Vision

The Vision of the Department is that applicable to the Provincial Government of the Western Cape, as decided upon by the Western Cape Provincial Cabinet and quoted below.

“An open opportunity society for all”

GMT formulated the following internal vision:

“The leading government motor transport service.”

2. Mission

It is important that the departmental and GMT’s mission statement is aligned to the Provincial Mission, as the Department’s reason for being is to contribute to the Provincial Government’s mission. The Provincial Mission is:

“The Western Cape Government will promote freedom and opportunity for all the people of the province through:

- *Policies and practices that strengthen the Constitution;*
- *Create the conditions for sustainable economic and employment growth;*
- *Alleviate poverty by providing a welfare safety net for those unable to provide for themselves;*
- *Ensure the safety of every person;*
- *Attract, develop and retain skills and capital;*
- *Develop and maintain infrastructure;*
- *Deliver clean, efficient, cost-effective, transparent and responsive public administration.”*

In support of the Provincial Government’s mission, the Department’s mission statement is as follows:

“The Department of Transport and Public Works develops and maintains appropriate infrastructure and related services for sustainable economic development which generates growth in jobs and facilitates empowerment and opportunity.”

In support of the Department’s mission, GMT aims to achieve the following mission by setting realistic goals and objectives:

“To be the leader in Government Motor Transport services by providing quality, integrated and cost effective motor transport to provincial and national client departments inclusive of a pleasant, safe and interactive environment where staff are offered the opportunity of development and self-improvement.”

3. Values

The values practised by GMT, shown in **Table 1** below, are those applicable to the Provincial Government of the Western Cape, as decided upon by the Western Cape Provincial Cabinet. GMT is client driven and will continue to work towards a full understanding of client expectations and associated transport requirements.

Table 1: Values of GMT

Truth	We are committed to being honest, accurate and without error in our dealings.
Accountability	We believe that the open opportunity society for all, can only come into being on the basis of democratic, transparent and accountable governance.

	<p>We practice accountability that enhances efficiency, effectiveness and the credibility of government.</p> <p>Every opportunity facilitated will depend on a department governed by the basic values of professionalism, efficiency and accountability.</p>
Excellence	<p>We advocate a deep sense of responsibility to our work and endeavour to constantly improve it so that we may give our customers the highest quality of service.</p> <p>We believe that work done excellently gives us dignity, fulfilment and self-worth.</p>
Choice	<p>We believe in a properly functioning department that will expand citizens' choices and opportunities to access basic services needed to better their lives.</p>
Personal responsibility	<p>We advocate that opportunity is linked to responsibility, because individuals have the responsibility to use their opportunities to improve their lives and become the best they can be.</p> <p>As public servants we are answerable for our actions and expected to meet measurable targets.</p> <p>We believe in a strong work ethic, based upon the values of effective hard work, diligence, responsibility, political neutrality and selfless service.</p>
Fitness for purpose	<p>Appointments and promotions will be done on the basis of merit, with due regard to the needs of government including the need to ensure that the public service is diverse and broadly reflects the face of the Province.</p>

4. Legislative and other mandates

The achievement of the strategic goals is guided by the following legislative mandates and policies:

Administrative Adjudication of Roads Traffic Offences Act, 1998 (Act 46 of 1998) and Regulations, 2008
 Adult Basic Education and Training Act, 2000 (Act 52 of 2000)
 Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
 Code of Conduct
 Collective Agreements
 Criminal Procedure Act, 1977 (Act 51 of 1977)
 Debt Collectors Act, 1998 (Act 114 of 1998)
 Employment Equity Act, 1998 (Act 55 of 1998)
 Employment of Education and Training Act, 1998 (Act 76 of 1998)
 Further Education and Training Act, 1998 (Act 98 of 1998)
 General and Further Education and Training Quality Assurance Act, 2001 (Act 58 of 2001)
 Institution of legal proceedings against certain Organs of the State Act, 2002 (Act 40 of 2002)
 Labour Relations Act, 1995 (Act 66 of 1995)
 National Archives Act, 1996 (Act 43 of 1996)
 National Education Policy Act, 1996 (Act 27 of 1996)
 National Road Traffic Act, 1966 (Act 93 of 1996)
 Occupational Health and Safety Act, 1993 (Act 85 of 1993)
 Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
 Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
 Promotion of Access to Information Act, 2000 (Act 2 of 2000)
 Public Audit Act, 2004 (Act 25 of 2004)
 Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), Treasury Regulations and Provincial Treasury Instructions
 Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001
 Public Service Staff Code
 Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)
 Skills Development Act, 1998 (Act 97 of 1998)

Skills Development Levies Act, 1999 (Act 9 of 1999)
South African Qualifications Act, 1995 (Act 58 of 1995)
South African Qualifications Regulations
The Constitution of the Western Cape, 1998 (Act 20 of 1998)
The Constitution, 1996 (Act 103 of 1996)
Western Cape Road Traffic Act, 1998 (Act 12 of 1998)

4.1 Constitutional mandates

In support of its Departmental parent (Transport and Public Works) GMT derives its mandate from:

The Constitution of the Republic of South Africa (Act no 108 of 1996) as a whole which successfully put an end to an arbitrary government and brought participatory democracy to all South Africans. The South African Constitution demands a significant change in service delivery and the quality thereof via effective legislation that must be responsive to the economic and social challenges that face South Africa. GMT forming part of the Department parent underwrites the realisation of the principles of Batho Pele and co-operative government inclusive of the framework of values to fulfil the Constitutional mandate.

