



GAUTENG PROVINCE

ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

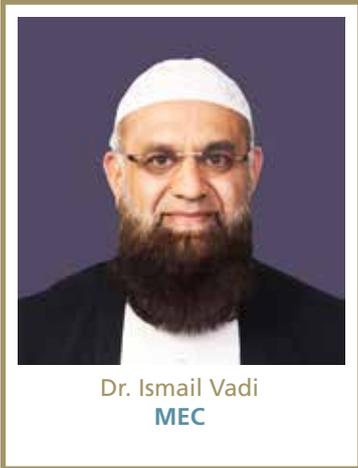
Summary of Annual Report 2017

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General Information

1. FOREWORD BY THE MEC



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

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

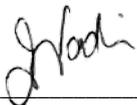
A significant part of our infrastructure spend in the 2016/17 financial year continued to maintain and expand the provincial road network and meet the growing mobility challenges emanating from rapid in-migration and urbanization, population growth, and an increase in the number of vehicles on our roads. Road traffic congestion comes at an economic cost. We therefore must invest in the provincial road network in support of economic growth and ease of mobility. The National Development Plan emphasises the importance of maintaining our infrastructural assets, particularly our road network, in support of economic growth.

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

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

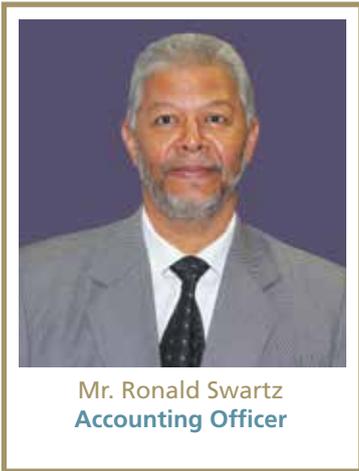
In spite of greater commuter choice in recent years with the availability of the Bus Rapid Transit systems in metropolitan municipalities, a rapid rail system like Gautrain and the anticipated modernisation of Metrorail, public transport has not yet reached the anticipated level of meeting commuter needs.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

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



Dr. I. Vadi
Member of the Executive Council for Roads and Transport
Date: 31 May 2017

2. REPORT OF THE ACCOUNTING OFFICER



Overview of the operations of the Department

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

International relations fosters green transport solutions

The Joint Declaration will seek to advance and expand the frontiers of Green Logistics and Mobility, particularly relating to the freight sector in the Gauteng City-Region (GCR). The Federal Ministry chose South Africa, and Gauteng in particular, as the first country and region on the African continent to develop and implement the Greener Logistic Indicator (GLI-X) Project which stresses the importance of environmentally-friendly solutions and sustainable development, particularly in the field of freight logistics.

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

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

Strategic transport infrastructure supporting sustainable human settlements

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

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

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

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

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

Gauteng Minibus Taxi Summit

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

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

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

Maximising revenue generation for the province

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

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

Consistent 30 day payment of invoices

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

A year of awards

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

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

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

Infrastructure Delivery Management System (IDMS)

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

Challenges

While we acknowledge the successes, we do not lose sight of the challenges that impacted on our service delivery. One of the setbacks was not being able to fully operationalise the newly-refurbished Mabopane and Tembisa Driver, Learner Testing Centres (DLTCs). The new Kagiso DLTC was not operational during the financial year due to non-installation of the National Traffic Information System (e-NATIS). This is due to the NDoT’s legal court case with TASIMA, the service provider who managed the e-NATIS. The resolution of the legal case during the 2016/17 financial year would enable the full operationalization of these centers in the 2017/18 financial. The Kagiso DLTC is set to be launched and will provide the required transport regulatory services to the community.

