



Western Cape
Government

FOR YOU

Mobility



WESTERN CAPE
MOBILITY DEPARTMENT

GOVERNMENT MOTOR
TRANSPORT TRADING ENTITY

ANNUAL REPORT

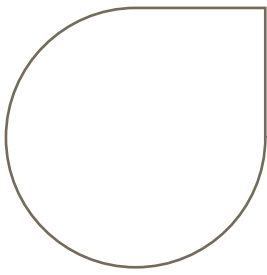
01 APRIL 2023 TO 31 MARCH 2024

Western Cape Mobility Department

Annual Report

Government Motor Transport Trading Entity

01 April 2023 to 31 March 2024



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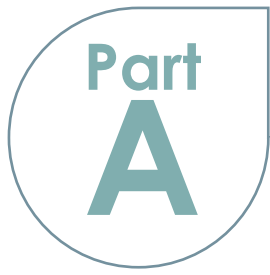
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Part A

General information





General information

1 Trading Entity's General Information

Country of incorporation and domicile	South Africa
Registration number	Not applicable
Nature of business and principal activities	Government fleet management
Business address	3 Rusper Street Maitland Cape Town 7405
Postal address	PO Box 352 Maitland 7404 or Private Bag X9014 Cape Town 8000
Telephone number	0800 092 468
Fax number	021 467 4777
Email address	GMT.Communications@westerncape.gov.za
Web address	www.westerncape.gov.za
Bankers	Nedbank
Bank address	Fifth Floor, Nedbank Clock Tower Campus Clock Tower Precinct Cape Town 8001
Auditors	Auditor-General of South Africa
Auditors' address	Auditor-General of South Africa 17 Park Lane Building Park Lane Century City 7441
Accounting Officer	MM Moore
Organisation Secretary	Riaan Wiggill CA (SA), FCMA, CGMA
Telephone Number	083 610 0398



2 Acronyms and abbreviations

4IR	Fourth Industrial Revolution
AARTO	Administrative Adjudication of Road Traffic Offences
AGSA	Auditor-General of South Africa
AI	Artificial intelligence
AIDS	Acquired immunity deficiency syndrome
AIDC	Automotive Industrial Development Centre
AO	Accounting Officer
App	Mobile application
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAIC	Beijing Automotive Industrial Corporation
BAS	Basic Accounting System
B-BBEE	Broad-based black economic empowerment
BEV	Battery-powered EV
CCC	GMT Client Care Centre
CCCDP	Departmental Critical Competencies and Career Development Plan
CCGMT	Coordinating Committee for GMTs
Ce-I	Centre for e-Innovation (Department of the Premier)
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
COTO	Committee of Transport Officials
CSD	Central Supplier Database
DCGIP	Departmental Corporate Governance Improvement Plan
DEDAT	Departments of Economic Development and Tourism
DOA	Department of Agriculture
DOH&W	Department of Health and Wellness
DOI	Department of Infrastructure
DotP	Department of the Premier
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration

DTIC	Department of Trade, Industry and Competition
ECM	WCG Electronic Content Management system
EE	Employment equity
EHW	Employee health and wellness
EHWP	Employee Health and Wellness Programme
eNATIS	National Traffic Information System
EPWP	Expanded Public Works Programme
ERM	Enterprise risk management
ERMCO	Ethics and Enterprise Risk Management Committee
ERP	Enterprise Resource Planning system
EV	Electric vehicle
FFSS	Future-fit Skills Strategy
FleetMan	Fleet Management ERP System
FMPPI	Framework for Managing Programme Performance Information
FPS	EMS Forensic Pathology Services
GAP	Gap Analysis Project
GG	Government Garage
GMT	Government Motor Transport trading entity
GRAP	Generally Recognised Accounting Practice
HCT	HIV and AIDS counselling and testing
HIV	Human Immunodeficiency Virus
HOD	Head of Department
ICE	Internal combustion engine
ICT	Information and communication technology
IESBA	International Ethics Standards Board for Accountants
IGRAP	Interpretation of Standards of GRAP
ISAs	International Standards on Auditing
IT	Information technology
ITS	Intelligent Transport System
IYM	In-year monitoring

LEMS	Life Events Management System
LRA	Labour Relations Act, 1995
LOGIS	Logistical Information System
MEC	Member of the Executive Council
MOA	Memorandum of agreement
MSaaS	Mobility solutions as a service
MTEC	Medium-Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTP	Massive Transformative Purpose
NDP	National Development Plan
NEV	New Energy Vehicle Strategy
NQF	National Qualifications Framework
NT	National Treasury
OCJ	Office of the Chief Justice
OCR	Optical character recognition
OEM	Original equipment manufacturer
PAA	Public Audit Act, 2004
PAC	Provincial Assessment Centre, DoTP
PAIA	Promotion of Access to Information Act, 2000
PAJA	Promotion of Administrative Justice Act, 2000
PERMIS	Performance Management Information System
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act, 1999
PFS	Provincial Forensic Services
PILIR	Policy and Procedure on Incapacity and Ill Health Retirement
PPE	Property, plant and equipment
PPPFA	Preferential Procurement Policy Framework Act, 2000
PPRs	Preferential Procurement Regulations
PSCBC	Public Service Coordinating Bargaining Council
PSP	Provincial Strategic Plan
R&D	Research and development

RT57	Transversal government procurement contract
RWOPS	Remunerative Work Outside the Public Service (application)
SAPS	South African Police Service
SARB	South African Reserve Bank
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SHERQ	Safety, health, environment, risk and quality
SMS	Senior Management Service
STI	Sexually transmitted infection
TB	Tuberculosis
VAT	Value-added tax
VIP	Vision Inspired Priority/ very important person
WCG	Western Cape Government
WCBD	Western Cape Bid Document
WCMD	Western Cape Mobility Department
WCSEB	Western Cape Supplier Evidence Bank

3 Foreword by the Provincial Minister

CO-CREATED INNOVATIVE MOBILITY SOLUTIONS

I am pleased to present the Annual Report of Government Motor Transport (GMT) for the period 1 April 2023 to 31 March 2024 as the Executive Authority for the Western Cape Mobility Department. The purpose of this report is to provide a summary of GMT's achievements, as well as the risks and challenges that were faced by the trading entity over the financial year.

During the 2023/24 financial year, GMT achieved an "unqualified with no findings" audit outcome for the twelfth consecutive year.

This positive audit outcome is a tangible testament to the effective management and functioning of internal control processes in the preparation of financial statements, which were confirmed to be free from material misstatements. It also confirms that the performance information, measured against predetermined objectives, is reliable and that the trading entity complies with the relevant governance and compliance prescripts.

Uncertainty at the global and geo-political levels continue to have an impact on the supporting supply and extended value chains, that have a consequent influence on GMT's ability to deliver cost-effective, superior services and solutions to its provincial and national client institutions.

The perennial challenges of ever-increasing vehicle acquisition costs and spiralling operational costs, coupled with already strained client institution budgets, are a driving force behind GMT's resolve to boldly explore innovative mobility solutions and delivery mechanisms.

Parallel to these challenges are rapidly emerging opportunities that, if they continue to be embraced, will enable GMT to tame the impact of the challenges and, at the same time, to leverage its strengths to positively transform the effect it has on the lives of those it serves.

GMT's healthy financial status, coupled with its capacity for acting as a responsible corporate citizen, has positioned the entity favourably to seize upon these opportunities. GMT is playing a pivotal role in spearheading the Western Cape Government's New Energy (NEV) Strategy. To give practical expression to this commitment, the entity has increased its asset mix by procuring 47 hybrid vehicles during the financial year, thus continuing its journey to limit harmful carbon emissions, by reducing its reliance on internal combustion engine (ICE) vehicles.

The Vehicle Replacement Strategy, an important part of GMT's lifeblood, is informed by a healthy understanding of client needs, leading to the provision of mobility solutions that are fit-for-purpose and technologically that relevant and 'fit for future'.



Isaac Sileku
Minister of the Western Cape
Mobility Department

The period under review represents the fourth year of GMT's current strategic planning cycle. The entity remains true to its ambitious goal of providing innovative mobility solutions to co-create, with its client institutions, better lives of all citizens.

In closing, I would like to thank the management and staff of GMT for their dedication and support in delivering an excellent service in a challenging environment. I also wish to thank GMT's client institutions for their continued support.

Isaac Sileku Digitally signed by Isaac Sileku
Date: 2024.08.30 12:54:50
+02'00'

ISAAC SILEKU

PROVINCIAL MINISTER

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 30 AUGUST 2024

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4 Report of the Accounting Officer

4.1. Overview of operations of the trading entity

With effect from 1 April 2023, the Government Motor Transport trading entity was incorporated into the administration of the Western Cape Mobility Department (WCMD). Its core mandate is to deliver reliable, accessible, innovative and environmentally responsible mobility solutions for its client institutions.

GMT's Massive Transformative Purpose as articulated in its Strategy 2020–2025, continued to guide the entity in its delivery to clients during the year under review and the implementation of its three strategic outcomes, namely:

1. Leaders in mobility solutions;
2. Greening the fleet; and
3. Satisfied stakeholders.

The mobility and fleet management environment continued to be impacted by a number of challenges, uncertainties, risks and added pressures which necessitated of GMT to be agile in its approach to delivering mobility solutions to its client institutions. Global and local supply chain challenges in the ongoing aftermath of the COVID-19 pandemic, affected the ability of original equipment manufacturers to meet the demand for vehicles and related technology and equipment of fleet providers such as GMT.

The trading entity managed to navigate these challenges while responding to client institutions' growing needs and decreasing budgets, while also remaining focused on maintaining and stabilising its financial position.

In support of client institutions' needs and the safety of its own staff and drivers, GMT implemented, amongst others, the following initiatives in partnership with clients:

- A total of 1 432 vehicles were replaced that had either gone beyond- or are approaching the end of their useful lives as defined in GMT policies;
- The number of automatic transmission vehicles in the fleet increased from 858 on to 1 113 changing the fleet profile to cater for a broader range of drivers, and the improvement of driving behaviour.
- Expenditure on fuel forms a major part of fleet operating costs, and client institutions expect a convenient and uninterrupted on-road fuelling solution. The fuel industry is prone to fraud because of the high tradability of fuel as a commodity. In response GMT migrated to a new service provider and developed improved fuel risk management processes and systems.
- Expanded the capacity of fleet rental services in Maitland as well as in George to improve this essential service to clients.
- Strengthened the repairs and maintenance, vehicle inspections, and vehicle disposal functions through the appointment of additional resources and the introduction of improved processes, systems and technology.

The financial position of the trading entity was maintained through strengthened expenditure management, capital management, and prudent financial management which enhanced cash collection from client institutions, while keeping debt levels within the prescribed governance norms.

Most of the interest earned by the entity is earned via Cash and Cash Equivalents financial instruments. The interest yields on these instruments are directly affected by the prime interest rate. The South African Reserve Bank Monetary Policy Committee increased the prime interest rates above the estimates used during the budget preparation. The interest yield estimates compared to actual yields for 2023/24 are detailed in Figure 1.

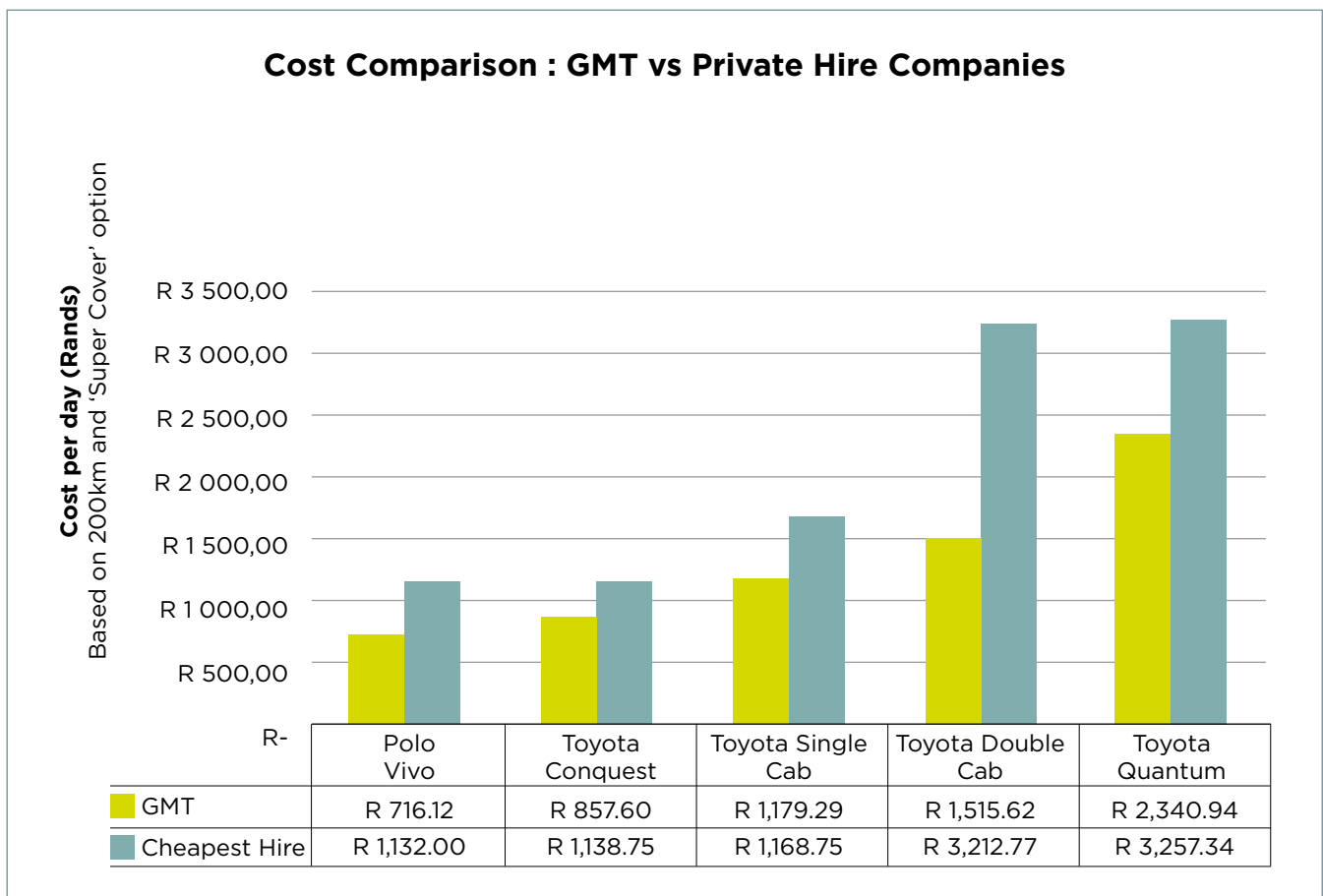
Figure 1: Interest yield estimates and actual yields for 2023/24



Main bank account:
Actual 7.25% to 7.75%,
 estimate 6.25% to 7.25%

To ensure that the services offered by GMT are competitively priced, the entity's finance team does regular comparisons with private sector vehicle rental companies' pricing. These comparisons show that GMT's service offerings are well priced, offering moderate to substantial savings to clients in all vehicle categories available in the market. Figure 2 shows a cost comparison as of 31 March 2024.

Figure 2: GMT pricing compared to private vehicle rental companies' pricing



Note: For illustrative purposes, common makes and models in each category are shown in the graph.

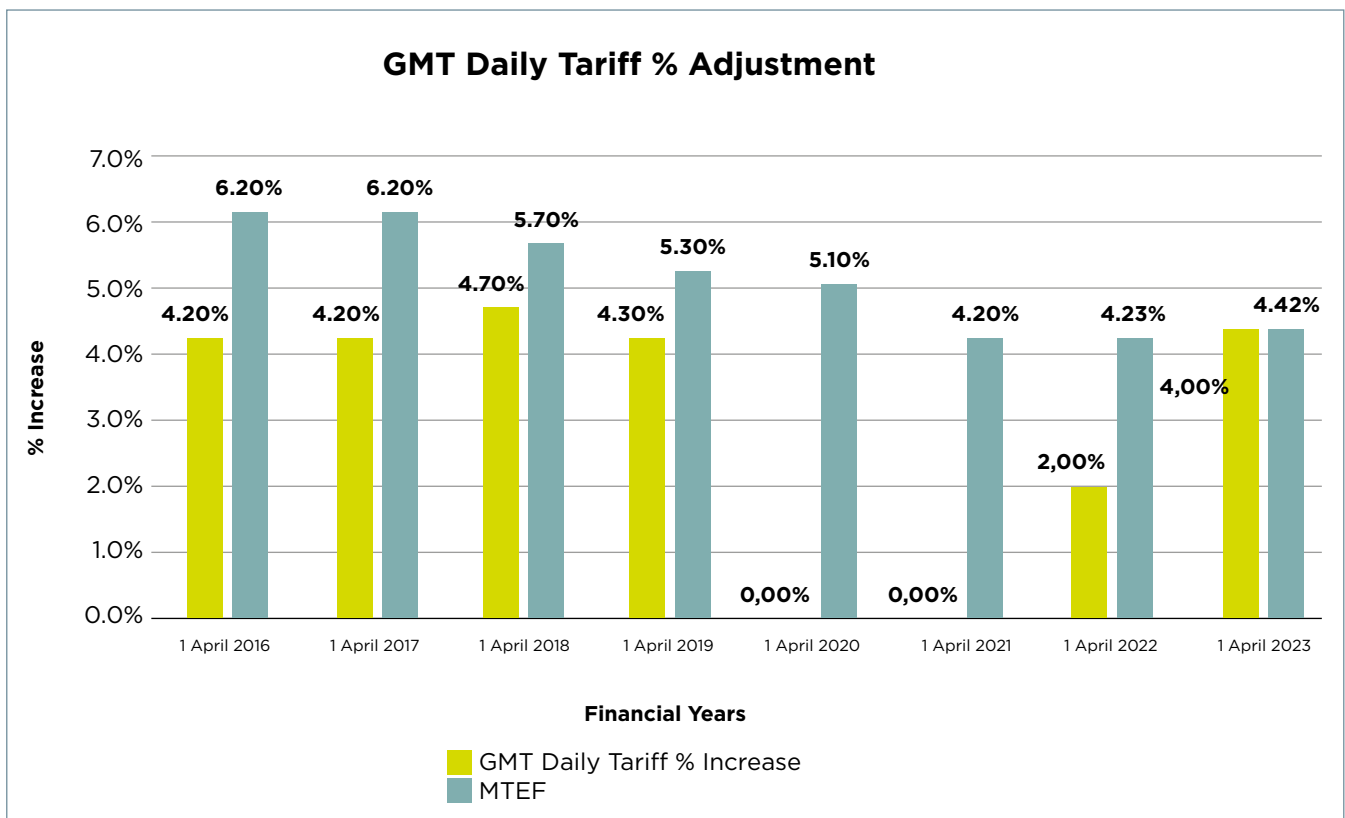
In addition to cheaper rentals compared to private sector rental companies, GMT offers the following value-added services:

- Providing client institution access to a bespoke fleet management system (FleetMan);
- Providing vehicle tracking services and reports for client institutions;
- Providing a fuel management service;
- Providing a toll management service;
- Managing traffic infringements and related fines;
- Providing insurance;
- Providing driver and transport officer training;

- Providing a third-party claims management service;
- Providing evidence in disciplinary hearings;
- Providing shuttle services to various pick-up points;
- Managing repairs and maintenance;
- Disposing of withdrawn vehicles;
- Providing selected after-hours support services;
- Not charging booking and administration fees;
- Not charging value-added tax;
- Providing general hire pool access to vehicles;
- Making specialised vehicles available; and
- Not placing a hold on bank account funds during rental periods.