4.2 Legislative mandates

The activities of GMT are guided by the legislative prescripts as listed under par 4 above and specifically as set by the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), Treasury Regulations and Provincial Treasury Instructions.

In addition to the above the operational activities are guided by the National Transport Circular 4 of 2000.

4.3 Policy mandates

GMT adheres to the Provincial and Departmental Policy, and guidelines developed by GMT in collaboration with its parent Department, transversal policy developed and supported by the Co-ordinating Committee for Government Motor Transport (CCGMT) as the responsible sub-committee of the national Committee of Transport Officials (COTO) structure, together with the national Department of Transport, other Provinces, the South African Police Service and the South African National Defence Force.

In addition, there are internal frameworks and guidelines which further govern the responsibilities and obligations of GMT.

4.4 Relevant court rulings

There are no court rulings that have or might have a significant, ongoing impact on GMT operations and/or service delivery.

4.5 Planned policy initiatives

Operational and strategic GMT policy initiatives and related guidelines on subject matters such as maintenance, fuel, asset and risk management, traffic violations, misuse of vehicles, fleet management and tracking and control systems, driver guides billing and account reconciliations, service standards and management reports are published regularly and made available to client departments. The documents are also available on the internal website. Client departments are continuously encouraged to visit the website for future updates.

5. Situational analysis

5.1 Economic factors

This five year strategic plan starts within the context of a significantly weakened global and domestic economic outlook with resultant widespread job losses and rising unemployment levels. This is not only applicable to the building environment but clearly visible in the motor

industry and vehicle fleet environment. To mitigate the current and forward economic profile and impact on government's fiscal position, financial resource allocations to provinces have been adjusted to reduce the forward risk for the country.

This situation encourages government to realise efficiencies in spending through cost-cutting measures and improved alignment for greater impact in order to focus limited funds towards core line function activities. This has already forced some of the departments to seek alternative fleet models like outsourcing and financial lease options - with less capital required - versus the tariff driven model practiced by GMT. In response it requires dedicated focus by GMT on research and global best practise and business models to ensure a cost effective service and seamless service delivery at all times.

The constant fluctuation in the fuel price is the biggest contributor to fleet operating cost risks and has a significant effect on cost forecasting. Innovative methodologies will have to be designed and implemented to address this challenge.

5.2 Political

The new national and provincial government five-year electoral cycle commenced in April 2009, with a different Provincial Cabinet and Executive Authority assigned to the Department. Notably the provincial government and that of the metropolitan local authority are governed by the same political party. A new Vision, Mission, Values and Strategic Direction have been formulated by the new Provincial Government and the administration at all levels must adapt and realign to the direction set.

5.3 Modernisation

The new government has introduced a modernisation programme that aims to find the best and most efficient way possible for the provincial government to serve the people of the Western Cape. This programme will cut across all departments. Four important areas have been identified, namely legislative frameworks, organisational capacity building, physical and resource management and e-governance. Expectations of client departments would therefore have an effect on the operational delivery of GMT and which will have to be adjusted proactively.

5.4 Legal

The legislative framework has remained fairly stable and it is not respected that the operational delivery of GMT will be affected. The legal mandate of GMT to an extent is vague and requires to be more focused.

5.5 Social and cultural factors

GMT is strongly driven by technology (electronic systems) with limited internal capacity available in this professional field. It utilises contracted-in resources to assist with maintenance and enhancement activities. The integrated vehicle fleet management, development and support functions performed by GMT embrace the full spectrum of supply, service and management inclusive of fuel and therefore unique to this type of business. The private sector for example does not supply vehicles with fuel and management reporting on usage is limited.

GMT is culturally diverse which requires careful and sensitive management. Technical and fleet skills that are essential are scarce and most staff tend to remain with the component for longer periods than experienced elsewhere in Government.

The latest development around the implementation of a GAAP compliant accounting system able to integrate with other electronic systems (e.g. BAS, LOGIS, PERSAL and FleetMan) is a further challenge as very few accounting management staff with appropriate skills and knowledge are available in GMT. Contracted-in professionals are utilised during implementation with appropriate transfer of skills.

5.6 Environmental (green) factors

Pending future compliance in line with formal legislation for environmentally friendly fuel for internal combustion engine types GMT will continue with research into fuel solutions in the area of bio-fuel/alternative fuel equipped vehicles and/or hybrid vehicles, i.e. electric propelled vehicles. Hybrid vehicles utilise two energy sources for its movement and therefore combines the benefits of an internal combustion engine and an electrical motor. Other alternatives such as auto gas/liquid petroleum gas (LPG) powered engines already widely introduced in Europe will allow GMT to contribute towards efforts in lowering the carbon footprint in the Western Cape. Initial research has shown that currently the commercial pricing of hybrid vehicles - notwithstanding government driven reductions and tax credits - inhibits full scale deployment of auto gas powered vehicles in South Africa. Secondly, the roll-out of gas powered vehicles cannot be taken further without an effective distribution network.