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

• Significant events and projects for the year

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

| Date | Event | Summary |
|-----------------------|---|---|
| June 2016 | Signing of Declaration for a Gauteng Transport Authority. | The Premier and Mayors signed a declaration, paving the way for the establishment of a single transport authority for the GCR. This was signed following the Premier’s Coordinating Forum (PCF) – whose objective is to promote and facilitate intergovernmental relations between provincial government and municipalities to ensure integrated, effective and efficient service delivery. |
| 27 July 2016 | The non-motorised Shovakalula bicycles project. | The Gauteng Member of the Executive Council (MEC) for Roads and Transport handed over 150 bicycles to Stanley Ramoba Primary School learners in Lawley, south of Johannesburg, as part of the Shovakalula Bicycle Project. The project is a national initiative seeking to provide ease of mobility to learners walking over 3km between home and school. |
| 28 to 29 July 2016 | Provincial Minibus Taxi Summit. | The Department convened a two (2) day Taxi Summit with the objectives of ensuring the responsibility of government and the industry in creating a safe, efficient, seamless and affordable public transport system. The Summit culminated in the signing of a declaration by the provincial government, the South African National Taxi Council (SANTACO) and the (Gauteng) National Taxi Alliance (GNTA) to work together in transforming and modernizing the minibus taxi industry. |
| 10 to 14 October 2016 | Transport Career Expo. | As part of the October Transport Month, the Department of Roads and Transport hosted a three-day career expo in Vereeniging, Tembisa and in Soweto on 10, 13 and 14 October 2016. The expo was part of an outreach programme to educate, inform and motivate school learners about careers options offered in the Department. |

| Date | Event | Summary |
|------------------|--|---|
| 6 October 2016 | International Air-Rail Transport Conference. | The 2016 Air Rail Conference, held for the first time in Africa, was hosted by the Department at the Gallagher Convention Centre in Midrand, Gauteng. The two-day event was organised by the Department alongside the Gautrain Management Agency and Global Air Rail Alliance (GARA). The main purpose was to share learnings with delegates from around the world regarding the relationship between air and rail transportation. |
| 21 November 2016 | Research partnership to accelerate transport service delivery. | The GDRT and the Council for Scientific and Industrial Research (CSIR) announced several transport-related research projects that will address some of the province's public transport challenges. |
| 1 December 2016 | Upgraded N14 freeway officially re-opened. | The R306-million projects that upgraded the N14 freeway from Krugersdorp to Diepsloot were officially opened by the Department, giving the busy freeway a new lease of life. The 18 month project entailed the rehabilitation of 20km of the dual carriageway starting from Hendrik Potgieter Drive and extending up to Diepsloot, near Centurion. |
| 09 December 2016 | RIMS Award | The Department won the AU's AAPSIA: Category C – Innovations in the Systems and Processes of Governance at a ceremony held in Ethiopia. The award was for the RIMS which simplifies and supports the revenue management processes which allow for more expansion of motor vehicle license renewal service delivery points for easy access by motorists due to automated and simplified back office. |
| 28 February 2017 | Premier's Service Excellence Award. | Gautrain is the proud winner in two categories of the Premier's Service Excellence Awards. The Gautrain Shuttle Feeder and Distribution Service was awarded third place in the Inclusive Economy Section under the Economic Growth Category. It was also placed third in the Sustainability Performance and Product Excellence Section under the Clean Governance Category. |
| 3 March 2017 | Graduation of the Learner Contractor Programme (V'ukhuphile). | The Learner Contractor Programme (V'ukhuphile), the programme for the Road Infrastructure Strategic Framework of South Africa (RISFSA) classes 5 and 6 completed end February 2017. The programme commenced in February 2013 (it was a 36-month programme) and was launched by the MEC. It comprised 29 learner contractors and 24 learner supervisors). The contractors from CIDB exited the programme at level 4 and above, whereas learner supervisors were trained by the Sector Education and Training Authority (SETA) and achieved level accreditation certificates. |
| 16 March 2017 | Launch of D1944 construction project. | The launch of the R158-million D1944 road construction project near the Rust de Winter and Mkhombo nature reserves, north-east of Pretoria. The 11.5 km project entails the full construction of the road from gravel to tarred road. |

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

Departmental receipts

| Departmental receipts | 2016/2017 | | | 2015/2016 | | |
|------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|-------------------------|
| | Estimate | Actual amount collected | (Over)/under collection | Estimate | Actual amount collected | (Over)/under collection |
| | R'000 | | | | | |
| Tax receipts | 3 142 737 | 3 404 962 | -262 225 | 2 987 393 | 3 217 032 | -229 639 |
| Casino taxes | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - |
| Motor vehicle licences | 3 142 737 | 3 404 962 | -262 225 | 2 987 393 | 3 217 032 | -229 639 |

| Departmental receipts | 2016/2017 | | | 2015/2016 | | |
|--|------------------|-------------------------|-------------------------|------------------|-------------------------|-------------------------|
| | Estimate | Actual amount collected | (Over)/under collection | Estimate | Actual amount collected | (Over)/under collection |
| | R'000 | | | | | |
| Sale of goods and services other than capital assets | 71 597 | 58 918 | 12 679 | 67 993 | 54 970 | 13 023 |
| Transfers received | - | - | - | - | - | - |
| Fines penalties and forfeits | - | - | - | - | - | - |
| Interest dividends and rent on land | 55 | 15 | 40 | 50 | 61 | -11 |
| Sale of capital assets | - | 12 705 | -12 705 | - | 4 491 | -4 491 |
| Financial transactions in assets and liabilities | 1 500 | 537 | 963 | 1 500 | 1 673 | -173 |
| Total | 3 215 889 | 3 477 137 | -261 248 | 3 056 936 | 3 278 227 | -221 291 |