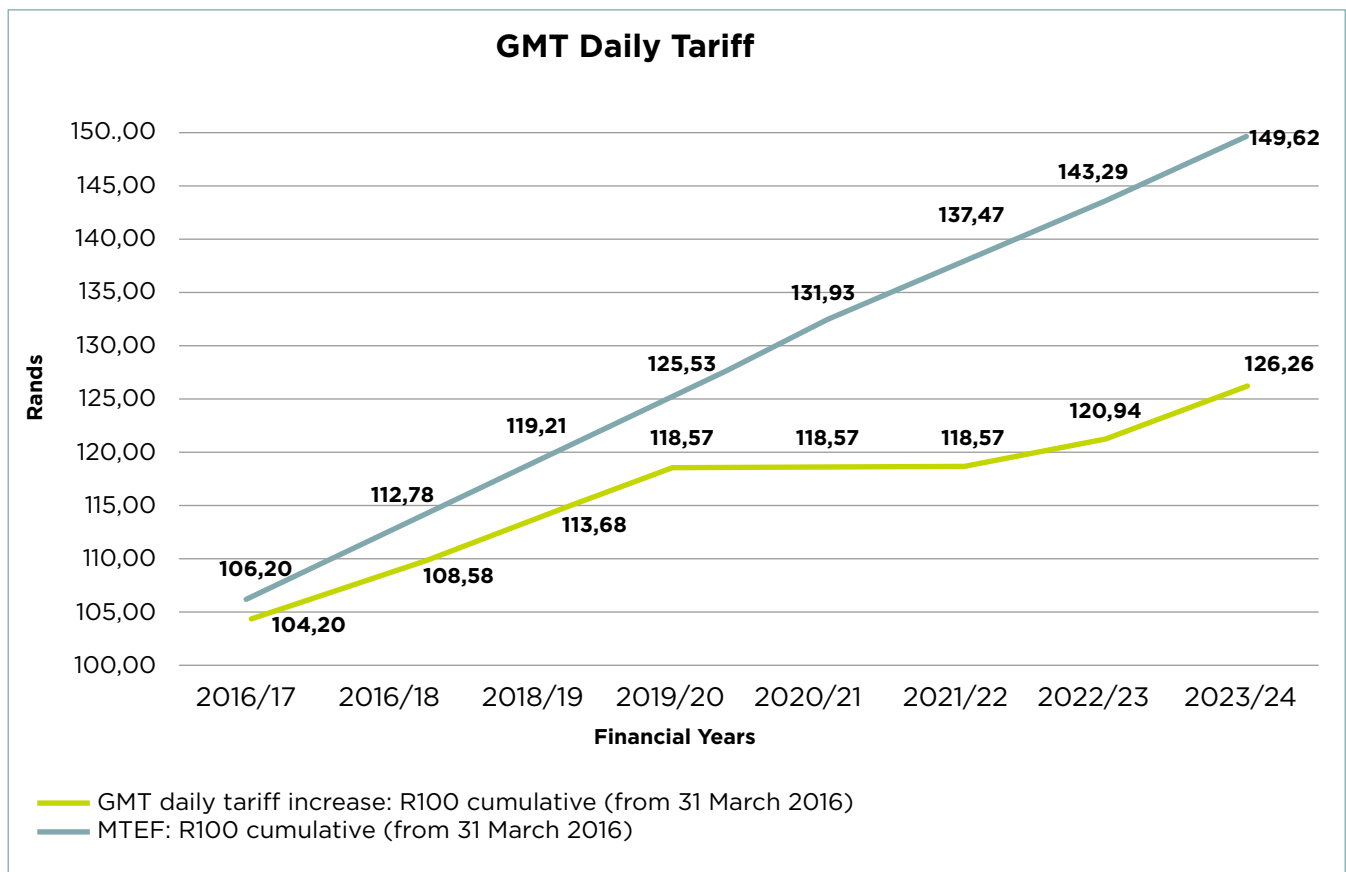
As a service organisation, GMT is cognisant of the financial pressures which its client institutions are facing due to budget cuts in real terms, reprioritisation of funding, and the inflationary environment in which they operate. For this reason, the entity strives to render its services at the lowest possible charges to its client institutions. Figure 3 shows that the daily tariff increases from 1 April 2016 and the next seven financial years up to 1 April 2023 were below the percentage increase of the Medium-Term Expenditure Framework (MTEF).

Figure 3: GMT daily tariff adjustments in comparison to MTEF percentage increase



This is an effective saving of R23.36 or an average of 3.33% on an annualised basis over this period.

Figure 4: Cumulative effect of GMT tariff adjustments in comparison to MTEF increase



GMT aligned its financial management with the requirements contained in Directive 5 and Directive 9 of the GRAP (Generally Recognised Accounting Practices) reporting framework issued by the Accounting Standards Board (ASB) for the 2022/23 financial year.

As at 31 March 2024, an amount of R482.8 million was held as an investment deposit through the Provincial Treasury in the Corporation for Public Deposits. This investment is held as part of Cash and Cash Equivalents. The investment will be utilised for GMT's business operations to fund assets during asset life cycles, settle liabilities, commitments and other expenditure which the entity will require to fulfil its service delivery objectives. GMT obtains confirmations of the investment details from Provincial Treasury during its reporting cycles.

New energy vehicles

Transition from a Western Cape Electric Vehicle Strategy to a New Energy Vehicle (NEV) Strategy

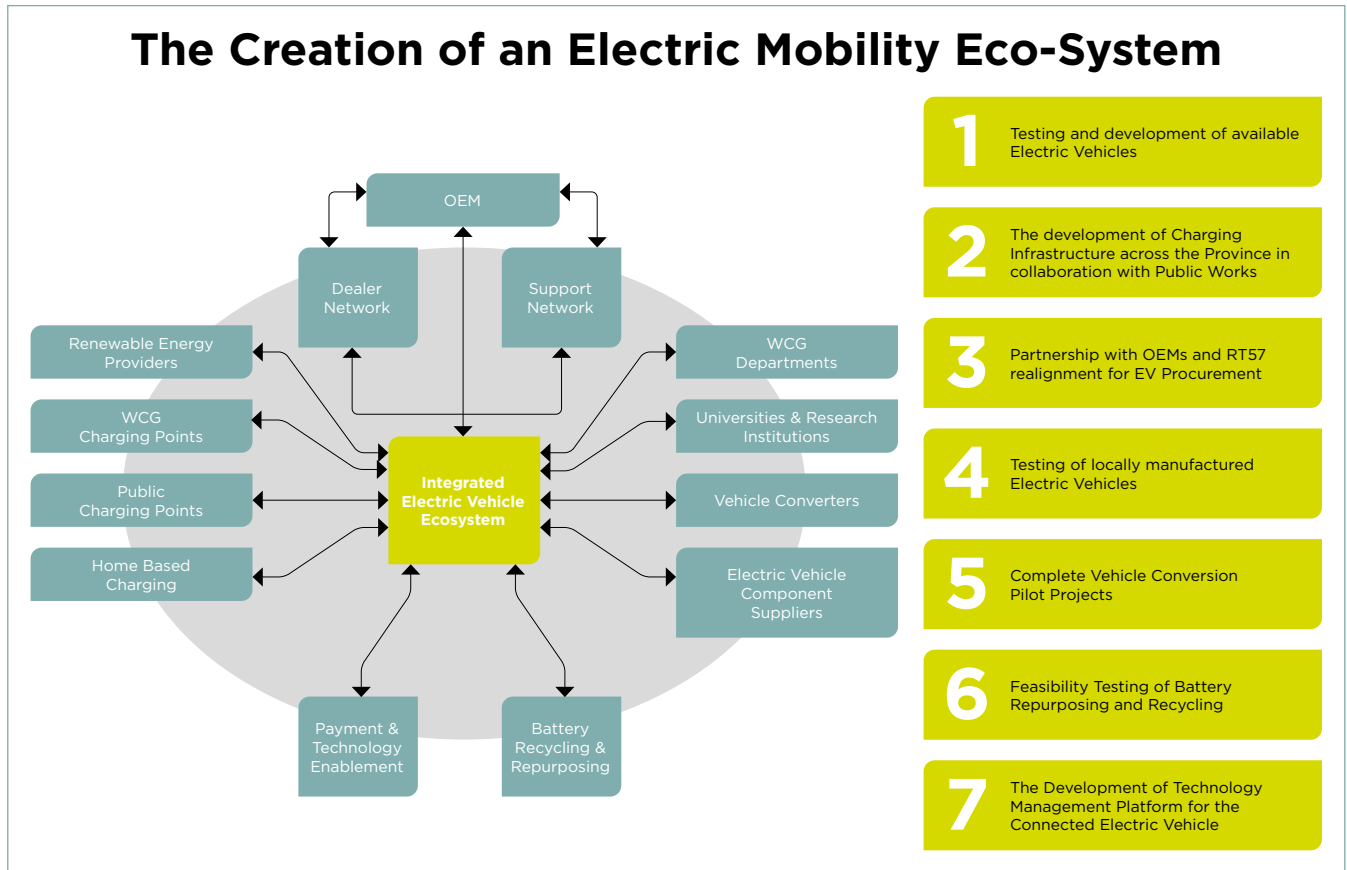
The GMT electric vehicle strategy, which was approved by the Provincial Cabinet in October 2021, is in the process of being reviewed. The focus on sustainable mobility is shifting from purely electric vehicles to including hybrid and hydrogen vehicles. Hybrid vehicles offer significant reductions in CO₂ emissions and have the major advantage that the requirement for charging infrastructure in the short term is reduced. Hydrogen as an alternative fuel is still being pursued by various global OEMs to confirm its viability for commercial roll-out.

Therefore, in addition to GMT's current battery electric vehicles (BEVs), GMT has strengthened its fleet of hybrid vehicles, with the procurement of 47 vehicles during 2023-2024, of which 30 were delivered during the year under review, and the delivery of the outstanding 17 hybrids expected in the second quarter of 2024.

GMT will also be launching a GMT New Energy Vehicle (NEV) Pioneer Programme in 2024/25 to further improve exposure to NEVs which is designed to provide easy access to NEVs by making these vehicles

available for short periods of time to client institutions to drive the vehicles and share their experience with the GMT team. During this time a team from GMT in partnership with client institutions and other stakeholders, will continue discussions as a key cornerstone of the NEV Strategy and its Pioneer Programme for GMT and the WCG is to become thought leaders in Africa for NEVs, and the establishment of critical building blocks towards an EV ecosystem as depicted below.

Figure 5: The creation of an Electric Mobility Ecosystem



GMT auction sales



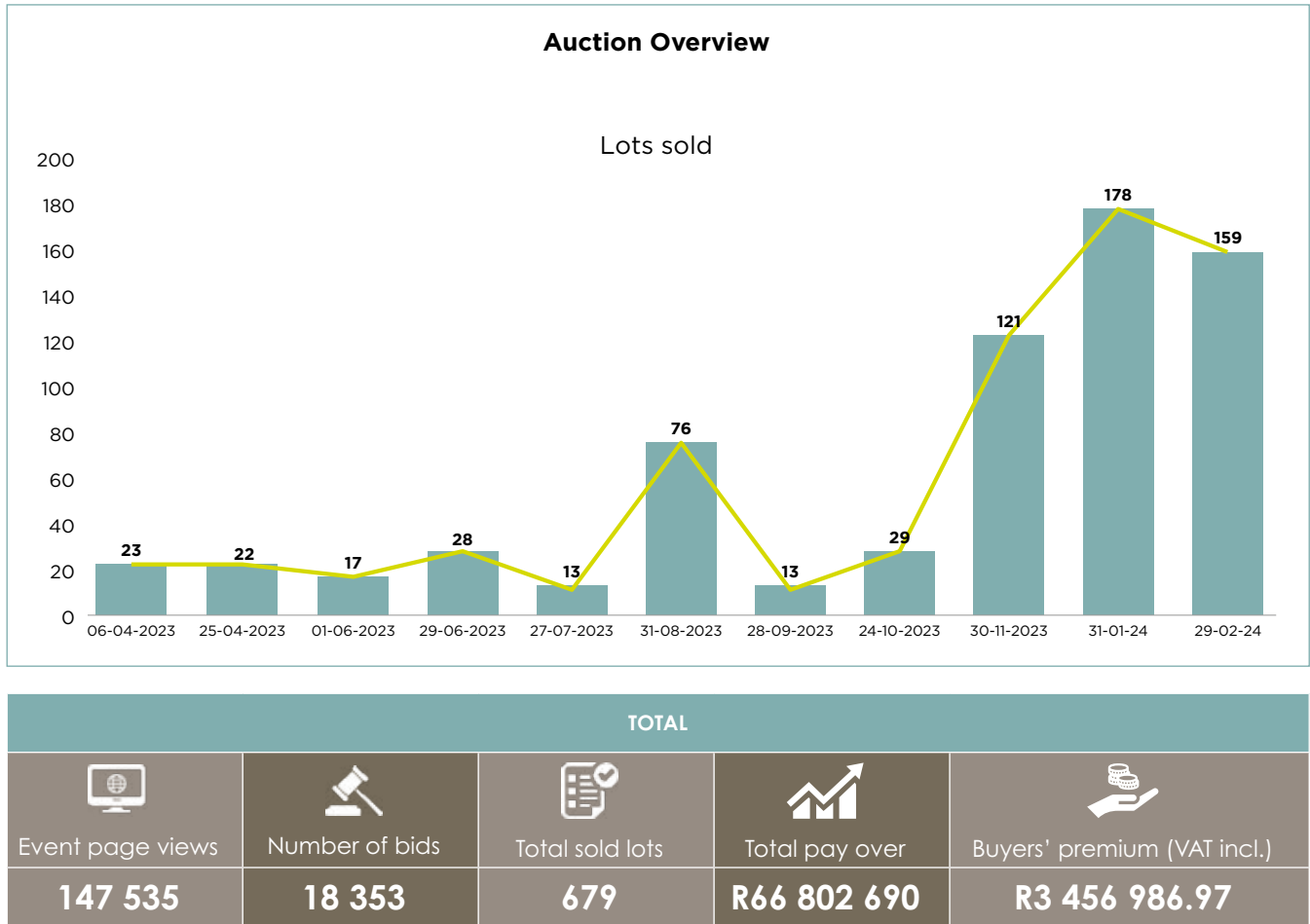
Disposal is a vital part of the vehicle life cycle. During the year under review, GMT speeded up its vehicle disposal activities to alleviate current operational site constraints. The favourable market for second-hand vehicles enabled GMT to sell its used vehicles at good prices.

Factor which contributed towards improved performance during the year:

- Completed the development of a mobile vehicle inspection application to replace the manual TV6/28 process, which is expected to significantly increase the speed and efficiency of the vehicle withdrawal and disposal process in future.

Figure 6 provides a summary of the positive trends in the number of lots sold and the revenue generated through the auction sales in 2023/24. In total, 679 lots were sold, there were 147 445 event page views, and a total of 18 380 bids were submitted.

Figure 6: GMT online auction sales 2023 and 2024



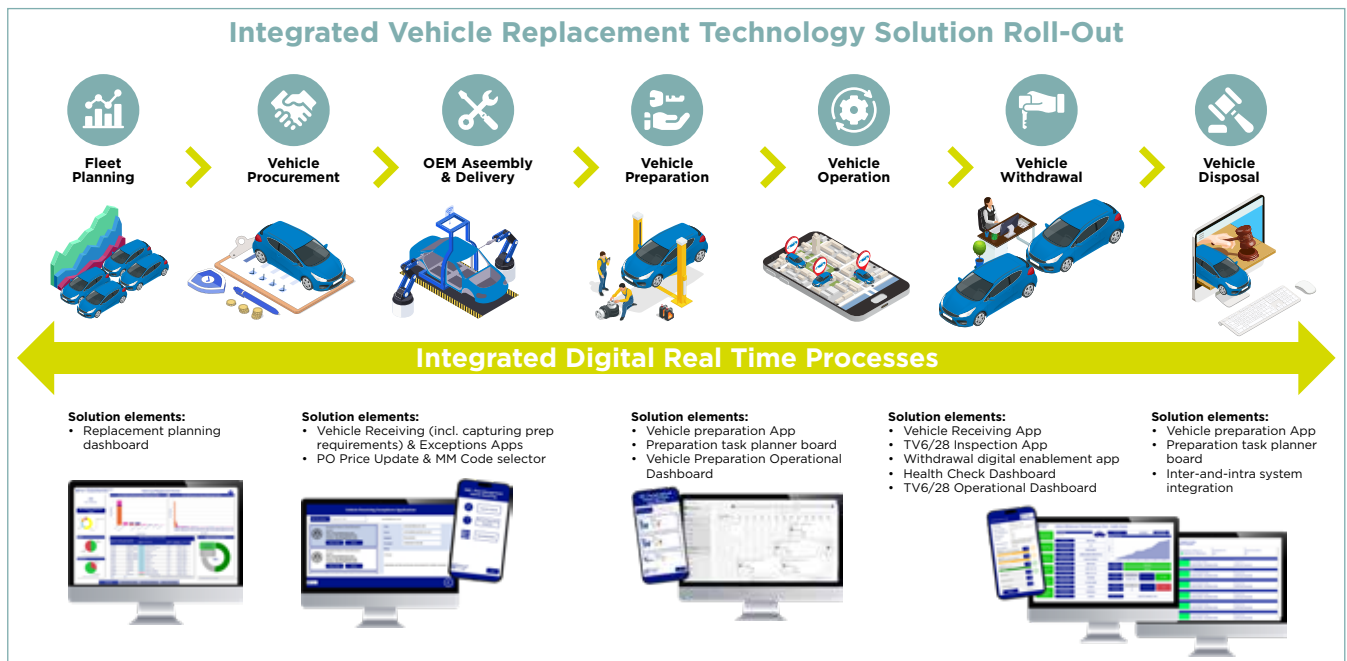
Vehicle replacement strategy

The vehicle replacement project remains a key initiative of GMT to recapitalise its fleet. The project focused on bringing the GMT to within its optimal vehicle ages. The introduction of mobile applications and process automation technology during the past year included the following:

- The digitisation of all manual processes to improve accuracy and speed;
- The deployment of mobile devices in operations to improve visibility and the speed of data-sharing;
- The development of operational and executive dashboards to improve visibility and facilitate quicker decision-making; and
- Acceleration of vehicle disposal through more frequent vehicle auctions.