The carbon footprint challenge has a linkage to the Provincial Strategic Objective 7: Mainstreaming Sustainability and Optimising Resource-use Efficiency. The reduction of greenhouse gas emissions from the government vehicle fleet could play a contributing role in reducing carbon emissions in general. An assessment and research into options to reduce emissions will be undertaken in consultation with the provincial Department of Environmental Affairs and Development Planning.

5.7 Operational factors

The following important future operational initiatives are planned:

1. The acquiring and implementation of a GAAP compliant accounting system.

Implementation has commenced to acquire and configure a new Generally Accepted Accounting Principles (GAAP) accounting system to comply with legislative prescripts applicable to trading entities. Although the target date for implementation was initially set for 31 March 2010, further work, particularly on the full migration from the current Basic Accounting System (BAS), the organisational environment and further training of staff will have to be done.

2. The simplifying of the tariff calculation methods

A simplified methodology to calculate daily and kilometre tariffs needs to be explored. This requires an in-depth study. The aim is to conclude the research, draft a business case and allow for a consultation process.

3. The renewal of the business model

GMT does not have regional offices, however, the option to establish regional hubs is under consideration by management. GMT is of the opinion that the creation of hubs will allow GMT to be closer to all its clients and therefore improve on its service delivery and more efficient use of the fleet. This will be included in the future business model. An in-depth study to determine the most efficient model based on best practice will be commissioned. Furthermore, the business case will also address the legal mandate of GMT to make it more focussed.

4. The full implementation of Service Level Agreements (SLA's) with all clients

GMT prepared a service level agreement covering all operational and financial aspects that provides for all the services performed by GMT together with service standards. Eleven clients have signed the SLA's to date. Finalising the outstanding SLA's will be pursued. The required service levels will also be revisited and adjusted and synchronised with the latest client expectations.

5. Advance driver training

An analysis of the driver risk profile shows a sharp increase in the frequency of speed violations. This is followed by the accident rate. The associated fines received by GMT are routed to the respective clients for the supply of the drivers' details. These details are then

forwarded to the local traffic authorities for re-issuing of the fines in their names. Although it is the responsibility of the client departments to exercise effective management and control over drivers, an initiative will be explored to introduce a system of sending repeat offenders/speedsters and drivers involved in accidents on advance driver training and to provide such training proactively to targeted users. This will be investigated during the 2010/2011 financial year.

6. The further enhancement of electronic systems to address present and future expectations and needs

The fleet management system (FleetMan) together with associated supplementary systems (e.g. the vehicle tracking and control systems and fuel management) require further enhancement to standards that compare favourably with similar Oracle based systems as well as other fleet management and support systems. Integrated hosting to accommodate FleetMan, the new GAAP module and the tracking and control systems need further work.

7. Sharing of the fleet management system (FleetMan) with clients and other organs of State

The Provincial Cabinet previously approved a proposal that the sharing of computerised application systems such as FleetMan, *inter alia*, with other Provincial/National Departments be accepted as a principle but with intellectual ownership to be retained by the Province of the Western Cape.

GMT launched the first module of the system (client module) towards the end of 2009 allowing existing clients to utilise the functionalities that could assist them in managing at departmental level. After the testing phase smaller adjustments had to be introduced. It is now planned to “go-live” by the end of March 2010. During the next phase clients will have the opportunity to identify further requirements.

The decision was also conveyed to the Committee of Transport Officers (COTO) structured Co-ordinating Committee for Government Motor Transport (CCGMT) and consequently sparked enthusiasm from the other organs of State at all three spheres of government. The capabilities of the system were demonstrated to the interested parties.

However, although extensive research commenced on procedures to be followed to make this possible, it was realised that the sharing of systems is complex with financial implications and risks for the custodian of the system, users and participants on shared bases and in particular GMT and its existing clients. A cost and risk transfer/sharing model needs to be developed to enable sharing.

5.8 Service delivery environment

The following reflects the service delivery environment and challenges:

Debtor position

The GMT Policy on Debtors/Accounts Receivable establishes a process relating to the raising, management and settlement of debtors and covers the life cycle of any item of debt. After the monthly accounts that are raised and delivered electronically to each client department attention is drawn to follow-up actions (mostly telephonic) on previous month’s outstanding accounts. These actions were intensified during 2008/2009 and at year-end a total amount of R 62 mil was recorded as outstanding. The amount compared to the previous financial year reflects an increase of 29%.

The debtors’ collection period was calculated which shows how long (on average) departments take to pay invoices. The debtors’ collection period in 2008/2009 (139 days) remained constant compared to 2007/2008 (137 days). The debtors’ collection period is still unacceptably high if it is compared to the PFMA requirement that debtors should be paying within 30 days.