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

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

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

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

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

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

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

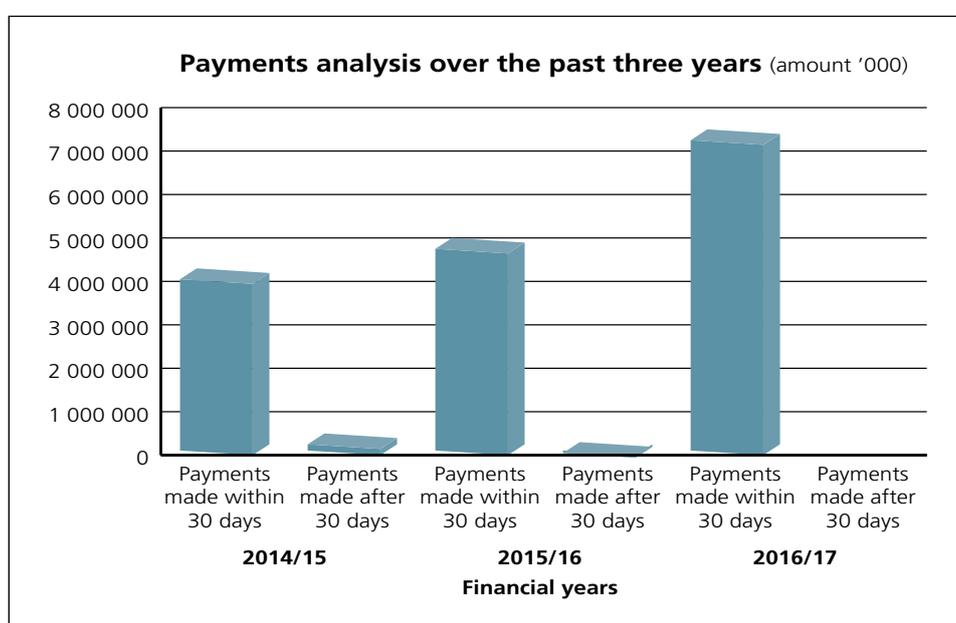
Payment statistics for the past three years

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

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

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

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



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

Programme expenditure

| Programme name | 2016/2017 | | | 2015/2016 | | |
|-----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final appropriation | Actual expenditure | (Over)/under expenditure | Final appropriation | Actual expenditure | (Over)/under expenditure |
| | R'000 | | | | | |
| 1. Administration | 281 643 | 262 914 | 18 729 | 294 305 | 239 213 | 55 092 |
| 2. Transport Infrastructure | 2 026 890 | 1 961 151 | 65 739 | 2 215 605 | 2 177 112 | 38 493 |

| Programme name | 2016/2017 | | | 2015/2016 | | |
|-------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final appropriation | Actual expenditure | (Over)/under expenditure | Final appropriation | Actual expenditure | (Over)/under expenditure |
| | R'000 | | | | | |
| 3. Transport Operations | 2 464 907 | 2 416 513 | 48 394 | 2 141 482 | 2 019 168 | 122 314 |
| 4. Transport Regulation | 323 918 | 319 322 | 4 596 | 268 758 | 262 357 | 6 401 |
| 5. Gautrain | 2 812 089 | 2 812 089 | - | 1 561 451 | 1 561 451 | - |
| Total | 7 909 447 | 7 771 989 | 137 458 | 6 481 601 | 6 259 301 | 222 300 |

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

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

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

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

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

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

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

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

Virements/roll-overs

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

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

Unauthorised expenditure

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

• Related party disclosure

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

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

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

• **Future plans of the Department**

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

Green Logistics Indicators (GLI-X)

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

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

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

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

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

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

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

The Transport Management Centre (TMC)

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

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

The critical success factors for a TMC

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

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

Road Maintenance APP

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

Gauteng Transport Centre of Excellence Hub

The Department in partnership with the CSIR, the Innovation Hub, the South African National Roads Agency Limited (SANRAL) and universities, will establish a Transport Centre of Excellence. The purpose of the centre is to enhance all the expertise within the Government, research institutions, academia and transport sector institutions. The centre will focus on research on transportation challenges, identify best practice, transport norms and standards, and transport innovations to address some of the challenges in design, construction and maintenance of transportation infrastructure. In addition, the centre will also prioritise challenges in the public transport environment. The Department has prioritised the development for the establishment of the centre in the 2017/18 financial year.