GMT's vehicle life-cycle management, enabled with the newly introduced supporting technology platform, is shown in the diagram below.

Figure 7: Vehicle replacement technology solution roll-out



Benchmarking

Benchmarking initiatives allow GMT to continually improve its operational, financial and service delivery offerings to clients through incorporating best practices and lessons learned from stakeholders and other role players in the broader mobility ecosystem, both within the borders of South Africa and beyond. The benchmarking initiatives support GMT's quest to become and remain a leader in mobility solutions.

During the period under review, GMT participated in one inward and two outward benchmarking exercises. These benchmarking pursuits have enabled GMT to be at the forefront of the discourse on market, operational and technological developments that are likely to impact on key areas of its current and future operations.

The outcomes of these interventions inform GMT's strategy formulation and enable the entity to sense and respond to challenges and opportunities in a more proactive manner.

Inward benchmarking

During September 2023, GMT hosted the City of Cape Town's fleet management directorate, with a view to encourage collaboration in addressing the challenges and opportunities that both entities encounter in the mobility space in the greater Cape Town region.

The engagement was viewed as the initiation of a broader partnership between GMT and the City of Cape Town in areas such as fleet management systems development, new energy vehicles and more. The relationship between the two entities is an important one which will be nurtured as we jointly seek to gain a better understanding of the complex challenges facing mobility in the region.

Outward benchmarking

During the period under review, two outward benchmarking exercises were undertaken as follows:

- During May 2023, engagements with the Automotive Industry Development Centre (AIDC) in the Eastern Cape, along with a visit to the Beijing Automotive Industrial Corporation (BAIC) plant; and
- During March 2024, a visit to- and meetings with Toyota South Africa in Gauteng.

The purpose of the latter initiative was to collaborate and establish common ground with OEMs such as Toyota pertaining to the decarbonisation of GMT's fleet. This is seen as an important initial step in GMT's drive to transition to new energy vehicles. Greening the Fleet is one of GMT's key strategic outcomes and is considered a major contributor to the Western Cape Government's quest for carbon neutrality in its service delivery operations.

Client engagements

To strengthen GMT's operational and client liaison functions, GMT officials embarked on a number of visits to client institutions to observe the use of its vehicles by these clients. This enabled GMT technical officials to better advise clients on the most suitable vehicles for specific purposes.

Examples of client engagements during the year under review, include but are not limited to interactions with Provincial Traffic Officers to gain a better understanding of their use of in-vehicle technology fitted in their vehicles. These in-field contacts with traffic officers allow GMT's technical officials to make recommendations on the introduction of mobile applications in lieu of digital radios.

Throughout the process of developing its Client Portal, GMT's technical teams and management had several engagements with client institutions including the Office of the Chief Justice (OCJ), where the prototype portal was tested.

Figure 8: Client engagement with the Office of the Chief Justice



GMT embarked on a focused project to replace almost 4000 aging vehicles from our 6500-strong emergency medical vehicle fleet by 31 March 2025.

This fleet enhancement includes specialised vehicles such as ambulances, provincial traffic vehicles, forensic pathology vehicles and patient transporters, as well as the "vanilla fleet" of GG vehicles that GMT's client institutions rely on to deliver services to citizens.

GMT plans to deliver a total of 440 new and replacement EMS vehicles before the end of

March 2025. The FIRST series of 182 new EMS vehicles entered into operation in 2022 and early 2023.

The new vehicles on display at the handover ceremony represent samples from 114 new and replacement vehicles that entered service at EMS stations across the province in recent months.

Figure 9: EMS Handover 4 December 2023



Two prototype ambulances are equipped with 360-degree camera coverage to keep paramedics and emergency workers safe from ambush in the course of their work. Also included was customised bespoke Volkswagen Crafters which have been converted into patient carriers and are able to carry 4 wheelchairs and 6 seated passengers. These vehicles are the first of their kind in South Africa and Africa.

The highly specialised rescue vehicle, "Rescue 6", presents unique capabilities in the Western Cape for rescue and recovery. With Rescue 6 now reaching the end of its useful life and with technology having evolved, GMT and EMS recently initiated a project to design and build the next generation Rescue 6 vehicle.

The remaining 144 vehicles are currently progressing through various stages, from order placement to production and conversion.

Youth Focus

During February 2024, GMT was invited to participate at a Career Exhibition held in Beaufort West over two days with the focus group being Grades 9, 11 and 12 learners. The exhibition expected over 2000 learners with representation from all four Secondary Schools in the region.

The WCMD was represented by a team from GMT along with the Chief Directorate: Traffic Management.



The objective of this exhibition was to increase awareness of “mobility” in Beaufort West around areas such as Electric Vehicles, potential career opportunities in the industry, skills needed for new energy vehicles and renewable energy sources for charging infrastructure, all in alignment to the WCG EV Strategy.

In addition to engagements with clients, GMT officials also met with other stakeholders in the broader mobility ecosystem, including the Youth Employment Service (YES), an Non-Governmental Organisation that has implemented a training programme for drone pilots and technicians.

Innovative mobility solutions

GMT has embarked on a journey of change, setting its goal to provide innovative mobility solutions to co-create a better life for all. In driving this innovation culture within GMT, the organisation is closely aligned with Provincial Vision-Inspired Priority 5: Innovation and Culture. Through inculcating a culture of innovation and continual service delivery improvement, GMT will continue to provide its clients with mobility solutions that will aid them in responding to the challenges and opportunities arising from the Fourth Industrial Revolution (4IR) in support of innovation and culture.

GMT has achieved this with investment in the following areas:

- Automating the previous manual processes for vehicle receiving and vehicle inspections for disposal with applications on a handheld device;
- Improved the technology with regard to fuel risk management;
- Developed vehicle despatch and shuttle management systems; and
- Improved performance with development dashboards to manage key performance indicators of the business.

These have all helped with making GMT more efficient and effective in order to deliver on their mandate.

Information and communication technology (ICT) plays a central role in enabling and assisting GMT's operations and management to realise its Massive Transformative Purpose.

4.2. Overview of the financial results

Statement of financial performance

4.2.1 Revenue

Revenue increased by 8.6% to R1.08 billion during the year under review, compared to R993.9 million during 2022/23. The increase is attributed to increases in revenue earned from daily charges, interest earned on finance lease receivables as well as interest earned on Cash and Cash Equivalents.

Revenue earned from daily charges increased by 2% to R498.6 million (2022/23: R486.7 million). A combination of the following factors resulted in the increase:

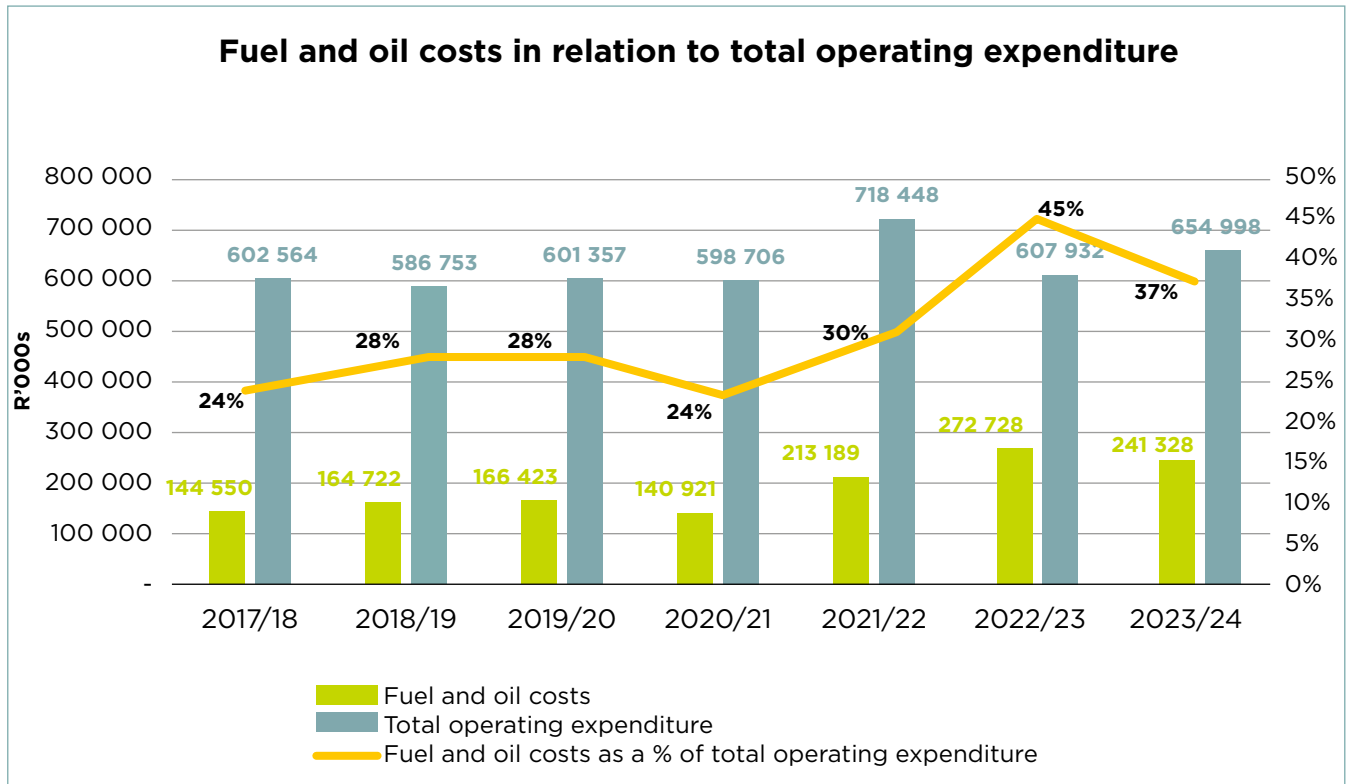
- Daily charges were increased by 4.4% with effect from 1 April 2023;
- Higher interest yields and capital balances on Cash and Cash Equivalents instruments; and
- The outstanding capital of vehicle allocations increased during the year, resulting in higher interest earned on finance lease receivables.

4.2.2 Expenditure

Total expenditure increased by 7.7% to R654.9 million (2022/23: R607.9 million). A combination of the following factors resulted in the increase:

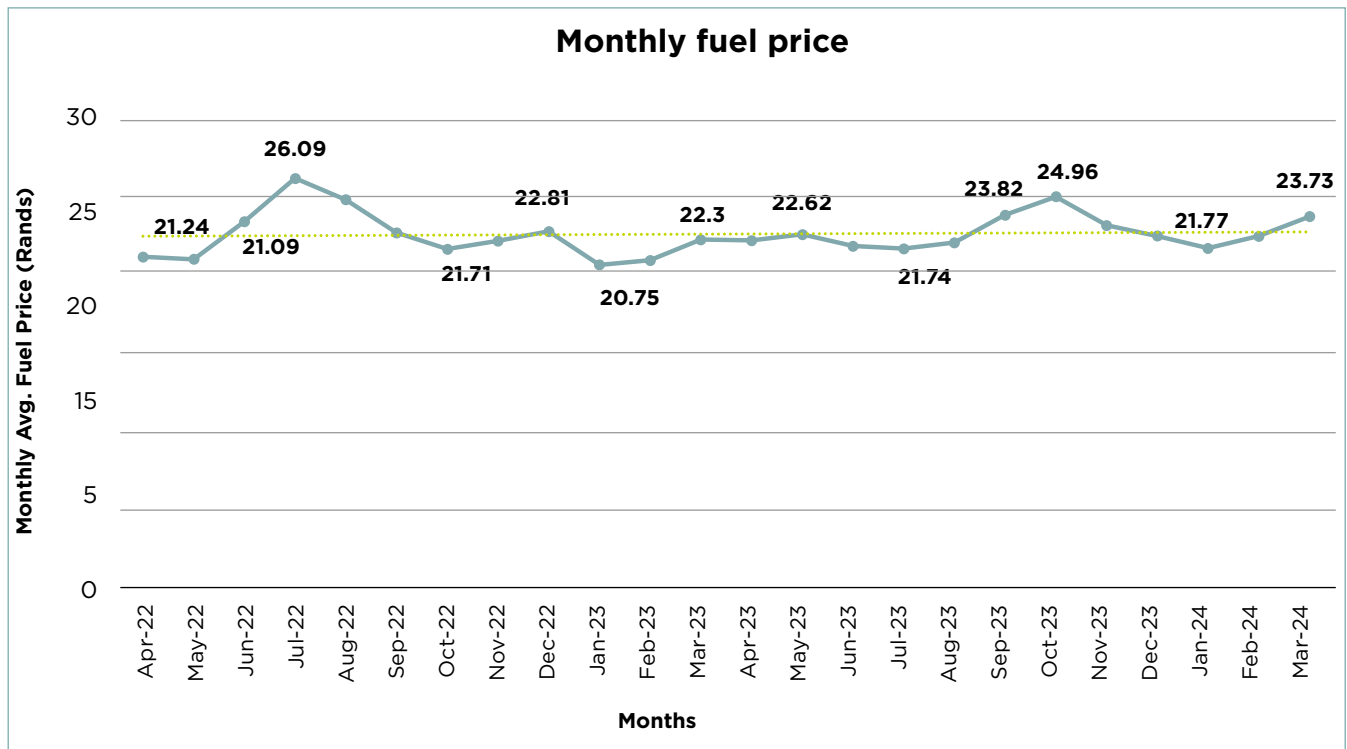
- GMT as an entity providing mobility solutions as a service operates in an inflationary environment. There are general price increases on line items from one reporting period to the next.
- Amortisation on the Intelligent Transport Platform intangible asset due to the asset being available for use and operating in the manner as intended by management during 2023/24. No expenditure was recognised during 2022/23 as the asset was not in the condition ready for operating as intended by management prior to 2023/24.

Figure 10: Fuel and oil costs in relation to total expenditure



As shown in Figure 10, the fuel, oil and electricity component of the running costs decreased from R272.7 million in 2022/23 to R241.3 million in 2023/24. This is due to the decrease in kilometres travelled and marginal fluctuations in the average fuel prices during 2023/24.

Figure 11: Monthly fuel price



Note: For illustrative purposes, the quarterly end prices and that of July 2022 are shown in the graph, as the latter being the peak of the prices.

Statement of financial position

The entity has a strong asset base. Significant asset classes include finance lease receivables, property, plant and equipment (PPE), intangible assets, and cash funds.

The carrying value of non-current assets increased by 15% to R2.02 billion (2022/23: R1.752 billion). The increase is mainly due to increases of R30.651 million in intangible assets, R276.5 million of acquisitions for vehicles, additions and conversions included under PPE, and an increase of R189.033 million in finance lease receivables.

The carrying value of current assets increased by 9.5% to R2.075 billion (2022/23: R1.895 billion). This increase is mainly due to increase in the carrying value of the cash funds. This indicates that GMT could convert its revenue to cash inflow, while maintaining its expenditure basis.

The accumulated surplus increased from R3.47 billion on 31 March 2023 to R3.903 billion on 31 March 2024.

Cash flow statement

Net cash generated from operating activities increased by R117.079 million (2022/23: net inflow of R96.9 million). This is mainly due to the increase in receipts for services provided and interest earned.

The net cash from investing activities increased by R46.53 million (2022/23: net decrease of R2 million). The acquisition of PPE, vehicle maintenance plans and higher capital development costs incurred on intangible assets than during the comparative year resulted in a net decrease in the outflow from investing activities.

Cash utilised through operating and investing activities resulted in a net increase of R163.609 million (2022/23: net increase of R95 million).

4.3. Receipts

GMT's revenue is derived primarily through charging daily and kilometre tariffs. Other revenue streams include interest earned, profit on the sale of assets, government grants and subsidies received, and services in-kind.

The results of the collections for 2023/24 and the comparative totals for the previous year are presented in Table 1.

Table 1: Revenue collected

CATEGORY OF REVENUE	2023/24			2022/23		
	ESTIMATE	ACTUAL AMOUNT	(OVER)/ UNDER	ESTIMATE	ACTUAL AMOUNT	(OVER)/ UNDER
	R'000	R'000	R'000	R'000	R'000	R'000
Daily-, kilometre tariffs and interest earned on finance lease receivables	852 820	932 840	(80 020)	785 900	880 225	(94 325)
Other income	7 900	9 907	(2 007)	17 355	11 600	5 755
Government grants and other subsidies received (funding received from clients for additional vehicles)	3 136	3 123	(3)	-	7 408	(7 408)
Services in-kind	13 814	13 814	-	13 789	11 802	1 987
Interest earned – accounts receivables, and cash and cash equivalents	58 164	128 807	(70 643)	59 214	82 927	(23 713)
TOTAL	935 834	1 088 491	(152 657)	876 258	993 962	(117 704)

The above tariffs are the only category of income that is forecast per financial year. Tariffs claimed, but not paid by clients at the end of the financial year, are classified as receivables from exchange transactions. The position of claims raised but not settled at year-end for 2023/24 is shown in Table 2.

Table 2: Claims and accounts receivable comparison

TYPE	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Daily-, kilometre tariffs and interest earned on finance lease receivables	582 704	630 986	692 722	654 945	753 955	880 225	932 840
Accumulative debt at year-end	64 192	35 177	45 606	49 320	73 999	68 272	69 933
% debt at year-end to daily, kilometre tariffs and interest earned on finance lease receivables	11	6	7	8	10	8	7

Table 3 reflects the outstanding debt per client.

Table 3: Outstanding debt per client

CLIENT	OUTSTANDING BALANCE 2024 R'000	OUTSTANDING BALANCE 2023 R'000
Western Cape Education Department	-	7 548
Cape Nature	3 033	4 320
*Department of Transport and Public Works	-	4 731
*Western Cape Mobility Department	3 514	-
*Department of Infrastructure	2 404	-
Western Cape Provincial Parliament	84	151
Department of Health and Wellness (Western Cape)	31 382	27 399
Department of Cultural Affairs and Sport	482	270
Department of Human Settlements	2	104
Provincial Treasury	147	9
Department of Social Development	6 357	5 915
Department of Environmental Affairs and Development Planning	935	508
Department of the Premier	1 179	1 128
Department of Agriculture (Western Cape)	3 048	2 631
Department of Local Government	577	165
Department of Economic Development and Tourism	46	25
Western Cape Liquor Authority	240	250
Department of Police Oversight and Community Safety	316	265
Stellenbosch Municipality	-	3
Department of Justice and Constitutional Development	1 522	2 357
National Prosecuting Authority	25	77
Public Service Commission	15	17
Department of Forestry, Fisheries and the Environment ('FFE')	1 536	5 846
Department of Home Affairs	109	227
Department of Rural Development and Land Reform	441	572
Department of Cooperative Governance and Traditional Affairs	47	88
National Parliament	299	233
Department of International Relations and Cooperation	149	148
South African National Defence Force	-	372
Free State Government	-	5
Office of the Chief Justice	10 358	3 425
GRAND TOTAL	68 247	68 789

*Premier Alan Winde announced the establishment of the Department of Infrastructure and the Western Cape Mobility Department during the State of the Province address on 15 February 2022. The

Department of Transport and Public Works and the Department of Human Settlements ceased to exist from April 2023 due to the formation of the two new departments referred to above.