Delaying cash inflow impacts negatively on the timely ordering of replacement vehicles and regular maintenance of vehicles. The impact was temporarily absorbed through internal

reprioritisation. It is the intention to institute strict action against the defaulters. Furthermore, approval was granted by the Provincial Treasury to levy the standard % interest as determined by the National Treasury (from time to time) on all outstanding accounts older than 30 days with effect from 1 April 2010. The billing system needs to be adapted to accommodate interest charges.

The implementation of the new GAAP compliant accounting software will also enhance GMT's financial control abilities and ensure an effective management of GMT's fleet operational and financial activities.

Vehicle utilisation

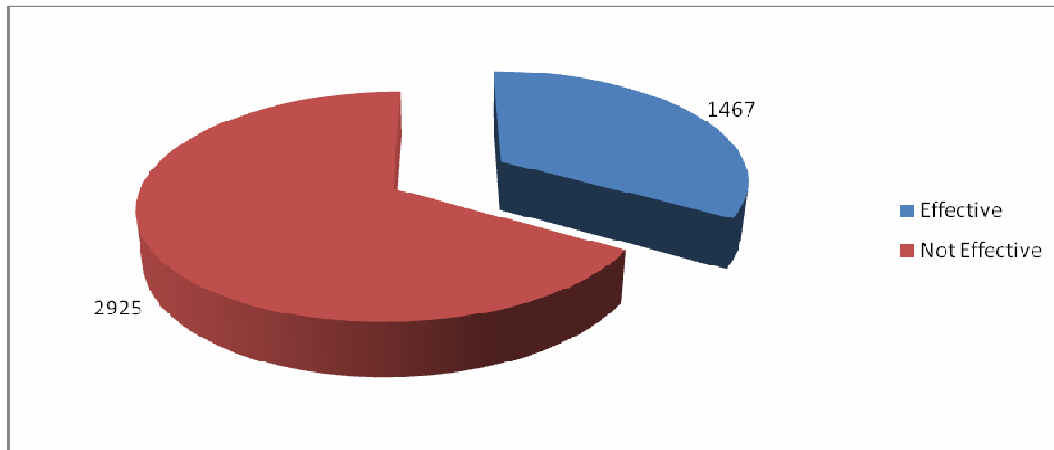
Table 2 below depicts the vehicle fleet allocation per client group:

Table 2: Summary of fleet allocation (end March 2009)

Total fleet size	National clients	Provincial clients	Entities
4 392	264 (6%)	3 758 (86%)	370 (8%)

In order to calculate and measure vehicle utilisation a total of 1 750 kilometres per month per vehicle was set as the minimum (taking account of specially equipped vehicles such as rescue vehicles). Vehicles travelling less than 1 750 kilometres per month are considered to be non-effective. This measure is based on the fact that government subsidised motor transport scheme requires an official to travel at least 1 750 kilometres per month. This equates to 21 000 kilometres per annum. Figure 1 below depicts a snapshot of the vehicles per utilisation classification of effective and non-effective (as a preliminary indication) for the 2008/09 financial year as measured against the set 1 750 kilometre criteria.

Figure 1: Effective/Non-effective vehicles



From the above figure, it appears that a high number of vehicles from the total fleet (4 392 vehicles) are not being utilised effectively. GMT will perform a detailed analysis and make the abovementioned data available as management reports to the respective client departments to allow for corrective steps toward vehicle utilisation improvement and optimum fleet size. As GMT is not in control of the day-to-day utilisation of vehicles (responsibility of the clients), it depends heavily on departmental transport officers to focus on improving the situation. The creation of regional hubs with pools of vehicles may contribute towards more effective use of the fleet, but requires further research.

Accommodation

GMT is housed in two building complexes in Roeland and Hope Street, situated in the Cape Town central business district. The building layouts date back to the early 1930's and do not

fully meet present day demands. Thus, a critical shortage of suitable accommodation and parking facilities for the vehicles is experienced. The split of GMT between two buildings also hampers effective and efficient management and control over resources. The buildings have also been identified as prime locations for future housing and business developments. The latter placed GMT at risk should the development proposals be followed through.

GMT has already submitted recommendations to facilitate further investigation of its accommodation requirements to Public Works (provincial).

5.9 Performance environment

Vehicle demands

Table 3 below depicts the vehicles (non-special equipped) allocated that meet the demand as at January 2010 per client category:

Table 3: Summary of vehicle demands (January 2010)

Service delivery environment - general purpose and VIP vehicles	Demand for vehicles	Challenges
Provincial client departments	3 498	The GMT organisational establishment and post provision to be reviewed and amended to enable GMT to visit clients more frequently. This will link to the new GMT business model investigation to formalise the GMT mandate.
National client departments	233	The accumulated reserves need to be unbundled to expedite the replacement of vehicles programme to serve the demand of client departments.
Entities	364	Financial accounting to be executed via the GAAP software package and FleetMan to ensure reliable financial results.
VIP Fleet	73	Additional maintenance of VIP vehicles is required before issuing thereof to users to ensure reliability.
General Hire (excluding VIP)	403	The fleet requires enlargement and renewal to meet clients' expectations and to be "2010 ready".