Online renewal of motor vehicle licenses

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

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

• Public-Private Partnerships (PPPs)

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

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

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

• Discontinued activities/activities to be discontinued

None.

• New or proposed activities

None.

Supply chain management

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

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

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

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

Gifts and donations received in kind from non-related parties

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

- **Exemptions and deviations received from the National Treasury**

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

- **Events after the reporting date**

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

- **Other**

None.

- **Acknowledgement/s or appreciation**

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

Approval and sign-off



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

3. STRATEGIC OVERVIEW

3.1 VISION

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

3.2 MISSION

To facilitate and provide an integrated transport system that:

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

3.3 VALUES

The GDRT is guided by the following values:

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

4. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency (GMA)

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

| Name of entity | Legislative mandate | Financial relationship | Nature of operations |
|----------------|---|--|---|
| GMA | <p>The GMA has been established in terms of the GMA Act (2007) and listed under Schedule 3 (c) of the PFMA (1996) as a provincial public entity.</p> <p>National policy and legislative mandates: PFMA (1999), Environmental Conservation Act (1989), National Railway Safety Regulator Act (2002), National Treasury Regulations, Division of Revenue Act (2010) and Consumer Protection Act (2008).</p> <p>Provincial policy and legislative mandates: Gauteng White Paper on Transport Policy, Gauteng Transport Framework Revision Act (2002), Gauteng Transport Infrastructure Act (2001), Gauteng legislation on Development Planning, GMA Amendment Act (2008), Provincial Growth and Development Strategy (PGDS) and Gauteng Spatial Development Perspective.</p> | The GMA receives its MTEF funds through the Department's vote. | The main objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project. |

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

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

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

g-Fleet Management

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

Performance Information

1. PERFORMANCE INFORMATION BY PROGRAMME

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

1.1 PROGRAMME 1: ADMINISTRATION

Purpose

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

Objectives of the programme

To provide advisory, secretarial, administrative and office support service to the MEC, and to render strategic support to the Department in the areas of finance, human resources, procurement, information and communication systems and policy development. It comprises of the following sub-programmes:

List of sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

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

• **Open tender procurement**

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

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

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

Strategic objectives

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

Human capital development

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

- **Employee health and wellness**

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

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

- **Skills development**

The Department trained 307 employees in the following programmes:

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

Career development

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

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

Zwartkop Training Centre

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

Facilities Management

- **Head Office**

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

Records management

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

New regional office established for the Roads Branch

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

Strategic objectives

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

Communications and Media Liaison

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

- **P39/1 Diepsloot to Laudium**

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

- **Official opening of Germiston TOLAB**

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

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

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

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

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

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

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

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

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

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

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

- **Shovakalula project**

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

- **Departmental Transport Events**

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

- Uber official registration as a public transport entity – regulation of Uber partner-driver as public transport entity.
- Gauteng Career Opportunities Exhibition in partnership with GCR academy.
- Budget vote presentation at the Gauteng Legislature.
- Internal Youth Month celebration – Spin Jozi promoted Youth Month through an initiative of learning and visiting various historic and public transport sites within the City of Johannesburg.
- The Youth Summit in partnership with National Department of Transport and Gauteng Department of Community Safety was intended for the youth to organise and serve in the Road Safety programmes.
- A Minibus/Taxi Outreach Programme aimed at addressing issues relating to fast tracking outstanding licensing applications that meet compliance requirements were held in Westrand, Sedibeng, Ekurhuleni, Tshwane and Johannesburg municipalities.
- A Minibus Taxi Ntirhisano event (summit) was held to foster partnerships between the mini-bus industry and government to work towards a safe, accessible, reliable, affordable provision of public transport services in the province.
- Women in the Minibus Taxi Industry Networking Session addressed issues such as current and future business opportunities in the transport industry, as well as challenges and possible solutions faced by women in the industry.
- Departmental Womens Month Colour Fun Run is a team building exercise aimed at celebrating milestones that women have overcome in relation to struggles they still face today.
- Back to Basics Roadshows' main objective was to promote the notion of an activist government as part of building a capable and developmental State.