Tariffs

Client institutions are charged tariffs to lease vehicles from GMT. The duration of these leases is for short-term rentals or full-life-cycle-term rentals. After delivery of newly procured vehicles, details are captured on the financial system that interfaces with the fleet management system, and that also constitutes the central vehicle register. Thereafter, a daily tariff is charged to recover the replacement costs (capital) and GMT overhead costs over the economic life cycles of vehicles. All GMT rental and replacement vehicles are funded from the GMT primary bank account. The kilometre tariff income provides for the running costs of vehicles. The Provincial Treasury approved the tariff adjustments for 2023/24 on 31 March 2023.

Free services

No free services were rendered.

Sale of capital assets

Public auctions were held in respect of three categories of vehicles – vehicles that: had reached the end of the period that they are expected to be available for use by client institutions; vehicles that had completed the number of kilometres they were expected to be used for; and vehicles that were irreparably damaged in crashes. Four vehicles were sold to Judges during 2023/24. This was sold in terms of the Judges Handbook which makes provision for the disposal where the Judge has first option to procure the vehicle previously allocated to the specific Judge. The vehicles are disposed on public auctions should the Judges not opt to procure the vehicles.

4.4. Expenditure

GMT's expenditure in relation to its budget is presented in Table 4 and the reasons for under-spending in Table 5.

Table 4: Expenditure versus budget

2023/24			2022/23		
FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000
736 491	654 998	81 494	693 114	607 933	85 181

Table 5: Reasons for under-spending

EXPENDITURE	FINAL BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	REASONS FOR VARIANCE *VARIANCE BELOW R1M IS CONSIDERED INSIGNIFICANT
Administrative expenses	25 759	23 093	2 667	Under-spending due to the decrease spending in office stationery and supplies as well as an under-spending due to the transaction- and administrations fees associated to the fleet running costs and toll fee management being lower than expected during the budget preparations. The main reason for this under-spending was demand driven and a change in the service solutions for fuel, oil and toll fee management, respectively.
Employee costs	70 109	56 073	14 036	Under-spending due to the filling of vacancies being slower than planned, with unforeseen resignations and transfers out of GMT.
Operating expenditure	554 078	490 393	63 685	Under-spending is due to grants and subsidies paid for the development of electric vehicle infrastructure as well as lower expenditure incurred on fleet running costs.
Depreciation	30 323	30 089	235	Variance considered insignificant.
Amortisation	23 485	22 898	586	Variance considered insignificant.
Accidents and impairment losses	10 054	9 824	230	Variance considered insignificant.
Operating leases	22 683	22 628	55	Variance considered insignificant.
TOTAL	736 491	654 998	81 494	

4.5. Virements/ roll overs

Virements

No virements were effected in 2023/24.

Roll overs

No rollovers were requested from 2022/23 to 2023/24.

4.6. Irregular, fruitless and wasteful expenditure

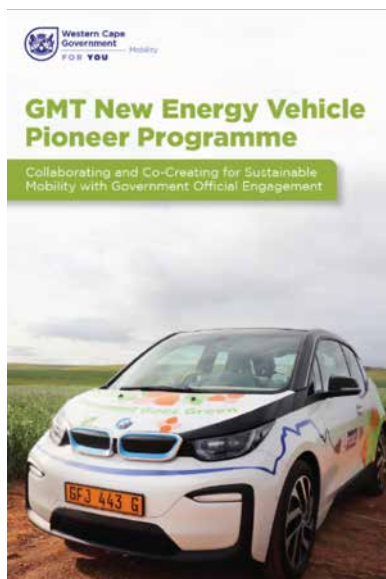
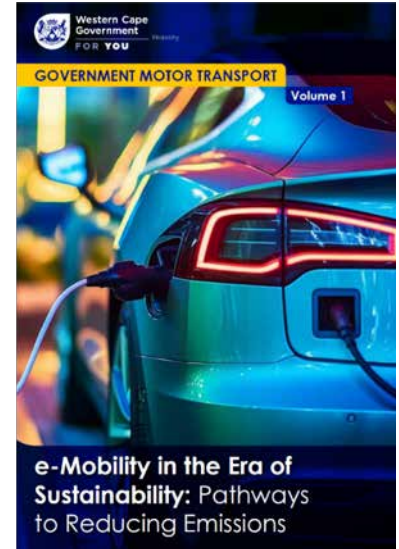
Refer to Part E: PFMA Compliance Report (page 129) and note 37 (page 228) in the Annual Financial Statements for details on irregular, fruitless and wasteful expenditure.

4.7. Strategic focus over the short to medium term period

GMT will continue to be guided by its Massive Transformative Purpose to re-imagine the Future of Mobility, with a strong focus on renewing its fleet and in the process also transitioning from internal combustion engine vehicles to hybrid vehicles in support of its strategic outcomes of “**Greening the fleet**” and positioning GMT as “**Leaders in mobility solutions**”.

In its quest to establish GMT as a thought leader in mobility solutions, agreements have been signed with three of the leading academic institutions in the province, namely UCT, UWC and University of Stellenbosch for collaborative research into pertinent areas such as battery technology for NEVs and modelling of electricity supply and demand as the charging grids for EVs is set to expand.

Research and development of thought leadership and innovation is still a major focus on the NEV strategy. Several thought leadership reports, which will provide the foundation for updating the GMT electric vehicle strategy will be released. These reports which are based on leading global and local research, will ensure that the GMT NEV strategy is based on leading indicators, and sound foundation from global experience. The research will be further bolstered through the implementation of collaborative research projects with the leading Universities in the Western Cape. The focus of this research is innovation and development for the NEV ecosystem in the Western Cape. Several unique local challenges in the development of the NEV ecosystem will be addressed through this research.



A further initiative to improve exposure to NEVs is the implementation of a NEV Pioneer Programme which is designed to provide easy access to NEVs by making these vehicles available for short periods of time to client institutions to drive the vehicles and share their experience with the GMT team.

During this time a team from GMT will be available to provide support if required. This programme will not only promote awareness of NEVs but will also involve a broad base of stakeholders the opportunity to co-create the revised NEV strategy and provide valuable insight into driver challenges with the adoption of NEVs.

GMT in partnership with client institutions and other stakeholders, will continue discussions as a key cornerstone of the NEV Strategy for GMT and the WCG to become thought leaders in Africa for NEVs, and the establishment of critical building blocks towards an EV ecosystem as depicted below.

Through regular engagements with client institutions, keeping its service offerings at the most economic levels possible and continually improving its systems and processes, GMT will give effect to its strategic outcome of “**Satisfied stakeholders**”. These engagements with clients will also enable GMT to consider and co-create catalytic in-vehicle technology solutions and mobile applications to respond to clients' mobility needs.

4.8. Public-private partnerships

No public-private partnerships were entered into during the year under review.

4.9. Discontinued key activities/ activities to be discontinued

The trading entity did not discontinue any activities in the year under review, nor is it planning to discontinue any activities in the 2024/25 financial year.

4.10. New or proposed key activities

With effect from 1 April 2023, GMT functions as a trading entity under the administration of the Western Cape Mobility Department.

After successfully operationalising its first regional hub in George, GMT, assisted by Immovable Asset Management in Department of Infrastructure (DOI), is in the process of exploring sites on the West Coast for the establishment of a second regional hub to serve client institutions with presence in the area.

In its quest to continuously improve efficiencies in the vehicle supply chain, GMT initiated the development of applications and the introduction of hand-held technology to replace cumbersome paper-based processes.

To further improve client accessibility to its services and communication with client institutions, drivers and the public, GMT will continue to improve its overall web presence with direct access for clients through appropriate portals. Development of mobile applications will continue to be a focus area for the GMT ICT team.

An important initiative in GMT is its focus on staff wellness and development through a Total Employee Wellness Programme.

4.11. Supply chain management

The GMT trading entity did not conclude any unsolicited bid proposals for the year under review.

Judges' vehicles are procured through limited bids as vehicles are supplied by only selected dealers in the country. To ensure value-for-money prices from all dealers are compared.

Standard operating procedures and processes are in place to mitigate the risk of irregular, fruitless and wasteful expenditure through the design and implementation of detection, preventative, and corrective controls. GMT has introduced an internal control function which performs oversight and maintains adherence to governance and compliance prescripts. These controls are incorporated in the current Supply Chain Management (SCM) System and Delegation Framework, to which the GMT Enterprise Resource Planning (ERP) system is aligned.

Since much of the SCM system is manual, structured capacity building and training programmes are in place to promote GMT-wide awareness of SCM systems, standard operating procedures, policies, templates and tools.

4.12. Gifts and donations received in kind from non-related parties

Two Toyota Corolla Quests were donated to Mossel Bay Municipality during December 2023. The donation was made following a request from the municipality for assistance as these vehicles are intended to be used in the municipality's Community Safety Directorate. The total carrying value of the two vehicles was R221 000.

4.13. Exemptions and deviations received from the National Treasury

The trading entity received no exemption in terms of the Public Finance Management Act, 1999, or Treasury Regulations, or any deviation from the financial reporting requirements for the current and previous financial year.

4.14. Events after the reporting date

The details of the adjusting and non-adjusting events after reporting date are disclosed in note 33 of the Annual Financial Statements for the 2023/24 financial year. Refer to pages 210 to 214 for the details on these events.

4.15. Acknowledgements

GMT operates as an independent business unit which carries responsibility for vehicle fleet management in the Western Cape; a fleet in which most vehicles are optimally utilised. The entity made a special effort to prioritise the training of transport officers to raise the service delivery bar. Furthermore, it has maintained its financial reporting processes with adjustments made to accommodate changes in the GRAP reporting framework. The GMT trading entity has a history of administrative and management excellence, delivering high-quality, effective and efficient services to its clients. As accounting officer, I would like to thank GMT's clients for their continued support and acknowledge Mr Yasir Ahmed, Mr Riaan Wiggill and Mr Anthonie Janse van Rensburg for their sterling contribution in leading a committed GMT team.

4.16. Conclusion

Continuous and rapid new developments and innovation in the electric vehicle ecosystem as well as new developments and innovation in the Green Hydrogen space require of GMT management to stay abreast of international best practices in fleet and mobility management in order to continually improve GMT's service offering to client institutions.

GMT's management will continue to explore and engage with industry leaders in the OEM and technology sectors as well as academia, in order to provide its clients with the best and most economical mobility solutions in the market.

To provide and grow thought leadership in the mobility solutions environment, GMT will invest in its staff and cutting-edge technology and systems in order to maintain and improve its value proposition to current and future client institutions.

The Annual Financial Statements set out on pages 148 to 265 are hereby approved.

Marissa Moore

Digitally signed by Marissa Moore
Date: 2024.08.28 18:01:21 +02'00'

MARISSA MOORE

HEAD: MOBILITY

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 28 AUGUST 2024

5 Statement of responsibility and confirmation of accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury;
- The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice, relevant frameworks and guidelines issued by the National Treasury;
- The Accounting Officer (AO) is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information;
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements;
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements; and
- In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Government Motor Transport trading entity for the financial year ended 31 March 2024.

Yours faithfully

Marissa Moore

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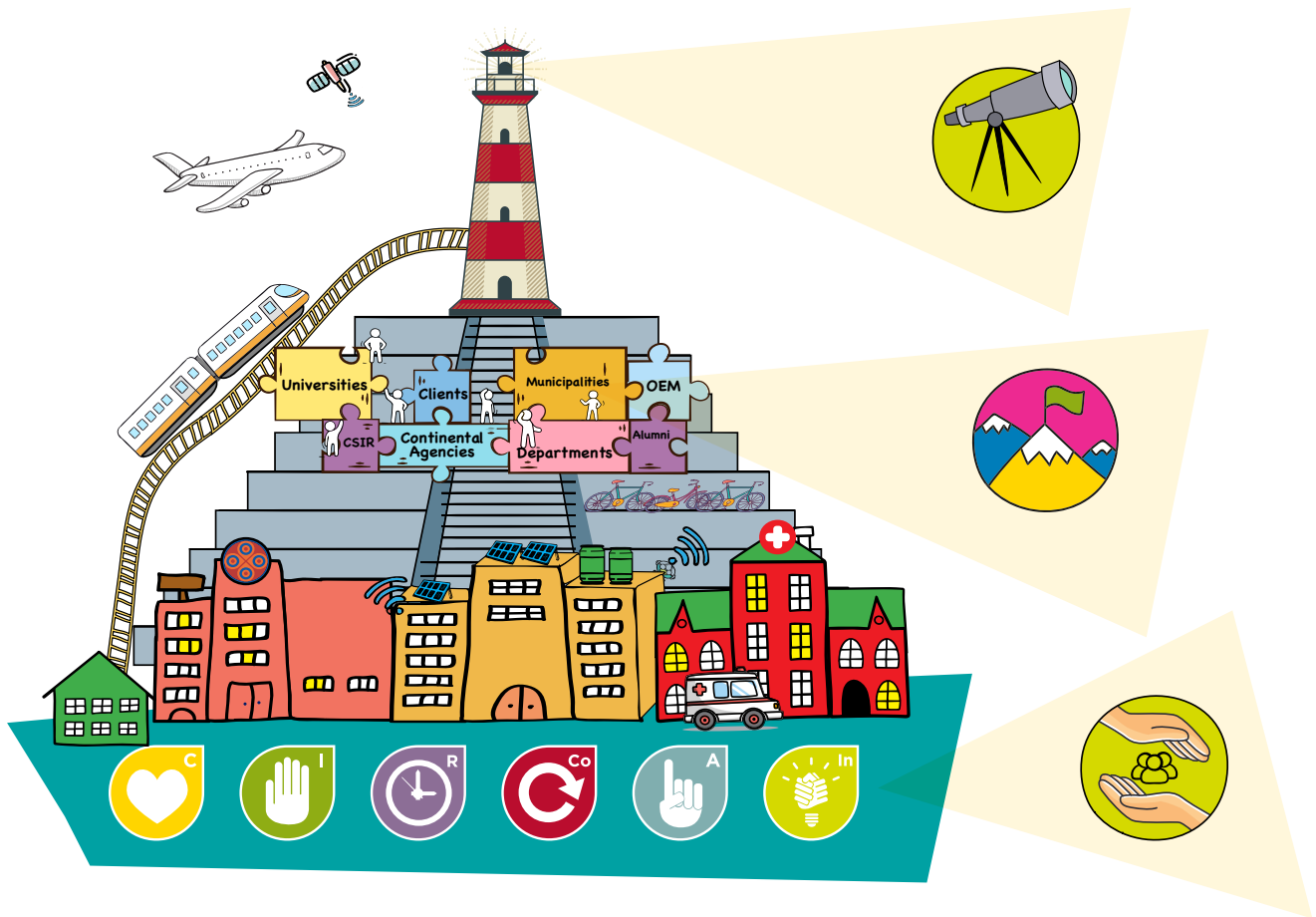
MARISSA MOORE

HEAD: MOBILITY

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 28 AUGUST 2024

6 Strategic overview



6.1. Vision

GMT's vision is:

"Innovative mobility solutions to co-create a better life for all."

#Ubuntumobility

6.2. Mission

GMT's mission is:

"To co-create, with our clients and stakeholders, a better life for all citizens through collaboration and partnerships, driving culture change, growing thought leadership and embracing design thinking to inspire story-telling."

6.3. Values

The core values of the Western Cape Government, to which the Department and GMT both subscribed, are as follows:

 <p>Caring</p>	 <p>Competence</p>	 <p>Accountability</p>
<p>We endeavour to understand people's needs and pay attention to them; We will show respect for others; We will treat staff members as more than just workers and value them as people; We will empathise with staff members; We will emphasise positive features of the workplace; and We will provide constructive criticism when needed.</p>	<p>We will endeavour to ensure that staff members are able to do the tasks they are appointed to do, that they internalise the Department's values, and that they always strive for excellence; We will deliver on our outcomes and targets with quality work, within budget, and on time; We will strive to achieve the best results in the service of all the people in the Western Cape; and We will work together to meet our constitutional and electoral mandate commitments.</p>	<p>We fully understand our objectives, roles, delegations, and responsibilities; We are committed to delivering all agreed outputs on time; We will hold each other accountable in the spirit of mutual trust in honouring all our commitments; and As individuals, we take responsibility for and ownership of our outcomes and accept the consequence of failure to do so.</p>
 <p>Integrity</p>	 <p>Innovation</p>	 <p>Responsiveness</p>
<p>We will seek greater understanding of the truth in every situation and act with integrity at all times; We will be honest, show respect, and practice positive values; We will be reliable and trustworthy, at all times, doing what we say we will; and We will act with integrity at all times and in all instances, ensuring that we remain corruption-free.</p>	<p>We seek to implement new ideas, create dynamic service options and improve services; We strive to be creative thinkers who view challenges and opportunities from all possible perspectives; We are citizen-centric and have the ability to consider all options and find a resourceful solution; We value employees who question existing practices with the aim of renewing, rejuvenating and improving them; We foster an environment where innovative ideas are encouraged and rewarded; We understand mistakes made in good faith, and allow employees to learn from them; and We solve problems collaboratively to realise our strategic organisational goals.</p>	<p>We will take public opinion seriously, listening to and hearing the voice of the people (more listening and less talking); We will respond to all situations timeously, always asking ourselves whether it is the right response, where we could go wrong, and how we can provide better service; We will engage collaboratively with each other, our stakeholders, and the media, providing full information; and We will strive to achieve the best results for the people we serve and to act on their feedback.</p>

These values were all underpinned by teamwork. In addition to these core values, the Department and GMT both subscribed to an ethos that defined who we were and what we stood for.

7 Legislative and other mandates

The national, provincial and transversal legislation which guides the Western Cape Mobility Department (including GMT) in the discharge of its responsibilities is reflected in Annexure A.

The Department is concurrently responsible for the following functional areas of legislative competence:

- Public transport;
- Vehicle licensing; and
- Road transport and traffic regulation.

The national and provincial policies, strategies and guidelines which guide the Department (including GMT) in its discharge of its functions are reflected in Annexure B.

Taking cognisance of all national and provincial priorities and recovery plans, GMT takes note of the underlying interconnectedness of the various elements of the societal ecosystem, and the critical enabling and co-creation role it can play through providing mobility solutions. GMT continued to place addressing the needs of the citizen at the centre of its policy and strategic initiatives. The ultimate aim remains to be the establishment of a social compact between government, the private sector and residents to co-create better lives for citizens.

GMT developed the three outcomes listed below, to give effect to the impact statement, namely:

1. Leaders in mobility solutions;
2. Greening the fleet; and
3. Satisfied stakeholders.

GMT is responsible for the provision of vehicle fleet services to provincial and national client institutions. GMT was guided by all policies applicable to the Western Cape Mobility Department, including provincial and departmental policies. In addition, transversal policies were developed and supported by the Coordinating Committee for GMTs (CCGMT) which was a sub-committee of the National Committee of Transport Officials (COTO). Furthermore, there were National Transport Circulars that guided GMT's operational activities. Finally, internal policy documents, frameworks and guidelines also govern the responsibilities and obligations of GMT.