Specialised vehicles

Table 4 below depicts the demand for specially equipped vehicles per vehicle category:

Table 4: Summary of specially equipped vehicles

Specially equipped vehicles	Demand for vehicles	Challenge
Ambulances	239	Specific vehicle requirements and associated vehicle conversions draw heavily on GMT's human and financial resources.
Special purpose - Forensic pathology/ mortuary vehicles	42	Specialised vehicles are costly to replace and to repair after accidents.
Special purpose - rescue vehicles	36	Emergency Medical Services (EMS) is not yet ready to accommodate the essential upgrade of an enhanced Oracle-based vehicle tracking and despatch environment integrated with the call taking system at the Tygerberg Communication Centre branching out to the various other Centres in the Western Cape.
Special purpose - response vehicles	29	

Heavy, special purpose vehicles - Rescue vehicle	1	
Bio-fuel/alternative fuel equipped vehicles	N/a - Although a pilot for alternative fuel (Autogas/LPG) was undertaken in 2003	Future compliance pending formal legislation for environmentally friendly fuel for internal combustion engine types.
Electric propelled vehicles	N/a	Future compliance pending formal legislation for environmentally friendly vehicles / non-internal combustion engine types.

GMT is required to deliver specially equipped vehicles all of which are offered to client departments either through the transversal RT 57 State contract or own procurement processes. All specialised vehicle conversion work, such as ambulances, rescue and forensic pathology vehicles, is contracted to merchants in the Western Cape to strengthen the local economy. These specially equipped vehicles are delivered according to client specifications.

The minimum vehicle utilisation standards referred to earlier do not apply as the specific client department may decide to retain these vehicles which appear to be underutilised. Retaining these vehicles in service is justified through the identification of non/low-mileage based business requirements.

Vehicle inspections

The vehicle fleet is spread throughout the Western Cape Province. Notwithstanding the geographical challenge in the Western Cape with the GMT offices in Cape Town and no regional representivity, the organisation will continue with regular vehicle inspections. The challenge will be addressed in the new proposed business model.

Vehicle tracking and control

Table 5 depicts the vehicle tracking and control systems installed:

Table 5: Summary of vehicles with vehicle tracking system and control systems (January 2010)

Total systems installed	FM300 - Automated Fleet Solutions (AFSOL)	CTrack Solo - Digicore Holdings Ltd	Challenge
Installed per product type	3 536	903	<p>Replacement of the outdated vehicle tracking servers and hosting of the service at the State IT Agency (SITA) Cape Town.</p> <p>Migration of SQL-based vehicle tracking systems to Oracle and Database integration with FleetMan to facilitate an enhanced vehicle management environment in FleetMan including an Oracle-based MIS- dashboard.</p> <p>Integration of the forthcoming new cTrack software release including a despatch functionality to be integrated with the existing Call Taking system for the Department of Health: (EMS).</p>

Table 6 below (refer to next page) depicts the vehicle operating unit cost during the 2009/10 financial year.

Table 6: Summary of vehicle operating cost (fuel, oil, repairs and maintenance, accident repairs and tyres)

Month	Cost per kilometre
April 2009	R 1.15
May 2009	R 1.37
June 2009	R 1.22
July 2009	R 1.36
Aug 2009	R 1.29
Sept 2009	R 1.35
Oct 2009	R 1.31
Nov 2009	R 1.28
Dec 2009	R 1.41
Jan 2010	R 1.38

Although it appears from the above Table that the monthly cost per kilometre remained stable over the last year, it was determined that some vehicles are cross subsidising others. GMT will revisit the existing Charge Identification Code (CIC) structure utilised for accounting purposes to address this effectively. Provision will be made for specialised vehicles via a specific quotation system in FleetMan that will allow clients to determine the life cycles and tariff charges upfront to meet their budget allocations.

Table 7 below depicts statistical information on crucial components of the fleet activities directly influencing performance as recorded in FleetMan.

Table 7: Summary of statistical data influencing performance

Indicator	2008/09	2009/10 as at 31 January 2010
Nedfleet Helpdesk		
Incoming telephone calls	62 158	57 852
Calls answered	56 879	53 113
% Call answered	92	92
Fleet operations		
Fleet size (units)	4 676	4 771
Kilometers Travelled	109 027 588	82 480 522
Fuel	R 96 761 100	R 66 966 768
Fuel (litres)	11 089 391	8 943 235
Tyres	R 7 734 247	R 2 488 234
Repair & Maintenance	R 32 080 912	R 32 690 077
Incidents of Accidents	R 4,454,299	R 5 749 733
Oil	R 201 992	R 130 508
Toll fees	R 356 079	R 387 864

5.10 Organisational environment

The following organogram (refer to next page) depicts the organisational structure of the GMT Trading Entity within the administration of the parent Department:



FIGURE 1: Macro-Organisational Structure linked to Government Motor Transport Trading Entity

Review of the micro structure to address shortcomings related to the following is underway:

- structure and appropriate post levels.
- staff establishment to effectively address the growing demand for services.