The dimensions of the approach included the following:

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

October Transport Month Campaign, 2016

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

- **The national launch:** entailed a community event and official handover of the rehabilitated P54/1 between Matooster and Ruighoek and was hosted in collaboration with the North-West Department of Public Works, Roads and Transport entities.
- **The provincial launch:** involved the demonstration of the effectiveness of public transport in Gauteng through the live traffic reporting commencing from Johannesburg station to Bosman Street. The activities also included the showcase of the electric vehicles charging buses/cars and official opening of the Centurion Electric Car Power Station in City of Tshwane.
- **Traffic Free Fridays:** an initiative which encouraged the use of public transport, lift -clubs and cycling among participants and Departmental employees.
- **Gauteng Cycling Indaba:** an open forum which included Departmental cycling stakeholders and the Netherlands Embassy dedicated to knowledge exchange and co-creating solutions to optimise cycling in the province.
- **Koma Road Safety Workshop:** the initiative was aimed at outlining an integrated stakeholder base in addressing road safety issues along Koma Road in Soweto.
- **Sod-turning project:** Promoting a project for light rehabilitation of road D904 between Road R82 and Evaton. The project was profiled in the media and received well by community members.
- **Fair Pay Ticketing Launch:** The launch of an electronic payment solution is an initiative by Taxi Choice, the empowerment arm of SANTCO which aims to transform the industry from a cash base fare collection to the card.
- **Media Networking Session** – A live networking session with the media, entitled "Talk to the MEC" was held. The event was hosted by Power FM and attracted both print and electronic journalists. The platform also afforded the MEC an opportunity to engage with Power FM listeners on a number of transport issues.
- **Activations at provincial DLTCs (Mabopane; Langlaagte; Maponya; Xavier) in partnership with Road Traffic Management Corporation (RTMC):** The initiative afforded a two-way interactive communication process with public and stakeholders where information on services was offered (TOLABs/ Fraud and Corruption/ Operating License/ Motor Vehicle Registration and Licensing)
- **Transport career expo for high school learners in three regions around Gauteng (Sedibeng; Tembisa and Soweto):** Public transport was promoted as a career choice in partnership with University of Johannesburg; Wits Business School; Prasa and Gautrain.
- **Leaders in Urban Transport Training Programme:** - Skills training opportunities were created for Departmental senior and middle managers in the Transport Branch. The workshop was well attended by senior managers and officials in the Transport Branch.
- **Gautrain Management Agency in partnership with the Mail & Guardian** hosted a Critical Thinkers Panel Discussion. The event was attended by key stakeholders/ interests groups. It provided a platform for discussing public transport issues ranging from planning; accessibility; affordability and innovation.
- The **GMA** hosted an **Annual Amazing Race Competition/** public race at various transport locations between Johannesburg and Pretoria.
- **Transport Week Programme (Sci-Bono Learner Transport Expo):** -The annual Transport Month exhibition targeted at learners around Gauteng. The attendance was estimated at over 5000 learners. The Department promoted transport Month objectives and distributed promotional items to learners.
- **2016 Transport Month campaign closing event:** The National DoT hosted the closing ceremony in collaboration with Eastern Cape Provincial Department through a law enforcement operation; Annual Transport Awards and concluded with the Libode Interchange bridge launch.

Information Technology (IT)

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

- **ICT Disaster Recovery Site**

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

- **Unified Communication System**

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

Electronic Document Records Management Solution (e-DRMS)

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

Automations of processes

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

Customer Satisfaction Survey

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

Stakeholder relations

- **Social facilitation**

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

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

Changes to planned targets

None.

Linking performance with budgets

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

1.2 PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Purpose

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

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

List of sub-programmes:

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

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

SUB-PROGRAMME: INFRASTRUCTURE PLANNING

ONGOING PROJECTS

Route determinations

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

Transport Modelling Centre

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

Research based studies

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

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

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

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

1. Mapping of minibus taxi routes in the Gauteng province

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

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

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

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

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

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

3. Transport Integration Monitoring and Evaluation Programme

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

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

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

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

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

Gauteng Priorities freight hubs

The Gauteng province recognised the need to incorporate freight transportation planning into the province's transportation planning process. Freight transport is crucial for the economy of Gauteng and the country, and influences economic growth and development directly in that efficiency of the freight transport system impacts on the efficiency of supply chains and in turn the cost of doing business. The role of the Department is to coordinate the development of Freight infrastructure in the province which involves representing the Gauteng province's interest in the Strategic Infrastructure Project (SIP2) on the KwaZulu-Natal, Free State and Gauteng Development Corridor as identified in the NDP. Currently, the Gauteng province is developing the Tambo Springs and City Deep Freight and Logistics Hubs to increase the short to medium term capacity requirements.