8 Organisational structure as of 31 March 2024

The GMT linkage within the macro-structure of the Department as of 31 March 2024 is presented on the next page.

Organisational Organogram

Extended Top Management



Head of Ministry
SL 13
Ntomboxolo Makoba-Somdaka



Minister:
Mobility
Ricardo Mackenzie



Head of Department
SL 15
Marissa Moore



Traffic Management
SL 14
Farel Payne (Act)



Mobility Delivery and Integration
SL 14
Deidre Ribbonaar



Mobility Regulation
SL14
Godfrey Reed



Government Motor Transport
SL14
Yasir Ahmed



Management Support Services (Chief Financial Officer)
SL 14
Francois De Wet



Road Safety Management
SL 13
Willie van der Merwe



Land Transport Integration and Oversight Taxi Services
SL 13
Fezile Mbambo



Operating Licence Adjudication (OLA)
SL 13
Mark Skriker (Act)



Fleet Services
SL 13
Anthony Janse Van Rensburg



Policies, Research and Systems
SL 13
Mario Brown



Traffic Law Enforcement
SL 13
Farel Payne



Land Transport Contracts Bus and Client Services
SL 13
Recardo Collins



Operator Licensing and Permits
SL 13
Bernie Macmahon



Fleet Finance
SL 13
Riaan Wiggill



Strategic and Operational Management Support
SL 13
Kenneth Booysen



Traffic Training and Development
SL 13
Donald Lakey



Land Transport Safety Project Office
SL 13
Melvin Arendse



Provincial Transport Registration
SL 13
Abdoesalaam Isaacs



Financial Management
SL 13
Reneal Davids (Act)



Land Transport Development Systems & Freight, Rail and Non-Motorised Transport
SL 13
Gamza Martin



Transport Administration and Licensing
SL 13
Randal Barreiro

GMT Organisational structure



9 Trading entity reporting to the Provincial Minister

GMT is a trading entity under the administration of the Western Cape Mobility Department.

Part B

Performance information



1 Auditor-General's report: Predetermined objectives

The Auditor-General of South Africa currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the **Predetermined Objectives heading in the Report** on other legal and regulatory requirements section of the auditor's report.

Refer to page 139 of the AGSA report, published as **PART F: FINANCIAL INFORMATION**.

2 Overview of trading entity's performance

GMT is a Chief Directorate that forms part of the administration of the Western Cape Mobility Department.

2.1. Service delivery environment

The main services of GMT are described below.

Fleet Services	
Fleet Operations	<ul style="list-style-type: none"> Plan, acquire, convert, fit and prepare the fleet; Render an effective general vehicle rental service; and Provide fleet administration services.
Fleet Repairs and Maintenance	<ul style="list-style-type: none"> Oversee the Client Care Centre; Coordinate the repair and maintenance of the fleet; and Provide a fleet quality assurance service.
Fleet Risk Management	<ul style="list-style-type: none"> Manage and administer accidents and claims in favour of the State; Manage and administer fleet and non-vehicle losses; Manage and administer third parties' accidents and claims against the State; and Manage the risk regarding drivers of GMT vehicles.
Fleet Finance	
Management Accounting	<ul style="list-style-type: none"> Manage the GMT budget process; Prepare inputs for the strategic plan and annual performance plan; Manage the GMT Medium-Term Expenditure Committee (MTEC) process; Maintain and monitor financial information; Prepare an analysis of estimated revenue and expenditure; Monitor actual revenue and expenditure against estimates; Manage the monthly, quarterly and annual reporting process; Provide input to the daily- and kilometre tariffs adjustments; Manage the revenue and expenditure adjustment process; and Develop and maintain processes, policies and procedures.
Financial Accounting	<ul style="list-style-type: none"> Ensure an integrated, effective and efficient accounting system; Manage in-year and annual reports on recorded financial affairs and financial systems; and Ensure effective supply chain management services.
Internal Control	<ul style="list-style-type: none"> Ensure proper governance; Manage external assurance engagements; and Render assurance services.

Management Support Services

Statutory Reporting and Stakeholder Relations	<ul style="list-style-type: none"> Facilitate GMT's multi-term annual planning cycle; Facilitate departmental Batho Pele/ service delivery improvement initiatives; Facilitate the compilation of the GMT's Annual Report; Facilitate organisational performance monitoring and reporting as per GMT's Strategic and Annual Performance Plan (APP); Render a client liaison service; and Facilitate communication and marketing activities in GMT in conjunction with the Department's Sub-Directorate: Departmental Communication.
Office Support Services	<ul style="list-style-type: none"> Coordinate cleaning and security contracts; Maintain and manage venues; Coordinate occupational health and safety matters; Render a human resource support service.
ICT Management Services	<ul style="list-style-type: none"> Identify, implement, optimise, maintain and administer ICT application systems; Ensure the management and administration of GMT ICT projects; Manage the GMT ICT service level agreement and contracts with external service providers; Coordinate and facilitate the provision of user system and desktop support in liaison with the Centre for e-Innovation (Ce-I) in the Department of the Premier (DotP) and other service providers; Facilitate training with regard to ICT systems at GMT; and Provide ICT infrastructure management support.

2.2. Service Delivery Improvement Plan

GMT prepared a Service Delivery Improvement Plan (SDIP) for 1 April 2023 to 31 March 2025. The table below summarises the service delivery plan and the achievements to date.

GMT SDIP Main services and standards

SERVICE	BENEFICIARIES	STANDARD OF SERVICE AS AT END 2022/23	DESIRED STANDARD OF SERVICE 2023/24	ACTUAL ACHIEVEMENT
Key service 1: To plan the replacement of GMT vehicles on an annual basis, and to keep the GMT fleet in use with its client institutions within its economic life cycle.	GMT Business, Provincial, National client institutions based in the Western Cape and ultimately the citizens.	To identify annually which vehicles needs to be replaced. To procure a minimum of 800 vehicles per annum	To identify annually which vehicles needs to be replaced. To procure a minimum of 800 vehicles per annum	Procured a total of 1515 vehicles per annum.
		To prepare the newly delivered vehicles for handover to client institutions. A minimum of 800 vehicles to be handed over to client institutions	To prepare the newly delivered vehicles for handover to client institutions. A minimum of 800 vehicles to be handed over to client institutions	A total of 1117 vehicles were handed over to client institutions.

Key service 2: To dispose of withdrawn vehicles in the open market via the GMT on-line auction contract.	GMT Business, Provincial, National client institutions based in the Western Cape and ultimately the citizens.	To prepare vehicles for monthly on-line auctions.	To prepare vehicles for monthly on-line auctions.	Disposed of 679 vehicles per annum.
		To dispose of a minimum of 540 vehicles per annum	To dispose of a minimum of 540 vehicles per annum	
		To dispose of withdrawn vehicles via monthly online auctions.	To dispose of withdrawn vehicles via monthly online auctions.	Disposed of 679 vehicles per annum.
		To dispose of a minimum of 540 vehicles per annum	To dispose of a minimum of 540 vehicles per annum	

Batho Pele arrangements with beneficiaries

CURRENT/ ACTUAL ARRANGEMENTS: 2022/23	DESIRED ARRANGEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24
PROFESSIONAL STANDARDS	PROFESSIONAL STANDARDS	PROFESSIONAL STANDARDS
To keep its vacancy rate below 10%	To keep its vacancy rate below 10%	GMT's vacancy rate is 31.3% as of 31 March 2024, following the National Treasury cost containment measures circular dated 31 August 2023, and to continue during 2023/24, which inter alia placed an embargo on the filling of vacant positions. GMT is currently following the DPSA guidelines to obtain approval to fill critical positions.
To configure a variety of mobile applications in the GMT ITS system for the Directorate: Fleet Services	To configure a variety of mobile applications in the GMT ITS system for the Directorate: Fleet Services	GMT configured a variety of mobile applications in the GMT ITS system for the Directorate: Fleet Services, namely: <ul style="list-style-type: none"> • GMT Mobile Application for TV6/28 vehicle assessment– Go-live occurred on 5 March 2024. • GMT Mobile Application for new vehicle receiving – Go-live occurred on 7 March 2024.
To launch the GMT Employee wellness program in the Directorate: Fleet Services	To launch the GMT Employee wellness program in the Directorate: Fleet Services	Launched the GMT Employee wellness program within Fleet Services, which was later expanded throughout GMT. GMT is in process of formulating a Wellness Strategy that is guided by the GMT Strategic Plan, the DPSA Employee Health and Wellness Strategic Framework and the WCG Workplace Wellness Policy.
WORKING ENVIRONMENT STANDARDS	WORKING ENVIRONMENT STANDARDS	WORKING ENVIRONMENT STANDARDS
To have a zero-employee incident record in the workplace	To have a zero-employee incident record in the workplace	0 employee incident record in the workplace
INFORMATION STANDARDS	INFORMATION STANDARDS	INFORMATION STANDARDS
Information available through: <ul style="list-style-type: none"> • GMT Strategic Plan published; • GMT APP published; • GMT Annual Report published; • Walk-in Centre: 9 Dorp Street; and • GMT and WCG. 	Information available through: <ul style="list-style-type: none"> • GMT Strategic Plan published; • GMT APP published; • GMT Annual Report published; • Walk-in Centre: 9 Dorp Street; and • GMT and WCG. 	Information available through: <ul style="list-style-type: none"> • GMT Strategic Plan published; • GMT APP published; • GMT Annual Report published; • WCG website; • Walk-in Centre: 9 Dorp Street, and • GMT Client Liaison Officers (CLOs). <p>Note: Prescribed reporting guidelines. Approval by WCMD/GMT Executive Management and Provincial Minister.</p>

REDRESS STANDARDS	REDRESS STANDARDS	REDRESS STANDARDS
GMT will provide full and accurate explanations and information to clients, stakeholders and the public.	GMT will provide full and accurate explanations and information to clients, stakeholders, and the public.	GMT provided full and accurate explanations and information to clients, stakeholders, and the public.
CONSULTATION STANDARDS	CONSULTATION STANDARDS	CONSULTATION STANDARDS
Respond to emails sent to GMT CCC and Fleet Services contact staff within 36-hours of receipt and will resolve 50% of emails at first contact.	Respond to emails sent to GMT CCC and Fleet Services contact staff within 36-hours of receipt and will resolve 50% of emails at first contact.	Responded to emails sent to GMT CCC and Fleet Services contact staff within 36-hours of receipt and will resolve 50% of emails at first contact. Note: The client interface in the GMT Client Care Centre (CCC) is currently using individual employee email addresses as a key means of communication with client institutions and service providers for reviewing and approving service and repair requests. Although GMT is committed to service delivery and the measurement of service levels, measuring turnaround time and approval times for these requests is currently a challenge (no reports would be available). The implementation of Call Centre functionality to replace the current interface is already in the process of being investigated, with alternative Cloud based solutions from alternative vendors already being evaluated. The project for delivering is already formalised in the GMT technology development plan with a budgeted allocation. Measurement of turnaround times for service and repair requests will be a key focus of the project.
OPENNESS & TRANSPARENCY STANDARDS	OPENNESS & TRANSPARENCY STANDARDS	OPENNESS & TRANSPARENCY STANDARDS
Meetings and email communications with client institutions and selected stakeholders.	Meetings and email communications with client institutions and selected stakeholders.	Meetings and email communications with client institutions and selected stakeholders
SERVICE STANDARDS	SERVICE STANDARDS	SERVICE STANDARDS
The Department requires all employees in Supply Chain to complete an annual Disclosure of Financial Interest form, accompanied by an annual Remunerative Work outside the Public Service (RWOPS) application, considering the Public Service Regulations.	The Department requires all employees in Supply Chain to complete an annual Disclosure of Financial Interest form, accompanied by an annual Remunerative Work outside the Public Service (RWOPS) application, considering the Public Service Regulations.	The GMT SMS members completed their Disclosures in the month of April 2024. GMT employees in the Supply Chain complete their Disclosures of Financial Interest form, accompanied by an annual Remunerative Work outside the Public Service (RWOPS) application, considering the Public Service Regulations in the month of June each year.
VALUE FOR MONEY	VALUE FOR MONEY	VALUE FOR MONEY
To meet a vehicle replacement target of 800 vehicles per annum.	To meet a vehicle replacement target of 800 vehicles per annum.	A total of 1515 replacement vehicles were procured to keep the fleet within its economic life cycle.

Service delivery information tool

CURRENT/ ACTUAL ARRANGEMENTS: 2022/23	DESIRED ARRANGEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24
TO PLAN THE REPLACEMENT OF GMT VEHICLES ON AN ANNUAL BASIS, AND TO KEEP THE GMT FLEET IN USE WITH ITS CLIENT INSTITUTIONS WITHIN ITS ECONOMIC LIFE CYCLE.		
1383 vehicles procured	To procure via GMT's GoFin system a minimum of 800 vehicles per annum.	GMT procured a total of 1515 vehicles.
TO DISPOSE OF WITHDRAWN VEHICLES IN THE OPEN MARKET VIA THE GMT ON-LINE AUCTION CONTRACT.		
608 vehicles disposed via online auctions	To dispose of a minimum of 540 vehicles per annum through GMT's online auction contract service provider.	GMT disposed of 697 vehicles via online auctions.

Complaints mechanism

CURRENT/ ACTUAL ARRANGEMENTS: 2022/23	DESIRED ARRANGEMENT 2023/24	ACTUAL ACHIEVEMENT 2023/24
TO PLAN THE REPLACEMENT OF GMT VEHICLES ON AN ANNUAL BASIS, AND TO KEEP THE GMT FLEET IN USE WITH ITS CLIENT INSTITUTIONS WITHIN ITS ECONOMIC LIFE CYCLE.		
No complaints received.	No complaints received.	No complaints received.
TO DISPOSE OF WITHDRAWN VEHICLES IN THE OPEN MARKET VIA THE GMT ON-LINE AUCTION CONTRACT.		
Complaints or Compliments can be logged through: <ul style="list-style-type: none"> WCG website; Walk-in Centre: 9 Dorp Street; and GMT Client Liaison Officers. 	Complaints or Compliments can be logged through: <ul style="list-style-type: none"> WCG website; Walk-in Centre: 9 Dorp Street; and GMT Client Liaison Officers. 	Complaints or Compliments can be logged through: <ul style="list-style-type: none"> WCG website; Walk-in Centre: 9 Dorp Street; and GMT Client Liaison Officers.

2.3. Organisational environment

GMT's organisational make-up is culturally, socially and academically diverse, which requires management to be sensitive to differing needs and challenges. Technical, ICT and fleet management skills are scarce and have to be sourced and managed appropriately to ensure the highest levels of service delivery.

In order for GMT to remain proactive in guiding and providing client institutions with mobility solutions, the entity strives to create an environment conducive to collaboration and innovation; one in which staff are encouraged to acquire the knowledge and skills to achieve the organisation's goals and objectives.

Due to the specialised nature and level of expertise required, GMT continued its co-sourcing approach to delivering electronic systems, financial statements and business process documentation. Specialists in these disciplines have been contracted in to complement internal capacity where necessary.

Organisational challenges

GMT's current organisational structure was approved in 2014 and was based on a fleet size and the number of clients on GMT's books as at 2011/12. Since then, the scale and complexity of GMT's operations have expanded substantially. This situation coupled with high levels of staff turnover in finance and technical posts, continues to present a risk to GMT's service delivery to clients.

GMT's Strategy 2020-25 introduced a strong focus on, inter alia, introducing new vehicle- and ICT technology, the introduction of research and development initiatives in the mobility space. Along with increasing complexity and volume of work required to effectively provide mobility solutions to its growing client base, GMT was compelled to approach the Department of the Premier, via the HOD, to assist with a review of its business model and organisational design. This process will hopefully be fast-tracked in the new financial year.

2.4. Key policy developments and legislative changes

The following changes to policies or legislation during the reporting period affected the operations and plans of GMT:

- On 12 July 2023, the Constitutional court declared the establishment of the Administrative Adjudication of Road Traffic Offences Act, 46 of 1998 and Amendment Act of 2019 through national legislation to be valid and constitutional, thereby setting aside a previous High Court judgement of 13 January 2022. The imminent implementation of Administrative Adjudication of Road Traffic

Offences (AARTO) required of GMT to review its processes and systems for the redirection of fines issued in the name of the GMT fleet proxy to drivers of the vehicles at the time of the issuing of the fine within the shortest possible time.

- In support of the revised processes for AARTO, the HOD obtained approval by Provincial Top Management for a policy that makes it compulsory for all WCG employees who drive GMT vehicles, to be issued with a unique driver tag, without which a GMT vehicle may not be issued. This policy will take effect in the new financial year.

3 Achievement of institutional impacts and outcomes

During the year under review, GMT management refined a theory of change represented by a “result chain” diagram, keeping the process as flexible as possible. This tool allows for ongoing monitoring and evaluation of the extent to which the strategy is achieving its desired outcomes.

GMT developed the following outcomes to give effect to the impact statement, namely:



During the course of the financial year, GMT’s management team held strategic review and planning sessions where further insights emerged, and participants emphasised areas of focus they thought were critical in order to actualise the organisation’s strategic vision.

These areas of focus are centred strongly around **Sustainability, Jobs of the Future, Technology and Localisation**. All of these are informed by and aligned with the existing transformative themes that serves as pillars of GMT’s Massive Transformative Purpose.

Figure 12: GMT's themes



Source: Government Motor Transport.

All these emergent clusters are interconnected in their impact both internally and externally. They expand the reach of GMT's strategic plan and embeds agility within the organisation and how it participates as a government entity, championing citizens and their experiences in the local and international mobility arena.

All projects in GMT are continually evaluated and measured against the above five themes to ensure that GMT is making progress towards achieving its MTP. Progress made towards the achievement of the five-year Strategic Plan 2020/21–2024/25 are outlined below.

OUTCOME 1: LEADERS IN MOBILITY SOLUTIONS (R&D)

This outcome contributes to the following national and provincial directives:

- National Development Plan Chapter 5: Environmental sustainability and resilience;
- WCG Vision Inspired Priority 4: Mobility and spatial transformation; and
- VIP5: Innovation and culture.