Table 8 below depicts the trends in the total staff complement and vacancy rates per financial year from which it is clear that GMT has a stable establishment environment. The micro-structure investigation will also focus on appropriate post levels to prevent unnecessary movement of staff to other departments with higher post levels in the same field of expertise.

Table 8: Summary of post vacancies

STAFF CATEGORIES	NUMBER			% AVERAGE ANNUAL CHANGE
	2007	2008	2009	
Total staff complement	111	111	111	0%
Number of managerial posts (Level 10-13)	5	5	5	0%
Number of managerial posts filled (Level 10-13)	4	4	4	0%

Vacancy Rate for managerial posts	20%	20%	20%	20%
Number of other posts	106	106	106	0%
Number of other posts filled	100	96	96	2%
Vacancy Rate for other posts	5.7%	9.4%	9.4%	8.2%

Table 9 below depicts the movement from the employment equity targets set in 2005/06 to the status as at 31 December 2009.

Table 9: Employment equity targets

	Male				Female				Total
	African	Col	Indian	White	African	Col	Indian	White	
SUMMARY									
EE Targets* set in 2005/06 (Posts)	23 20.5%	37 33%	0 0.3%	16 14.6%	6 5.3%	20 18%	0 0.3%	9 8%	111 (posts) 100%
Actual (occupants) as at 31 Dec 2009	3	32	0	29	7	24	0	7	102
Difference	-20	-5	0	13	1	4	0	-2	
Stats SA (posts in brackets)	15.8% (18)	27.36% (30)	.55% (1)	10.08% (11)	13.85% (15)	23.79% (26)	.37% (26)	8.08% (0)	111 posts
Difference	-15	2	-1	18	-8	2	0	7	

Notes:

1. * No separate EE targets were set for GMT in 2005/06. The Department's targets are therefore indicated in the Table as a % and thereafter converted to a target for comparative purposes.

2. The targets reflected in this table is calculated programmatically by the EEPS and is based on the demographics of the Western Cape as provided by Statistics South Africa and is linked to the establishment as at 31 December 2009.

GMT forms part of the Departmental Employment Equity (EE) Plan. A more comprehensive communication strategy has been developed to ensure that the EE Plan impacts on all human resource and people management processes. The EE Report has been communicated to all staff and is also displayed on notice boards within GMT.

5.11 Information Communication Technology (ICT) systems

The Departmental Strategic ICT Plan has been approved and is currently being implemented in partnership with e-Innovation at the Department of the Premier. The Plan covers a 5-year period and is reviewed on an annual basis. The Project Identification document is prepared, outlining the critical system needs of GMT in order to enable more efficient delivery of services and execution of its core mandate. The necessary provision has been allowed for in the GMT

Trading Entity budget to cover the cost of systems enhancement and maintenance and associated communication and hosting costs.

5.12 Description of the strategic planning process

Step 1: Cabinet Strategic Planning Session

In the latter part of June 2009, the Western Cape Provincial Cabinet held a strategic planning session which provided the basis of the strategic agenda for the Western Cape. At this session, the Vision, Mission, Values and Objectives were determined for the Provincial Government.

The Executive Authority responsible for Transport and Public Works identified six strategic thrusts and five priority programmes as they relate to the key strategic areas of the Department.

Step 2: Departmental Strategic Planning Session

An initial strategic planning session was held with the departmental top management and the Executive Authority on 24 July 2009. The intention of this session was to ensure that all members had a good understanding of the overall intent to enable further planning.

The departmental strategic session confirmed three strategic transversal interventions of priority for the Western Cape Government that was aligned to the core business of the Department.

The Mission and Strategic Goals for the Department were formulated at this session.

Step 3: Branch Strategic Planning Sessions

Branch strategic planning sessions were held to further develop the detail to be included in the respective parts of the Strategic and Annual Performance Plans as well as the Budget Statements. Simultaneously, strategic objectives, performance indicators and targets were developed.

Step 4: Government Motor Transport Session

It should be noted that the GMT Trading Entity delivers services to provincial and national departments and other entities. An internal GMT Strategic Planning session was held on 11 August 2009 which resulted in the compilation of this document.

Step 5: Alignment process

A process was initiated to improve alignment between this five year Strategic Plan, the three year Annual Performance Plan and the 2010 Medium Term Budget Statement. This was undertaken by GMT. The process described above, resulted in the following outcomes:

- the Mission and Strategic Goals, as captured elsewhere in this document.
- identification of four core business areas of GMT in support of Provincial Strategic Objective 10: Clean, value-drive, efficient, effective and responsive government, namely and the Departmental Goal 1: Promote good governance and an effective and efficient department as set out below:

Fleet Operations
Fleet Finance
Fleet Logistics
Fleet Risk Management

6. Strategic goals of GMT

Taking account of the legislative mandates, the situational analysis, provincial strategic objectives and GMT core business areas, the following six strategic goals will ensure that client departments' expectations are achieved.