Tambo Springs

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

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

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

- **City Deep**

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

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

Gauteng Freight Databank

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

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

Gauteng Transport Commission

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

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

COMPLETED DESIGNS

Northern Corridor

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

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

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

- **K97 from N4 to Winterveldt (Old Warmbath/Pretoria Road)**

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

K101 from N1 to D795 (Olifantsfontein Road)

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

Southern Corridor

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

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

ONGOING PROJECTS

Northern Corridor

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

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

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

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

Eastern Corridor

- **K148: Intersection with N3**

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

Northern Corridor

- **Bridge P31_01NB4618**

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

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

SUB-PROGRAMME: CONSTRUCTION

Nano “new” technology

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

SURFACED ROADS UPGRADED COMPLETED

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

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

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

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

ONGOING PROJECTS

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

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

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

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

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

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

- **Vaal River city Interchange**

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

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

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

GRAVEL ROADS UPGRADED TO SURFACED ROADS

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

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

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

SUB-PROGRAMME: MAINTENANCE

Routine maintenance of provincial road network

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

Periodic assessment of provincial roads

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

Routine maintenance approach

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

Periodic road maintenance

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

ROAD REHABILITATION COMPLETED

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

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

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

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

ONGOING PROJECTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Provincial Roads Maintenance Grant (PRMG)

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

Vuk'uphile Programme

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

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

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

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

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

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

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

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

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

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

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

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

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

TRAFFIC ENGINEERING

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

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

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

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

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

Infrastructure Planning

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

Infrastructure Design

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

Construction

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

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

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

Maintenance

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

1.3 PROGRAMME 3: TRANSPORT OPERATIONS

Purpose

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

List of sub-programmes:

- Public Transport Services.

Strategic objectives, performance indicators, planned targets and actual achievements

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

SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES

Public Transport Operations Grant (PTOG)

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

• Bus subsidy monitoring

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

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

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

• Continuous Improvement in subsidised bus monitoring

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

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

Bus subsidies contracting

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

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

SUB-PROGRAMME: PROGRAMME SUPPORT OPERATIONS

Public transport transformation

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

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

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

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

• Continuous improvement in public transport transformation (empowerment)

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

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

• Monitor and evaluate progress of the TFE strategy

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

Provincial Regulatory Entity (PRE)

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

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

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

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

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

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

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

- **Conversion of Permits to Operating Licenses**

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

PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS

Intermodal Facilities

- **Vereeniging**

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

Shovakalula

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

Linking performance with budgets

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

1.4 PROGRAMME 4: TRANSPORT REGULATION

Purpose

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

List of sub-programmes:

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING

ESTABLISHMENT OF NEW REGISTERING AUTHORITIES/DLTCs

Sebokeng DLTC

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

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

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

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

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

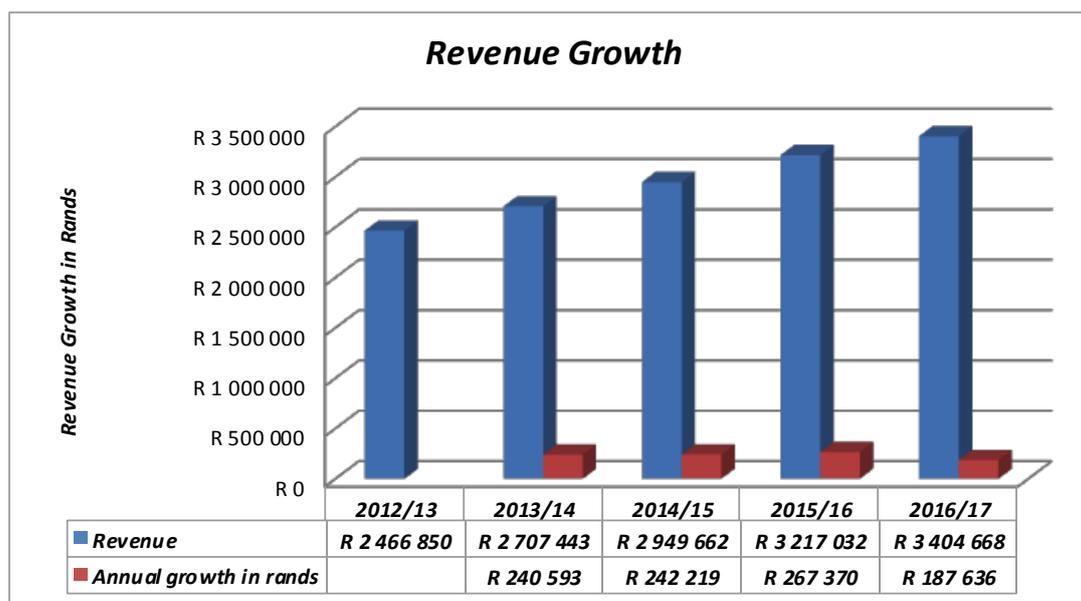
The Department has also strengthened its controls on fraudulent roadworthy certification that involves vehicles certified by private test stations from other provinces.