GMT ICT Systems Roadmap

The GMT ICT roadmap set out to:

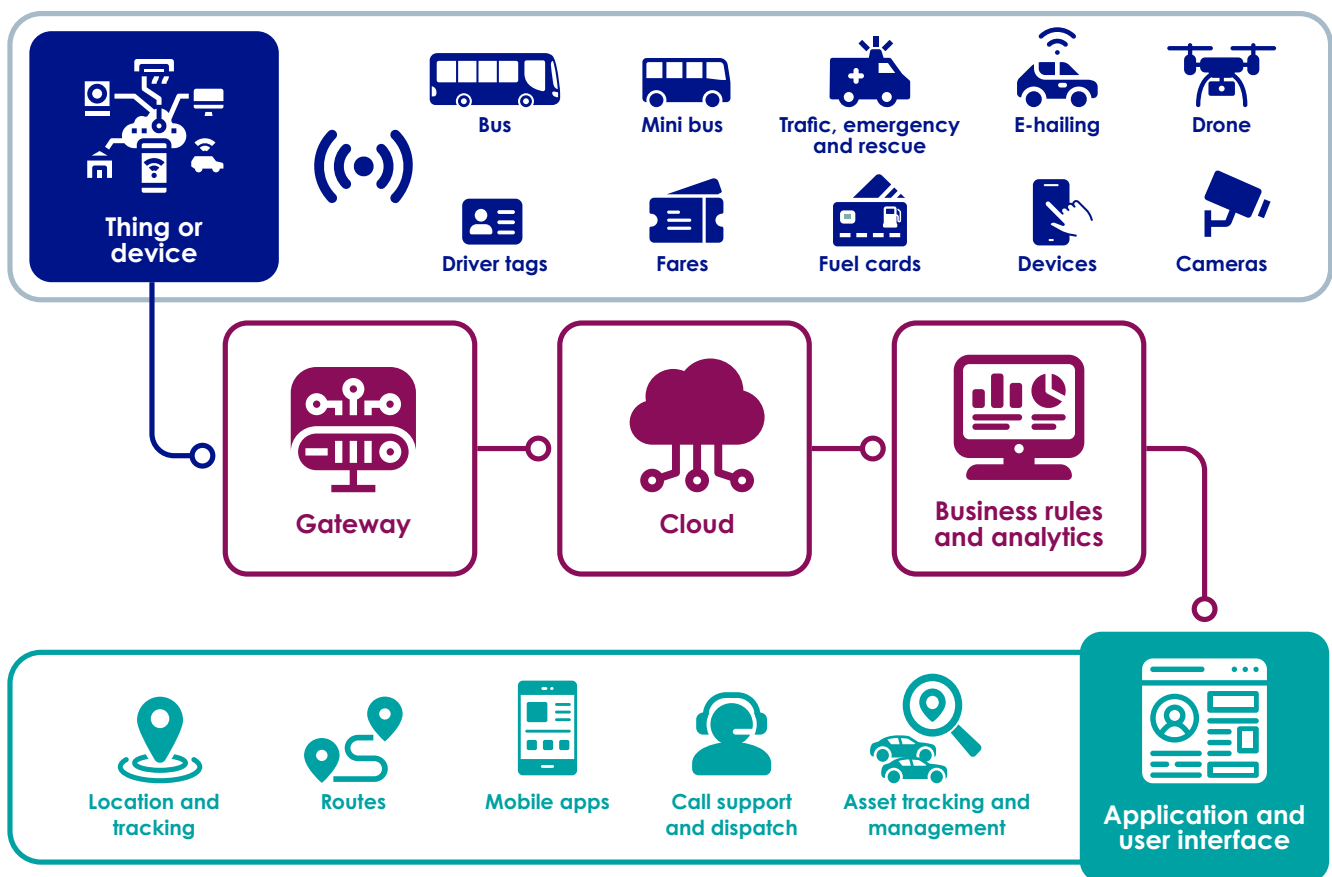
- De-Risk GMT information technology (IT) infrastructure and connectivity;
- Build information and data capability;
- Build the capability to connect systems to each other in a secure and controlled manner in the cloud;
- Enable smart mobility solutions through the adoption of the appropriate emerging technologies available in this Fourth Industrial Revolution (4IR); and
- Continue to provide its clients with mobility solutions.

During the year under review, the focus remained on information and data security as well as systems availability.

GMT invested in an Intelligent Transport System (ITS). This system is based on the 4IR principle of the "internet of things" (IoT). This is an extensible platform which will allow GMT to extend smart mobility services to its existing and future clients. The GMT team has been bedding down the processes for managing and extending the ITS whilst enhancing its ecosystem by adding pertinent functionality such as fuel fraud detection and management, which went live during the year under review.

Figure 13: Intelligent Transport System

ITS - Intelligent transport system (using 4IR IoT concepts)



Source: Government Motor Transport.

GMT is becoming an increasingly agile organisation, driven by research and development (R&D), prototyping and a tactical shift towards an innovative culture, to derive benefit from the 4IR and pass that benefit on to our client institutions and the people we collectively serve.

Appropriate web presence is an important component in establishing an online identity. It provides GMT with a digital mechanism to not only engage our internal and external stakeholders but to also keep them abreast of the innovation and progress made at GMT. To this end, GMT developed a user friendly and customer focused website prototype as well as an interactive Client Portal which includes a sound information architecture to ensure continuous and valuable utilisation of these digital assets.

The modern website prototype focuses on GMT's strategy and provides up to date infographics of GMT's achievements within the broader WCMD and WCG priorities, while also providing progress on its strategic projects. This prototype was designed using sound complexity theory principles.

The Client Portal was developed to allow clients to log in securely in order to access specific information on their allocated vehicles, along with information about the services pertaining to them. The portal includes report dashboards, digital forms, applications and queries. The design of the Client Portal ensures that clients have access to a space to collaborate with GMT using modern collaboration capabilities including state-of-the-art search capabilities to search and find available information quickly and effectively.

On a GMT ICT infrastructure level, there have been significant efforts to implement and secure the Microsoft development and data environments at a foundational level. This allowed for the digitisation and digitalisation of specific operational processes.

Fuel management

Fuel management is a key building block for effective fleet management, because of the high-risk nature of the commodity and criticality of ensuring that vehicles receive fuel on demand. Progress with the implementation of an extensive fuel management platform, enabled through an end-to-end fuel management system, was further enhanced during the past financial year. Further improvements included the following:

- The fuel service provider has a systemised Authorisations Module which performs real-time system-testing on the vehicle parameters and fuelling patterns before authorising fuel transactions, where out of bound transactions are declined immediately, necessitating administrative assistance for which support teams have been established. GMT has contributed to these parameters towards applicability to the patterns of the fleet, with continuous operational monitoring and end-to-end improvement.
- An expanded and enriched data set of refuelling activities, transactions and associated risk are system-assessed within ITS and displayed by Business Intelligence systems, providing the basis for developing improved visibility and insight to the fuel management team, as indicated below for the period 2023/24



Source: Government Motor Transport.

- Additional fuel risk indicators were formulated and systemised in the ITS system, further including system-integration with the telematics service provider and geo-mapping of all fuel merchants as they are transacted with, to match and review the vehicle locations at time of transacting. Below follow graphics to demonstrate the onboarding screens for a merchant and for the visual telematic display of a transaction, as well as listing of all transactions and distance display, in meters.

Fuel location source

ABSA Q Pick X

Location name

ENGEN STELLENBOSCH

Verified location
 Generator
 E-Charge
 Discounted diesel
 Not recommended

Latitude

-33.9281436

Longitude

18.8566721

Contact name

Home phone

Email

Fuel company

Engen Q Pick X

Address

81 Bird St; Stellenbosch Central; Stellenbosch; 7600; South Africa

Service rating

3

Work phone

Total forecourt LPR cameras


0

Location type: Fuel stop

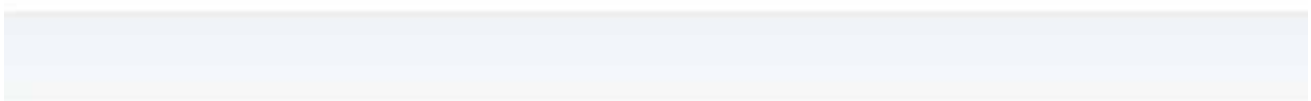
Financial accounting merchant: ENGEN STELLENBOSCH

Trading name: ENGEN STELLENBOSCH

Merchant #: 7600281436



Vehicle Replay




Vehicles Fuel Transactions Trip Analysis Vehicles near Merchants

Fuel Transactions

GCK136G

Transaction date

<input type="checkbox"/>	Transaction Date	Merchant Trading name	Registration number	Distance between merchant and vehicle	Comments
<input type="checkbox"/>	2024-02-16 09:34:48	P F R BELLEGGINGS	GCK136G		
<input type="checkbox"/>	2024-02-20 11:32:29	SEREIN DEALERS (PTY) LTD	GCK136G		
<input type="checkbox"/>	2024-02-22 14:12:40	SEREIN DEALERS (PTY) LTD	GCK136G		
<input type="checkbox"/>	2024-03-14 14:13:24	SEREIN DEALERS (PTY) LTD	GCK136G		
<input type="checkbox"/>	2024-04-22 11:34:56	SEREIN DEALERS (PTY) LTD	GCK136G		

Total: 25 << < 1 2 3 > >>

Source: Government Motor Transport.

- These additional indicators have enabled the business to implement further exception and risk identification and mitigation measures, allowing insight into the exceptions experienced during operation;
- The time delay between transactional activity and the availability of supporting data was further reduced, enabling the fuel management team to improve reaction time in undertaking mitigation actions in response to potential risk transactions with future design opportunities and development to reduce this to real-time systemised prevention, detection, and mitigation;
- The improvement of risk mitigation and service efficiency capabilities by integrating with the fuel service provider for Fuel Card administration, allowing new, lost and damaged cards to be system-replaced for delivery within three working days. Additional to this, risk mitigation is enhanced by system-enablement for GMT to self-administrate hold and un-hold of fuel cards within one hour where risk is detected and while exceptions are being investigated or escalated; and
- A parallel project is in rollout to record and issue Orange Driver Tags to all GMT client institution drivers and fleet administration staff to allow identification of the vehicle operators and their associated fleet administrators, with an eventual information and notification module to allow client institutions with digital visibility and participation in operational processes.

Drone Strategy

During 2023, GMT initiated the development of a Drone Strategy in support of clients identified and emerging needs for the use of this fast-evolving technology. As early as 2015, South Africa became the first country in Africa to pass drone industry regulations, and already has one of the most mature drone markets in Africa. According to a 2018 analysis of the economic impact of the drone industry in South African, the drone economy generated R10.7 billion in total economic output, creating 56 706 jobs in the formal and informal sectors and broadening the tax base by R4.3 billion¹.

During 2023, the Western Cape became the first province in South Africa to lawfully use drones in mountain search and rescue operations. The Department of Agriculture has also explored the use of drones in this sector for, inter-alia, surveys of planted fields and monitoring of livestock. As more departments explore opportunities for the use of drone technology in the delivery of their mandates, the potential economic opportunities that drones and drone technology could bring to the province, present themselves.

GMT, therefore embarked on an initiative to develop a WCG Drone Strategy in collaboration with the Departments of Economic Development and Tourism (DEDAT), Health and Wellness (DOH&W), Infrastructure (DOI) and Agriculture (DOA). This will include GMT's exploration of a business case for introducing a "Drones as a Service" (DaaS) offering to client institutions. DaaS is a business model where an enterprise charges customers subscription or per-use fees for drone services, which would enable clients to access advanced drone technology without upfront investments. The offering may include the provision of licensed drone pilots and mobile units from which the drones are operated.

The drone strategy is aligned with the strategic outcome of developing innovative mobility solutions for client institutions. Mobility Solution as a Service (MSaaS), which is a key strategic differentiator for GMT, will be extended by the drone offering.

Mobile applications

Digital transformation of all business processes in GMT is a major focus of technology development and business improvement initiatives. The replacement of all manual paper-based processes provides a significant opportunity for efficiency and overall business improvement.

Mobile applications play a key role in this process because of the nature of a fleet business with various operations taking place remotely and physically with operational staff being reliant on paper-based data capturing. Significant progress was made with the development and implementation of mobile applications.

Mobile Application No.1: Vehicle receiving being done by GMT Fleet Planning and Acquisition unit to receive the delivery of new vehicles on the mobile application. The mobile application was deployed on 7 March 2024.

¹ <https://dronecon.co.za/wp-content/uploads/2018/05/DroneCon-2018-Dr-Roelof-Botha.pdf>

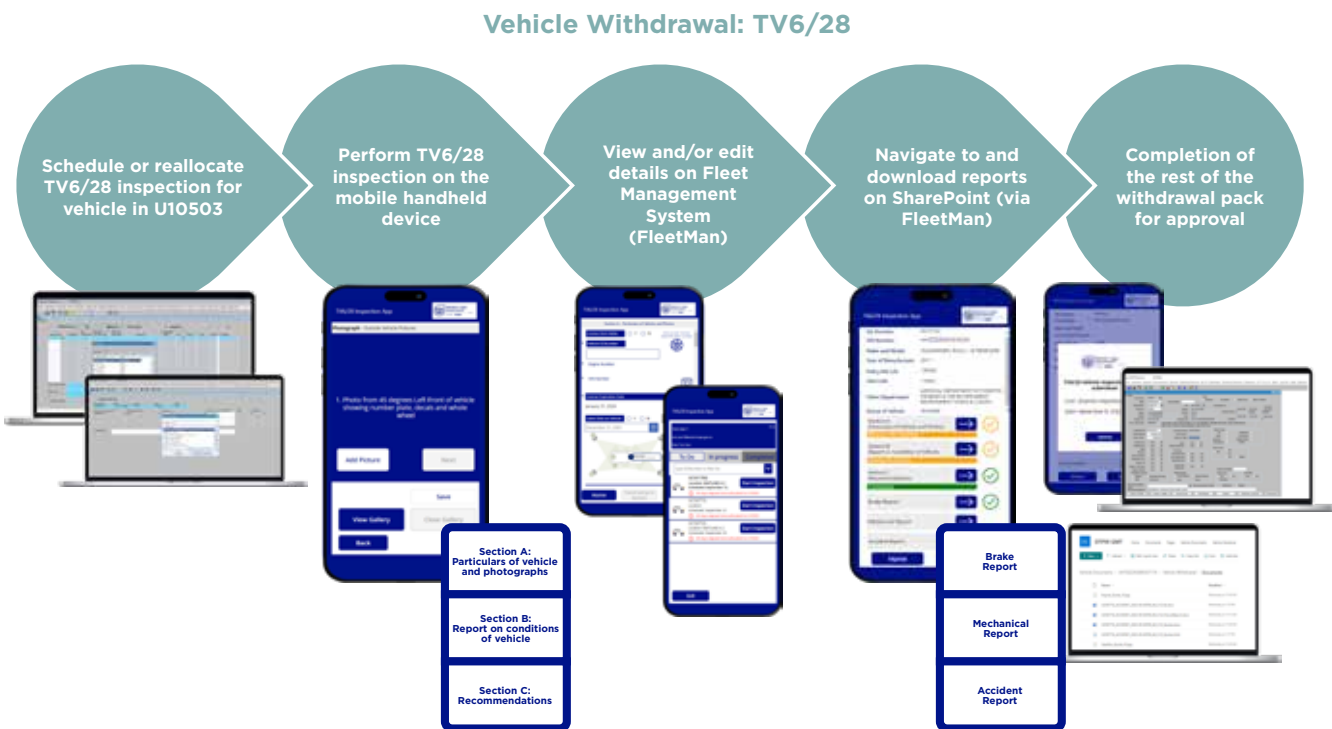
Figure 14: GMT mobile vehicle receiving application



Source: Government Motor Transport.

Mobile Application No 2: Vehicle withdrawal TV6/28 application being used by Fleet Repairs and Maintenance Coordination and Quality Assurance units to access the condition of vehicles being withdrawn from service. Once the vehicle withdrawal TV6/28 is approved, the vehicle is placed on the auction catalogue for disposal via online monthly auctions. The mobile application was deployed on 5 March 2024.

Figure 15: GMT mobile vehicle withdrawal TV6/28 application

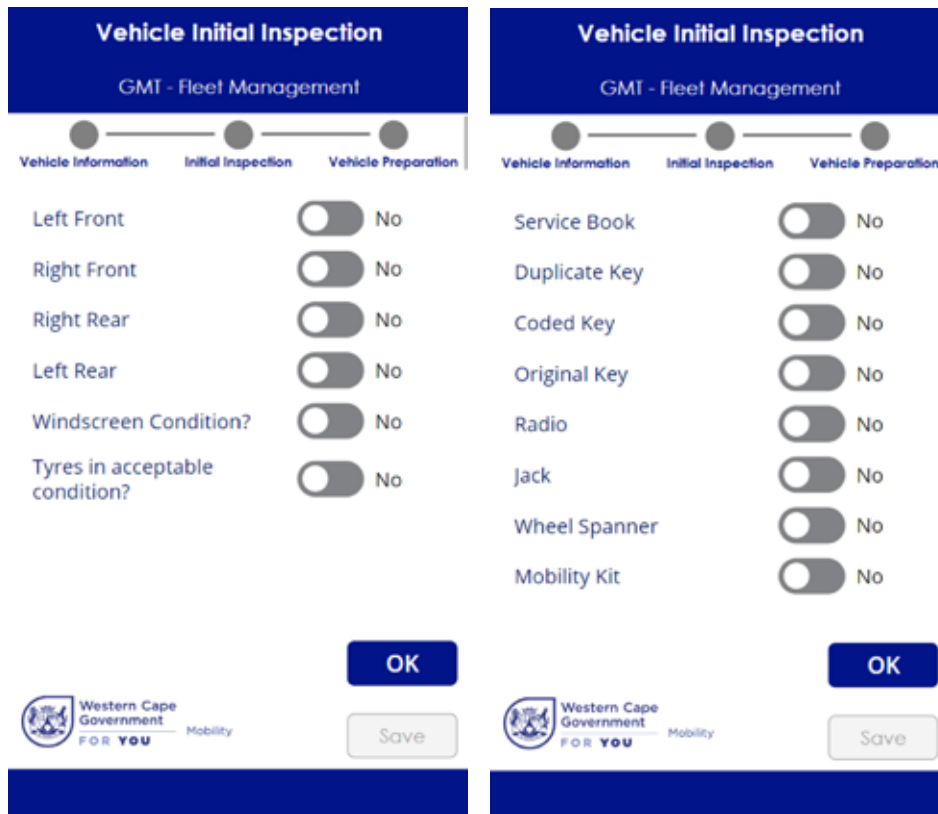


Source: Government Motor Transport

The next GMT mobile application to be launched in the second quarter of 2024/25 will be vehicle inspections.

This third mobile application will complete the vehicle lifecycle management process to inspect and track the vehicle's condition from the date of delivery through repairs and maintenance, ending with vehicle disposal via online auctions. The automation of the manual process of performing vehicle inspections with "pen and paper and a digital camera" will be something of the past, and we have transitioned to a real-time automated vehicle inspection process using optical character recognition (OCR) technology to scan the vehicle's number plate and/or vin number, index photographs and video footage for uploading to SharePoint (data warehousing), and the capability to scan paper-based documents such as job cards, quotes and invoices out in the field.

Figure 16: GMT mobile vehicle inspection application



Source: Government Motor Transport.

The enablement of business processes through these applications include:

- Reduction in time delays as a result of manual data capturing that is required after the completion of remote operational activities. The data that is captured on the operational floor, and at remote locations, is now immediately available for processing, thus accelerating business processes and decision-making;
- Improved data richness, the mobile applications create the opportunity to increase the data richness of business processes, which provides the basis for process improvement; and
- Improved data accuracy by avoiding manual capturing and handwritten documents which were prone to capturing errors.

The journey of digital transformation of GMT's business processes gained momentum during the financial year under review, laying the foundation for further improvement and innovation in the future.