1. Access to a unique vehicle fleet.
2. Improved vehicle management and control.
3. Improved client service.
4. Improved financial reporting.
5. A healthy operational environment.
6. Effective operational systems.

Strategic Goal 1	Access to a unique vehicle fleet.
Goal statement	To allow client's access to a unique fleet of vehicles on a full time basis that will enable them to deliver government's services efficiently and effectively.
Justification	The provision of vehicles, inclusive of customised vehicles, and value adding services at competitive cost allows clients to deliver on their respective mandates.
Links	<p><u>Western Cape Provincial Government Strategic Agenda 2009:</u></p> <p>Deliver clean, efficient, cost effective, transparent and responsive public administration.</p> <p><u>Departmental Goal 1:</u></p> <p>Promote good governance and an effective and efficient department.</p>

Strategic Goal 2	Improved vehicle management and control.
Goal statement	To improve business processes that enables the provision of vehicles at competitive cost by 31 March 2014.
Justification	Efficient and effective use of State assets.
Links	<p><u>Western Cape Provincial Government Strategic Agenda 2009:</u></p> <p>Deliver clean, efficient, cost effective, transparent and responsive public administration.</p> <p><u>Departmental Goal 1:</u></p> <p>Promote good governance and an effective and efficient department.</p>

Strategic Goal 3	Improved client service.
Goal statement	To respond to the demand for a client orientated, effective and efficient above average service by 31 March 2014.
Justification	Clients are no longer just users but customers, resulting in GMT needing to respond in terms of Government's <i>Batho Pele</i> principles.
Links	<p><u>Western Cape Provincial Government Strategic Agenda 2009:</u></p> <p>Deliver clean, efficient, cost effective, transparent and responsive public administration.</p> <p><u>Departmental Goal 1:</u></p> <p>Promote good governance and an effective and efficient department.</p>

Strategic Goal 4	Improved financial reporting.
Goal statement	Improved financial reporting through the transformation from cash accounting to a fully functional accrual based system by 31 March 2014.

Justification	To meet the regulatory requirement of Treasury Regulations. To conduct the business of the GMT Trading Entity in a viable financial and operational manner.
Links	<u>Western Cape Provincial Government Strategic Agenda 2009:</u> Deliver clean, efficient, cost effective, transparent and responsive public administration. <u>Departmental Goal 1:</u> Promote good governance and an effective and efficient department.

Strategic Goal 5	A healthy operational environment.
Goal statement	To create an healthy operational environment through maintaining effective business processes by 31 March 2014.
Justification	To be in a position to effectively respond to client's expectations in a continuously changing business environment.
Links	<u>Western Cape Provincial Government Strategic Agenda 2009:</u> Deliver clean, efficient, cost effective, transparent and responsive public administration. <u>Departmental Goal 1:</u> Promote good governance and an effective and efficient department.

Strategic Goal 6	Effective operational systems.
Goal statement	To enhance operational activities through technologically advanced fleet management systems such as the "Electronic Highway" by 31 March 2014.
Justification	To maintain the competitive edge. To sustain value adding services in the interest of the client. To render a cost effective service. To provide reliable client and management information.

Links	<u>Western Cape Provincial Government Strategic Agenda 2009:</u> Deliver clean, efficient, cost effective, transparent and responsive public administration. <u>Departmental Goal 1:</u> Promote good governance and an effective and efficient department.
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PART B: STRATEGIC OBJECTIVES

7. GMT Strategic Objectives, Resources and Risks

This Part outlines GMT's Strategic Objectives, Resource considerations and key risk to achieve the above Goals.

7.1 Strategic objectives

This Section covers the strategic objectives that support the achievement of the following goals:

1. Access to a unique vehicle fleet.
2. Improved vehicle management and control.
3. Improved client service.
4. Improved financial reporting.
5. A healthy operational environment.
6. Effective operational systems.

Strategic Objective 1.1	Provide a vehicle fleet.
Objective statement	To provide a vehicle fleet of 4 500 vehicles per annum.
Baseline	4 771 vehicles as at January 2010.
Justification	Allows clients to deliver services in terms of departmental mandates.
Links	To allow client's access to a unique fleet of vehicles on a full time basis that will enable them to deliver government's services efficiently and effectively.

Strategic Objective 2.1	An effectively utilised vehicle fleet.
Objective statement	Effectively utilised vehicle fleet with each vehicle travelling more than 1 750 kilometres per month.
Baseline	1 467 vehicles travelled more than 1 750 kilometres per month as at 31 March 2009
Justification	To ensure appropriate expenditure levels for clients in order to prevent wasteful expenditure on underutilised vehicles.
Links	To improve business processes that enables the provision of vehicles at competitive cost by 31 March 2014.

Strategic Objective 3.1	Excellent client satisfaction rating.
Objective statement	To maintain client satisfaction rating at an "excellent" level annually.
Baseline	A "good" rating at 31 August 2009.
Justification	GMT is required to operate on business principles and as a result client satisfaction is a pre-requisite to such operation.
Links	To respond to the demand for a client orientated, effective and efficient above average service by 31 March 2014.