Revenue maximisation

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

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

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



Increase in vehicle licensing transactions

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

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

SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS

Sebokeng TOLAB

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

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

Re-construction of the Main Tshwane TOLAB

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

Tshwane TOLAB – Temporary facility (Koedoespoort)

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

The Gauteng Operating Licensing and Registration system

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

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

Operating licenses

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

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

Minibus taxi regional outreach programme

In pursuance to the Ntirhisano Taxi Indaba that was held on 30 June 2016 at the Standard Bank Arena, which was aimed at addressing challenges that currently face the minibus taxi industry, the Department conducted regional visits. The regional visits will be conducted

on an annual basis as per the Taxi Indaba resolution. The visits focused on delays in the processing of applications for operating licenses and issuing of operating licenses. A total of 5 028 operators were serviced during the visits.

Registration and monitoring

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

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

Joint Operations Centre with Community Safety

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

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

- **Regulating and licensing of Uber operators**

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

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

Linking performance with budgets

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

Financial Information

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

Report on the Audit of the Financial Statements

Opinion

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

Basis for opinion

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

Emphasis of matters

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

Material uncertainties

7. With reference to note 18.1 to the financial statements, the department is the defendant in various lawsuits. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

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

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

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

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

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings in respect of the reliability of the selected programmes are as follows:

Programme 2 – Transport infrastructure

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

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

Programme 3 – Transport operations

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

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

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

Programme 4 – transport regulations

Number of non-minibus taxi modes registered by 2019

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

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

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

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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