Benchmarking

Benchmarking initiatives enable GMT to explore key areas of its current and future operations, with the aim of formulating appropriate strategies that will position GMT to better sense changes in its environment to allow management to respond proactively to challenges and opportunities. During the year under review, GMT teams undertook one inward and two outward benchmarking exercises.

Inward benchmarking

On 14 September 2023, GMT collaborated with the City of Cape Town towards the creation of a smarter, safer and sustainable future in the provision of transport and mobility solutions. While this engagement was exploratory in nature, it did set up the opportunity for further engagement on matters of mutual interest to both parties.

Outward benchmarking

During May 2023, GMT embarked on an outward benchmarking exercise to the Eastern Cape. The GMT team visited Automotive Industry Development Centre (AIDC) as well as BIAC plant in Gqeberha.



Source: Government Motor Transport.

During March 2024, GMT embarked on another outward benchmarking exercise with Toyota South Africa at their Marketing and Research offices in Gauteng to engage around the decarbonising of the fleet. The objective of this exercise was to establish a platform for broader collaboration between GMT and OEMs (such as Toyota) for the transition from internal combustion engines (ICE) to new energy vehicles (NEV). The mobility landscape is changing significantly with the drive to have more environmentally friendly vehicles on our roads.

Toyota illustrated some of their focus areas of releasing new models into the transport industry, solar utilisation and hydrogen. Also included, was statistics and other insightful information on alternative energy sources, a budget summary and the global move towards carbon neutral production in the vehicle manufacturing sector.

Toyota's focus areas align with GMT's overall approach to greening the fleet. GMT is in the process of rolling out the Cabinet-approved EV Strategy and will commence the process of developing a broader New Energy Vehicle (NEV) Strategy, which includes alternative energy sources beyond electric- to hydrogen and other sources.

GMT Position Papers

By using practical GMT problems or challenge statements, GMT utilises critical research and development that is practical and impactful, then applying and experiencing research as a potent form of self-development that facilitates innovation and life-long learning to develop products or service specifications. Thought leadership inherently requires high degrees of authentic critical and quality reviews, before adopting products and services.

Six position papers were completed during the year of review on the topics listed below. The first three position papers will be published by University of Cape Town for academic review.

1. Artificial intelligence (AI)

Artificial intelligence, machine learning and empathetic algorithms for GMT mobility services.

Key aspects of this position paper include:

- Summary of the differences between Artificial General Intelligence and Narrow Artificial Intelligence;
- Biases in AI;
- Limitations of AI; and
- The relevance of AI to the GMT mobility vision.

GMT is committed to designing and developing AI services and products that are citizen-centric and benefit the most vulnerable citizens and communities.

To ensure GMT maintains its focus in the field of AI, it must ensure to continue to build: (a) Critical thinking; (b) Reflexive action; and (c) Design for trust-based platforms; all of which ensure that people and society come first.

Potential AI application areas for GMT:

- Visual Recognition (traffic);
- Natural language generation;
- Speech Recognition (UBu speaking multiple Republic of South African languages);
- Virtual and augmented reality; and
- Decision support tools (empathetic).

2. Life-long Learning

At GMT, life-long learning and development are being used to support organisational innovation.

Key aspects of this position paper include:

Cognition, learning and development: evolving improvement views.

Summary of diversity among learning-development models, namely:

- Pedagogy: the art and science of teaching children.
- Andragogy: the art and science of helping adults learn.
- Heutagogy: self-directed learning that embraces holism.

During the period under review, three of GMT's lower skilled officials have illustrated a practical commitment to life-long learning by registering for a high qualification. This is a practical manifestation of giving effect to the WCGs Growth for Jobs initiative.

3. Trust-based communication

Global recognition for trust-based business models and business platforms has an impact on GMT.

Key aspects of the position paper include:

- Highlights of trust-based challenges impacting across business models and platforms;
- The paper focuses on the global need to develop and rebuild trust-based communications, practices and platforms, to reduce misdirection and misinformation;
- It highlights critical principles to be embedded into both business model and business platform designs;
- Platform businesses are integral for networked business value, but platform abuse can subjugate users in unexpected ways;
- The concept of "free Applications" is used to maintain abusive practices of harvesting user IDs and decision patterns, which are sold without their consent or knowledge;
- Understanding the structure and the dynamics of business models and platforms is vital as inequality has become embedded and requires "re-gaining and re-growing trust" at all levels of society; and
- Trust-based platforms intend to facilitate geopolitical equality, socioecological equality and biophilic harmonisation.

4. The Global EV Transition – An update

This position paper is the first in a series of three NEV position papers that are crucial for aligning GMT's objectives with global perspectives on the electric vehicle (EV) market, highlighting the significant shift towards smarter, increasingly carbon-neutral mobility solutions. Against the backdrop of COP28, significant investment shifts in transportation are anticipated, with a decisive move away from fossil fuels by 2030. Technological innovation is central to this change, with connected cars paving the way for advanced mobility experiences and NEV adoption.

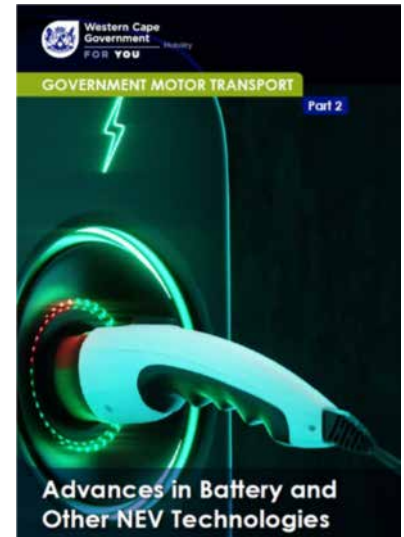
The analysis reveals a tipping point: in the global market space one in seven passenger vehicles sold in 2022 was electric, a stark increase from one in 70 just five years ago. However, as market support mechanisms such as subsidies begin to wane, a recalibration of sales strategies and production plans is expected, particularly in key markets like Germany. In contrast, China demonstrates resilience through strategic subsidies and a competitive manufacturing edge.

The paper explores varying global policies and incentives, advocating for equitable access to electrification. Additionally, it assesses the strategic responses of major automotive manufacturers, noting a nuanced approach towards hybrids and hydrogen vehicles as complementary technologies.

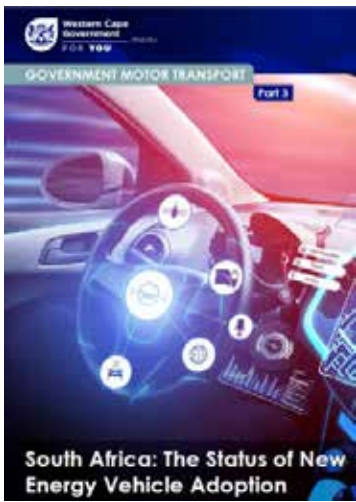


5. Advances in battery and other NEV technologies

The second position paper in the NEV series examines critical advancements in battery technology and other NEV innovations driving the electric mobility revolution. The paper explores the development of alternative powertrain technologies, such as hydrogen fuel cells and hybrid systems, alongside ongoing improvements in lithium-ion and emerging solid-state batteries. It also addresses the integration of smart grid technologies and the role of advanced materials in enhancing the efficiency and sustainability of NEVs. The global landscape is analysed, with particular attention to how these technologies are influencing the future of transportation.



6. South Africa: The Status of New Energy Vehicle Adoption



In this final, third position paper in the NEV series, the focus shifts to the South African context, providing a comprehensive analysis of the country's NEV ecosystem. The paper examines the current status of NEV adoption, sales trends, and model availability, as well as the challenges and opportunities presented by the local market.

The research delves into the role of government policies, incentives, and investments in shaping the NEV landscape, while also exploring the activities and strategies of major automotive manufacturers operating in South Africa. Additionally, the paper assesses the readiness of the charging infrastructure and consumer sentiment towards NEVs, offering insights into the potential for widespread adoption.

Conclusion and alignment with GMT's EV Strategy

The insights and recommendations from these position papers are integral to revising GMT's EV Strategy. The updated strategy will align GMT's initiatives with the latest technological advancements and market trends, ensuring that GMT remains at the forefront of urban mobility solutions. This strategic alignment is crucial for driving the development of an EV ecosystem in the Western Cape, fostering economic growth, and achieving the vision-inspired goals of the Western Cape Government.

In conclusion, this Thought Leadership series represents a strategic compass, allowing the GMT to accelerate its endeavours into a robust NEV ecosystem. By combining global insights, technological advancements, and local market dynamics, we have created a comprehensive resource to inform long-term strategic decisions and position the GMT as a leader in the transition towards sustainable urban mobility.

We are confident that this series will not only provide invaluable guidance as the GMT navigates the complexities of the NEV revolution, ensuring that the organisation remains at the forefront of this transformative shift but also lay the groundwork for collaborative efforts with various stakeholders, including government entities, industry leaders, and the academic community. Through these efforts, GMT aims to create a sustainable, inclusive, and innovative future for urban mobility in South Africa.

OUTCOME 2: GREENING THE FLEET

This outcome contributes to the following national and provincial directives:

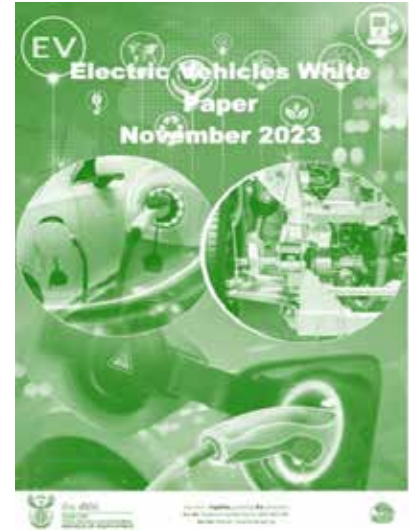
- NDP Chapter 5: Environmental sustainability and resilience;
- VIP1: Safe and cohesive communities;
- VIP2: Growth and jobs;
- VIP4: Mobility and spatial transformation; and
- OneCape 2040: Green Cape.

Electric vehicles/ New energy vehicles

The much-anticipated Electric Vehicle White Paper was released at the end of 2023. The EV White Paper outlined the following key policy initiatives.

The following core principles provided the basis for the document:

- Necessity and Urgency of Transition
- Technology Agnosticism Approach
- Investment Support is required
- Cost-Effectiveness and
- Fiscally sustainable solutions
- Deepening Localisation of the Auto Supply Chain
- Just Transition in the Automotive Industry



Based on these core principles, two sets of policy guidelines were developed, the first of which focused on the creation of electric vehicle production capacity, essentially aiming at enabling the production of electric vehicles in South Africa.

The key policy guidelines with this objective are:

- Increase levels of investment and funding.
- Develop an electric battery regional value chain.
- Introduce a temporary reduction in import duties for batteries.
- Secure or maintain duty-free export market access.
- Leverage R&D tax incentives for domestic value addition.
- Commercialize green hydrogen production.
- Implement energy reforms.
- Reform network industries, including freight rail and ports.
- Refurbish the rail line between Gauteng and Ngqura.
- Develop an EV certification program for skills development

The second set of policy guidelines focuses on the enabling of electric vehicle adoption in the South African market. These policy guidelines include:

- Develop a framework for (Government) fleet transition to SA-produced new energy vehicles.
- Scale up investment in charging infrastructure.
- Develop opportunities for localising charging components and infrastructure.

Part
A

GENERAL
INFORMATION

Part
B

PERFORMANCE
INFORMATION

Part
C

GOVERNANCE

Part
D

HUMAN
RESOURCE
MANAGEMENT

Part
E

PFMA
COMPLIANCE
REPORT

Part
F

FINANCIAL
MANAGEMENT

- Support increased grid capacity for EV uptake.
- Consider consumer incentives for EV adoption.
- Evaluate the need for economic regulation on EV charging.

Although the EV white paper provides important direction for the transition to electric vehicles in South Africa, an important implication for the WCG EV strategy, is that the focus needs to broaden to New Energy Vehicles (NEV) as opposed to only battery electric vehicles (BEV). A further key implication is that BEVs will not be available at scale in South Africa for a number of years. An attractive alternative approach for GMT is focusing on Hybrid Vehicles which offers the opportunity of a phase transitioning to NEVs, focusing on Hybrid Vehicles on the short term.

GMT initiatives to support the implementation of the EV Strategy and ecosystem include:

1. A research and development collaboration with universities in the Western Cape;
2. Collaboration with the Public Works Branch of the Department of Infrastructure around the design and installation of charging infrastructure at WCG-owned facilities;
3. Close collaboration with OEMs to facilitate electric vehicle availability and influence their planned roll out of charging infrastructure.
4. Participating in the development of the National Department of Transport/ National Treasury RT57 contract to influence the acquisition of electric vehicles; and
5. The development of electric vehicle training using virtual reality technology.

Alternative fuel vehicles

The entity's contribution to VIP2 will include a measured reduction in the carbon footprint of the fleet and the phased introduction of an ecosystem for electric and alternative fuel vehicles.

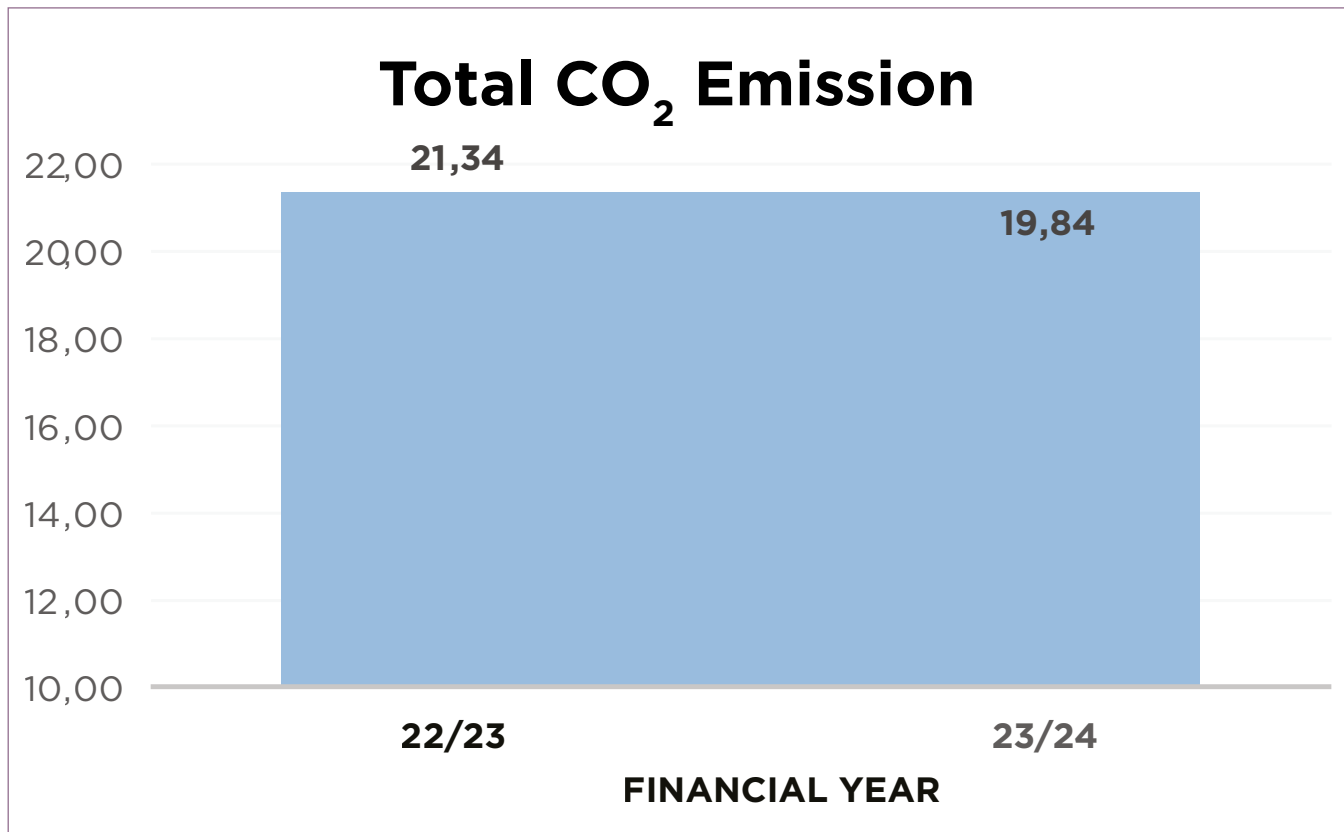
Reduction in the carbon footprint of the fleet

The Western Cape Government is committed to achieving a net zero target by 2050 as part of its commitment towards sustainability. Mobility Department, and specifically GMT, has set its own targets for reducing CO₂ emissions and greening the fleet.

Greening the fleet to achieve sustainability targets is also an important strategic outcome for GMT. The measurement and reduction of CO₂ emissions remains a constant objective and key outcome that is pursued.

The international standards for the measurement of CO₂ emission, outline two alternative approaches which could be applied. The first approach is based on using the volume of fuel consumed as the basis, where an emission factor is applied for each litre of fuel consumed. The second approach is based on the distance travelled by vehicles, with an emission factor which is provide by the OEM for each vehicle is used. The emission factor for each vehicle is multiplied by the emission factor for the specific vehicle. The preferred approach which is applied by GMT is using distance travelled as the basis for the calculation of CO₂ emissions.

The total CO₂ emission for 2023/24 was 19.8 million tons of CO₂ for the fleet, this compares to 21.3 million tons in the previous financial year which indicates a reduction of 7.6%. Contributing factors towards achieving this reduction is firstly a reduction in the total kilometres travelled by the fleet, and secondly the increased number of vehicles in the fleet with reduced carbon emission.

Figure 17: GMT fleet CO₂ emissions

Just transitioning to a new energy vehicle fleet

As mentioned, GMT will continue to strengthen its Hybrid fleet, and procured 47 Toyota Hybrid vehicles during 2023-2024, of which 30 was delivered in the reporting cycle. The delivery of the outstanding 17 hybrids is expected in the second quarter of 2024.

GMT in partnership with client institutions and other stakeholders, will continue discussions as a key cornerstone of the NEV Strategy for GMT and the WCG to become thought leaders in Africa for NEVs.

GMT's multi-cloud strategy

In the rapidly evolving landscape of cloud computing, GMT's shift towards a multi-cloud approach is driven by the need for greater flexibility and resilience in the GMT digital ecosystem. Up-to-date protection against ever-present cyber-security threats is of utmost importance to the cloud provider business model. Multi-cloud strategies are pursued for various reasons. Many organisations attempt to mitigate vendor lock-in, take advantage of best-of-breed solutions that may be available in one cloud provider platform but not on another, or to be better positioned to negotiate terms with their preferred cloud provider. With the increased prevalence of cyberattacks and ransomware, GMT envisage to implement an up-to-date protection against ever-present cyber-security threats and to improve their resilience should any of their key cloud platforms be compromised.