Strategic Objective 4.1	An unqualified external audit opinion annually.
Objective statement	To ensure an unqualified external audit opinion.
Baseline	An unqualified opinion in 2008/2009.
Justification	GMT has experienced an unqualified audit report for the 2008/09 financial and aims to maintain this.
Links	Improved financial reporting through the transformation from cash accounting to a fully functional accrual based system by 31 March 2014.

Strategic Objective 4.2	Improved financial management capability.
Objective statement	To improve the overall financial management (inclusive of supply chain management) capability in a phased approach by achieving a level 3+ financial management capability rating by 31 March 2014.
Baseline	Between a level 1-3 rating.
Justification	Through the financial governance review published by the Provincial Treasury in 2008, the Department of Transport and Public Works was assessed as having financial management capability ratings that vary from levels 1 to 3. An improved financial management capability rating enhances good governance.
Links	Improved financial reporting through the transformation from cash accounting to a fully functional accrual based system by 31 March 2014.

Strategic Objective 5.1	Improved operational capability.
Objective statement	To document 230 operational business processes by 31 March 2014.
Baseline	160 Business processes documented as at 28 February 2010.
Justification	Effective business processes will ensure an effective organisation.
Links	To create an healthy operational environment through maintaining effective business processes by 31 March 2014.

Strategic Objective 6.1	An effective fleet management system.
Objective statement	Ensure an effective fleet management system through 505 system enhancements by 31 March 2014.
Baseline	95 System enhancements in 2009/10.
Justification	FleetMan is at the core of operational activities and requires regular enhancement to stay within ICT norms and standards.
Links	To enhance operational activities through technologically advanced fleet management systems such as the “Electronic Highway” by 31 March 2014.

7.2 Resource considerations

Staff establishment/organisation

To date the trends in the number of key staff is constant, however it must be noted that a micro structure investigation is in the process of being conducted to address shortcomings related to the filling of posts and expansion of the staff establishment to effectively address the growing demand for services.

Business model renewal

The current business model of permanent allocations to clients and a GMT managed general pool has been used since the late eighties. Initial research undertaken by GMT indicates that this model is not the most efficient one and an urgent refresh to meet current expectations is deemed advisable. The GMT service delivery model with Cape Town as a home base also contributes to poor service standards. A further contributing factor is the co-operation of departmental transport officers (some efficient and others not). An in depth study will be undertaken in the 2010/2011 financial year.

GAAP accounting

In terms of Treasury Regulations GMT is required to account its financial transactions in accordance with GAAP. Conditional approval was granted by the Accountant General to acquire an accounting package to meet this requirement. Oracle Financials was selected as

the most appropriate software and implementation has commenced. During the planning and research phases undertaken over the last three years, it was realised that GMT could not perform the change-over from GRAP to GAAP on its own and this resulted in the sourcing of chartered accountants on a contractual basis. These accountants also rendered assistance with the compilation of the new system requirements and will form part of the implementation. A further aspect that needs to be addressed as a matter of urgency is the strengthening of internal capacity in the Financial Division to fully migrate to a GAAP environment that differs vastly from cash based accounting.

From experience in similar environments where the financial components migrated to GAAP, it is evident that more advanced skill and knowledge of cost accounting, debtor and asset management are required. This is only possible if adequate qualified staff with appropriate skills and knowledge is employed. GMT does not have suitably qualified staff in the cost accounting management sector. Limited skilled staff are available for financial, debtor and asset management. It is therefore deemed essential to rectify this situation. The way forward entails as a first phase that GMT will finalise the job descriptions, obtain approval to create new posts and appoint a manager to implement fully fledged accounting management practices to ensure effective fleet management and support. This official will be a financial professional in support of the Manager: Fleet Finance. The current contracted accountants will then be scaled down and phased out. The optimisation of the remainder of the establishment will be addressed during the micro-structure investigation and once the effect of the new system is determined.

7.3 Risk management

The following are the key risk that may affect realisation of GMT’s strategic objectives stated for this programme.

Strategic Objective 4.1	An unqualified external audit opinion.
Risk	Delays in the provision of the required hosting and ICT infrastructure by the e Centre for E Innovation (Cel) and SITA. Non implementation of a GAAP compliant accounting system may lead to a qualified audit opinion on the Annual Financial Statements.
Mitigation	An alternative hosting solution proposal will be provided to the ICT custodians referred to above.

PART C: LINKS TO OTHER PLANS

8. Links to the long-term infrastructure and other capital plans

GMT provides inputs into the departmental Infrastructure Plan.

9. Conditional grants

GMT does not have any conditional grants.

10. Public entities

GMT operates as a Trading Entity under the auspices of the Department of Transport and Public Works.

11. Public-private partnerships (PPP)

GMT is not engaged in any PPP.



The Department develops and maintains appropriate infrastructure and related services for sustainable economic development which generates growth in jobs and facilitates empowerment and opportunity.

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