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

Expenditure management

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

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

Other information

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

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

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

Internal control deficiencies

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

Leadership

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

Financial and performance management

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

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

Other reports

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

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

Auditor - General

Johannesburg
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | Appropriation per programme | | | | | | 2015/16 | |
|--|------------------------|-----------------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | | 2016/17 | | | | | | Final Appropriation | Actual Expenditure |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | R'000 | R'000 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Programme | | | | | | | | | |
| 1. Administration | 297 471 | - | (15 828) | 281 643 | 262 914 | 18 729 | 93.4% | 294 305 | 239 213 |
| 2. Transport Infrastructure | 2 053 633 | - | (26 743) | 2 026 890 | 1 961 151 | 65 739 | 96.8% | 2 215 605 | 2 177 112 |
| 3. Transport Operations | 2 467 480 | - | (2 573) | 2 464 907 | 2 416 513 | 48 394 | 98.0% | 2 141 482 | 2 019 168 |
| 4. Transport Regulation | 278 774 | - | 45 144 | 323 918 | 319 322 | 4 596 | 98.6% | 268 758 | 262 357 |
| 5. Gautrain | 2 812 089 | - | - | 2 812 089 | 2 812 089 | - | 100.0% | 1 561 451 | 1 561 451 |
| TOTAL | 7 909 447 | - | - | 7 909 447 | 7 771 989 | 137 458 | 98.3% | 6 481 601 | 6 259 301 |
| TOTAL (brought forward) | | | | | | | | | |
| Reconciliation with statement of financial performance | | | | | | | | | |
| ADD | | | | | | | | | |
| Departmental receipts | | | | 3 477 137 | | | | 3 278 227 | |
| Actual amounts per statement of financial performance (total revenue) | | | | 11 386 584 | | | | 9 759 828 | |
| ADD | | | | | | | | | |
| Prior year unauthorised expenditure approved without funding | | | | | 11 526 | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 7 783 515 | | | | 6 259 301 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|-------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 7 909 447 | 6 481 601 |
| Departmental revenue | 2 | 3 477 137 | 3 278 227 |
| TOTAL REVENUE | | 11 386 584 | 9 759 828 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 595 813 | 549 027 |
| Goods and services | 4 | 1 154 417 | 786 608 |
| Interest and rent on land | 5 | 2 | 459 |
| Total current expenditure | | 1 750 232 | 1 336 094 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 5 163 865 | 3 527 500 |
| Total transfers and subsidies | | 5 163 865 | 3 527 500 |
| Expenditure for capital assets | | | |
| Tangible assets | 8 | 857 588 | 1 378 539 |
| Intangible assets | 8 | 218 | 137 |
| Total expenditure for capital assets | | 857 806 | 1 378 676 |
| Unauthorised expenditure approved without funding | 9 | 11 526 | - |
| Payments for financial assets | 6 | 86 | 17 031 |
| TOTAL EXPENDITURE | | 7 783 515 | 6 259 301 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 3 603 069 | 3 500 527 |
| Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 125 932 | 222 300 |
| Annual appropriation | | 97 400 | 191 824 |
| Conditional grants | | 28 532 | 30 476 |
| Departmental revenue and NRF Receipts | 14 | 3 477 137 | 3 278 227 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 3 603 069 | 3 500 527 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 524 327 | 503 682 |
| Unauthorised expenditure | 9 | - | 195 457 |
| Cash and cash equivalents | 10 | 521 845 | 307 617 |
| Receivables | 12 | 2 482 | 608 |
| Non-current assets | | 786 | 1 631 |
| Receivables | 12 | 786 | 1 631 |
| TOTAL ASSETS | | 525 113 | 505 313 |
| LIABILITIES | | | |
| Current liabilities | | 524 544 | 505 082 |
| Voted funds to be surrendered to the Revenue Fund | 13 | 137 457 | 233 825 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 14 | 278 132 | 271 106 |
| Payables | 15 | 108 955 | 151 |
| TOTAL LIABILITIES | | 524 544 | 505 082 |
| NET ASSETS | | 569 | 231 |
| Represented by: | | | |
| Recoverable revenue | | 569 | 231 |
| TOTAL | | 569 | 231 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017

| | <i>Note</i> | 2016/17 | 2015/16 |
|---|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Recoverable revenue | | | |
| Opening balance | | 231 | 384 |
| Transfers: | | 338 | (153) |
| Irrecoverable amounts written off | 6.1 | (15) | (368) |
| Debts revised | | - | - |
| Debts recovered (included in departmental receipts) | | (167) | - |
| Debts raised | | 520 | 215 |
| Closing balance | | 569 | 231 |
| TOTAL | | 569 | 231 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

CASH FLOW STATEMENT
for the year ended 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|-----------|-------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts | | 11 373 879 | 9 755 337 |
| Annual appropriated funds received | 1.1 | 7 909 447 | 6 481 601 |
| Departmental revenue received | 2 | 3 464 417 | 3 273 675 |
| Interest received | 2.3 | 15 | 61 |
| NRF Receipts | | - | - |
| Aid assistance received | | - | - |
| Net increase/decrease in working capital | | 303 232 | 16 871 |
| Surrendered to Revenue Fund | | (3 692 411) | (3 431 154) |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | (1 761 756) | (1 335 635) |
| Interest paid | 5 | (2) | (459) |
| Payments for financial assets | | (86) | (17 031) |
| Transfers and subsidies paid | | (5 163 865) | (3 527 500) |
| Net cash flow available from operating activities | 16 | 1 058 991 | 1 460 429 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (857 806) | (1 378 676) |
| Proceeds from sale of capital assets | 2.4 | 12 705 | 4 491 |
| Increase/decrease in loans | | - | - |
| Increase/decrease in investments | | - | - |
| Increase/decrease in other financial assets | | - | - |
| Net cash flows from investing activities | | (845 101) | (1 374 185) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution/dividend received | | - | - |
| Increase/decrease in net assets | | 338 | (153) |
| Increase/decrease in non-current payables | | - | - |
| Net cash flows from financing activities | | 338 | (153) |
| Net increase/decrease in cash and cash equivalents | | 214 228 | 86 091 |
| Cash and cash equivalents at beginning of period | | 307 617 | 221 526 |
| Unrealised gains and losses within cash and cash equivalents | | - | - |
| Cash and cash equivalents at end of period | 10 | 521 845 | 307 617 |