Leveraging the cloud and adopting a multi-cloud strategy is a significant multi-year journey that needs to be well defined, committed and aligned throughout its execution as the context prevalent to its initial inception evolves. Once the initial end-state is achieved, it will then will further evolve as technology and business do not remain static. In addition, leveraging the cloud and multi-cloud strategy must be contemplated in the context of the use of new-generation technologies to enable public sector modernisation.

Outcome 3: Satisfied stakeholders

This outcome contributes to the following national and provincial directives:

- NDP Chapter 13: Building a capable and developmental state;
- NDP Chapter 15: Nation building and social cohesion;
- VIP2: Growth and jobs;
- VIP4: Mobility and spatial transformation; and
- VIP5: Innovation and culture.

Accelerated vehicle replacement initiative

To keep the fleet within its economic life cycle, GMT doubled its annual vehicle replacement target to between 1 100 to 1 500 per annum. The GMT three-year target was to procure 3 921 vehicles between 1 April 2021 and 31 March 2024. GMT exceeded this planned target by 375 vehicles. A total of 4 296 vehicles was procured over the three phases, as shown below:

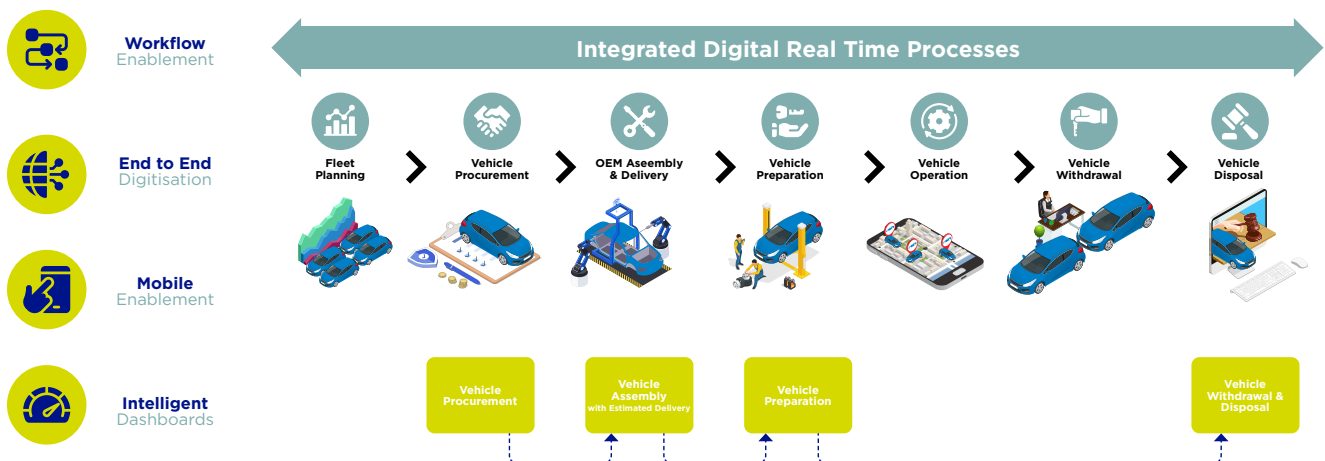
- Phase 1: Procurement of 1 490 vehicles in 2021/22 financial year
- Phase 2: Procurement of 1 383 vehicles in 2022/23 financial year
- Phase 3: Procurement of 1 423 vehicles in 2023/24 financial year

During the 2023/24 financial year, GMT placed orders for a total of 1 515 vehicles. Of the 1 423 vehicles delivered to GMT, a total of 1 117 vehicles were handed over to client institutions during the year under review.

Figure 18: Vehicle Replacement Project technology improvement

Vehicle Replacement Technology Solution: Confirmation of the Vision

Complete Technology Platform that provides end-to-end visibility and replaces all manual processes:



Source: Government Motor Transport.

GMT Regional Pools

During the 2021/22 financial year, GMT launched its first 'regional pool' in George. Through the introduction of regional pools, GMT aims to improve the efficient use of its fleet of vehicles, by allowing client institutions with presence in a region to 'share' a pool of vehicles, as opposed to each one having permanently allocated fleets which may not be required every day. In so doing, GMT makes it possible for clients to reduce their expenditure on fleet services by limiting the charging of daily tariffs to only those days when vehicles are being utilised for service delivery.

During the year under review, GMT engaged the Department of Infrastructure's (DOI) with the request to fast track the identification of a suitable site for the development of a regional pool in the West Coast region.

GMT Website

Establishing an online identity requires of GMT to have an appropriate web presence, which will provide GMT with a digital tool to engage internal and external stakeholders while also keeping them up to date with GMTs innovations, projects and progress.

During the 2023/24 financial year, GMT embarked on a project to create a user-friendly, customer focused website prototype with sound information architecture to ensure that this digital asset is used continuously and effectively. By the end of the financial year, the website prototype was completed and once approved, is set to go live early in the new year.

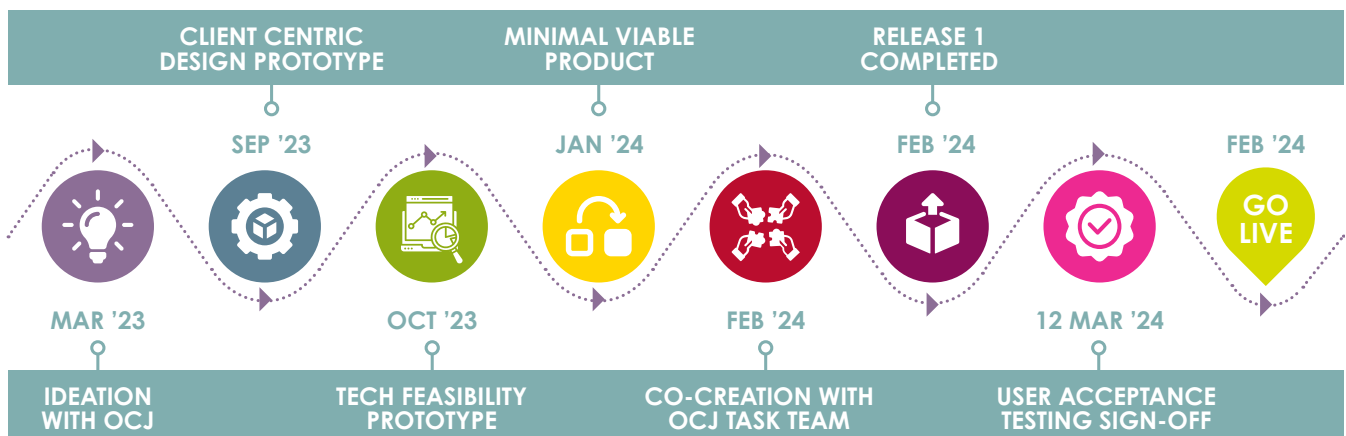
GMT Client portal

The GMT Client Portal aims to offer client institutions secure access to engage with GMT management and technical officials and to view information about GMT services that they use. During the year under review, GMT embarked on a pilot project with the Office of the Chief Justice (OCJ), to develop a prototype platform for enhanced engagement that could be extended to all other client institutions.

GMT invested in enhancing its client facing applications, through a co-creation approach with this national client. Applied complexity science methodologies were employed to create an evidence-based design for this client portal. This ensured an ease-of-use and navigation that effectively minimises onboarding and training to an impressive degree.

The emphasis was on providing successful rapid development while focusing on accurate data, logically separated per client, through the use of robust and proven security methods. The client was engaged throughout the process and provided key insights and recommendations. The user acceptance testing phase was detailed and robust and helped GMT to achieve a strong and successful outcome for both the entity and the client.

Figure 19: Client Portal development roadmap



The portal is successfully being piloted in the Western Cape High Court by the Office of the Chief Justice, with roll out of the next three phases on this journey of development planned as follows:

- Phase 1:** Roll out of the portal to the remaining courts within the Office of the Chief Justice's jurisdiction.
- Phase 2:** Engaging the further GMT clients to co-create their unique requirements over and above the base platform that has been developed and tested. This will also provide us with a proven method to rapidly engage and roll out to other GMT clients.
- Phase 3:** Continuous improvement of the portal to increase and enhance functionality for the benefit of all clients.

GMT Wellness Strategy

The GMT 2020–2025 Strategic Plan, that is aligned with the WCG Strategic Priorities and principles as well as the DPSA Employee Health and Wellness Strategic Framework for the public service, informed the foundation of the GMT Wellness Strategy. Additionally, it acknowledges and recognises the purpose and intent of the Western Cape Employee Health and Wellness Programme (EHWP) which provides free, confidential, and professional wellness service to employees and their immediate families. GMTs employee wellness initiatives will promote and support the EHWP while avoiding duplication of services and effort.

Employee wellness in GMT is defined as the following:

Individual wellness is the promotion of the physical, emotional, intellectual, occupational, spiritual, social, financial, digital and environmental wellness of individuals. Organisational wellness promotes an organisational culture and workspace that is healthy, safe, and productive and one that promotes a positive work-life balance.

The GMT Wellness Strategy was developed in consultation with staff and other key WCG stakeholders and presented to the GMT Executive Committee for approval. While implementation of elements of the strategy was initiated during the development process, the full roll out of the strategy is planned for the new financial year.

Blended learning

To embrace life-long learning and to develop future skills, while promoting organic learning processes.

Modern organisations, employees and service providers in the twenty-first century engage with the world differently in which they operate. Increasing consumer awareness and demands, along with the rapid development of emerging technology, has prompted organisations to respond more proactively to their environments. As a result, employees and service providers are required to be more responsive, adaptable and learn more faster than before.

GMT's key focus area remains to prioritise the development of a blended learning capability for training and development, that is designed and developed through diverse delivery platforms, as it strives to provide cutting-edge blended/ hybrid learning solutions to its employees and officials from client institutions.

The business case for this project was approved before the end of March 2024, and the first phase of deliverables for the project is to define the future, reimagined learning and development landscape in GMT, which can be written, visual, or other formats. The outputs may include any existing research findings or relevant documentation. The purpose is intentionally broad to allow for maximum creativity and exploration of possibilities, without limiting the potential outcomes to any preconceived assumptions or current structures.

Massive Transformative Purpose Alignment | GMT Task Team

GMT has been on a journey over the last three years to redefine itself. The journey involved assessing the organisation's challenges and barriers, as well as exploring GMT's vision and desired future. This introspective process at GMT was carried out with the full participation of a diverse group of people across the organisation and as a result, GMT gained new insights into innovative ideas for moving the organisation forward. During this process, GMT created its own Massive Transformative Purpose (MTP): "Innovative mobility solutions to co-create a better life for all". The MTP is a bold purpose statement that serves as a shared vision for the entire GMT.

During the year under review, this group of GMT officials was formally structured as the 'GMT MTP Alignment Task Team', with the aim of ensuring alignment between internal stakeholder needs and client demands, while staying true to the MTP.

As part of the process of embedding the MTP within the organisation, GMT embarked on a second Organisational Health Survey during 2023/24, and the results, along with planned interventions, were shared with all staff at a 'GMT Townhall' at the beginning of 2024.

4 Performance information

The core function of GMT is the provision of quality, integrated and cost-effective mobility solutions to provincial and national client institutions and other entities.

To drive the implementation of the MTP, GMT is currently structured along the functional lines described below.

4.1 Directorate: Fleet Services

Purpose

The purpose of this Directorate is to manage fleet operations of GMT. It consists of three sub-directorates:

Fleet Operations

Purpose: To manage fleet operations.

Fleet Repairs and Maintenance

Purpose: To ensure an effective and efficient fleet repair and maintenance service.

Fleet Risk Management

Purpose: To manage fleet risk.

4.2 Directorate: Fleet Finance

Purpose

The purpose of this Directorate is to ensure effective financial management services for GMT. It consists of three sub-directorates:

Financial Accounting

Purpose: To ensure an effective financial accounting service.

Management Accounting

Purpose: To ensure an effective management accounting service.

Internal Control

Purpose: To ensure sound internal control practices.

4.3 Sub-directorate: Management Support Services

Purpose

The purpose of this sub-directorate is to provide management support services. It is sub-divided into three components:

Statutory Reporting and Stakeholder Relations

Purpose: To facilitate and coordinate business planning, marketing and communication processes and activities for GMT.

Office Support Services

Purpose: To provide office support services.

ICT Management Services

Purpose: To render an ICT management service.

4.4 Outcomes, outputs, output indicators, targets and actual achievements

An overview of GMT's performance against pre-determined targets is presented in Table 7.

Table 7: Key performance indicators, planned targets and actual achievements

INDICATOR NUMBER	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET		REASONS FOR DEVIATIONS
				2021/22	2022/23			2023/24	2023/24	
SUB-DIRECTORATE: FLEET OPERATIONS										
1.1	Leaders in mobility solutions (R&D)	Providing adequate fleet rental services	Number of vehicles in the fleet	5 832	6 297	5 800	6 761	961 16.6%	2023/24	Target exceeded through additional vehicles made available to GMT by OEMs on the RT57 contract.
1.3	Leaders in mobility solutions (R&D)	Providing an effective and efficient fleet service	Number of vehicles travelling more than 1 000km per month	3 208	3 501	3 360	3 527	167 5%	2023/24	Target achieved.
1.4	Leaders in mobility solutions (R&D)	Increasing the percentage of automatic transmission vehicles in the fleet to, inter alia, accommodate people with disabilities	Number of automatic transmission vehicles	537	858	826	1 113	287 35%	2023/24	Target exceeded through additional automatic transmission vehicles being made available to GMT by OEMs on the RT57 contract.
2.1	Greening the fleet	To acquire alternative fuel vehicles	Number of alternative fuel vehicles in the fleet	23	25	50	50	-	2023/24	Target met.
SUB-DIRECTORATE: FLEET REPAIRS AND MAINTENANCE										
1.2	Leaders in mobility solutions (R&D)	Providing fleet inspections	Number of vehicle inspections carried out	3 452	3 880	3 400	3 651	251 7.4%	2023/24	The target was exceeded as GMT acquired additional resources and in conjunction with the Repairs and Maintenance Service provider (Nedfleet) performed more vehicle condition inspections. Vehicle inspections performed at Repairs and Maintenance merchants across the Western Cape Province, as well as at client institutions.

INDICATOR NUMBER	OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE		PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATIONS
				2021/22	2022/23				
SUB-DIRECTORATE: FLEET RISK MANAGEMENT									
3.2	Satisfied stakeholders		Number of traffic fines processed	3 964	6 748	5 625	7 287	1 662 30%	The number of traffic fines increase as the number of kilometres covered by the GMT fleet increases.
3.3	Satisfied stakeholders	Manage fleet risk	Number of crashes and losses incidents processed	2 277	2 779	2 750	2 688	(62) (2.3%)	Demand driven target. GMT register and manage the cases in the GMT Fleet Management system. The client institutions management (as the employer) follow progressive disciplinary steps against drivers of state-owned vehicles.
SUB-DIRECTORATE: MANAGEMENT SUPPORT SERVICES									
1.5	Leaders in mobility solutions (R&D)	Maintaining GMT's value proposition	Number of inward benchmarking engagements	1	1	1	1	-	
1.6	Leaders in mobility solutions (R&D)	(Research and development/ market analysis)	Number of outward benchmarking engagements	1	1	2	2	-	
3.1	Satisfied stakeholders	Stakeholder engagements	Number of stakeholder surveys	1	1	4	4	-	

4.5 Changes to planned targets

There were no in-year changes made to the initial planned targets.

4.6 Linking performance with budgets

An assessment was carried out to determine whether the actual achievements recorded at year-end met the service delivery targets set at the beginning of the year. Services delivered to clients were of a high standard and are directly linked to the outputs and associated budget allocation.

The financial information set out below is in agreement with the information in the Annual Financial Statements.

Table 8: Expenditure versus budget

2023/24			2022/23		
FINAL BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
R'000	R'000	R'000	R'000	R'000	R'000
736 491	654 998	81 494	693 114	607 933	85 181

4.7 Strategies to overcome areas of under performance

In order to increase the number of vehicle inspections, GMT is set to finalise the development of the Vehicle Inspection application to be used in conjunction with hand-held technology to replace the current paper-based system.

While the number of automatic transmission vehicles in the fleet should ideally be increased, the current shortfall in available new vehicle models necessitate that GMT stays in continual contact with OEMs and replaces its ageing fleet with the best vehicles that OEMs have available.

5 Transfer payments

5.1. Transfer payments to public entities

No transfer payments were made.

5.2. Transfer payments to all organisations other than public entities

No transfer payments were made during the 2023/24 financial year.

6 Conditional grants

6.1. Conditional grants and earmarked funds paid

GMT did not pay any conditional grants or earmarked funds during the year under review.

6.2. Conditional grants and earmarked funds received

GMT received funds from client institutions to purchase additional vehicles and other items to support mobility solutions. These funds are classified as conditional grants and were deposited into GMT's bank account before the orders were processed. Unspent amounts are disclosed as liabilities at year-end.

The tables below detail the conditional grants and earmarked funds received in the period 1 April 2023 to 31 March 2024.

Table 9: Conditional Grant: Department of Health and Wellness (FPS)

Department which transferred the grant	Health and Wellness (FPS)
Purpose of the grant	To purchase: <ul style="list-style-type: none"> • 2 x 1000L Diesel Bowsers. • 1 x Toyota Hilux 2.8 S/Cab 4x4.
Expected outputs of the grant	Procurement of 1 additional vehicle and 2 Diesel Bowsers as well as extras (canopies and towbars) as stipulated in the Conditional Grant.
Actual outputs achieved	The orders for the 1 vehicle and 2 Diesel Bowsers as well as extras (canopies and towbars) had not yet been placed by 31 March 2024.
Amount per amended dora	n/a
Amount received (r'000)	616 000
Reasons if amount as per dora was not received	n/a
Amount spent by the department (r'000)	0.00
Reasons for the funds unspent by the entity	The vehicle and diesel bowsers as well as extras (canopies and towbars) were not yet allocated at year end, therefore there is no recognition of the revenue received.
Reasons for deviations on performance	The vehicle and diesel bowsers as well as extras (canopies and towbars) were not yet allocated at year end, therefore there is no recognition of the revenue received.
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

Table 10: Conditional Grant: Department of Health and Wellness (FPS)

Department which transferred the grant	Health and Wellness (FPS)
Purpose of the grant	To purchase: <ul style="list-style-type: none"> 1 x Toyota Hilux 2.8 S/Cab 4x4. 1 x Volkswagen Polo Vivo 1.4 Comfortline.
Expected outputs of the grant	Procurement of 2 additional vehicles as well as extras (canopies, branding, emergency lights and towbars) as stipulated in the Conditional Grant.
Actual outputs achieved	The orders for the 2 additional vehicles as well as extras (canopies, branding, emergency lights and towbars) had not yet been placed by 31 March 2024.
Amount per amended DORA	n/a
Amount received (R'000)	1 000 000
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	0.00
Reasons for the funds unspent by the entity	The vehicles as well as extras (canopy, branding, emergency lights and towbars) were not yet allocated at year end, therefore there is no recognition of the revenue received.
Reasons for deviations on performance	The vehicle and diesel bowsers as well as extras (canopy and towbars) were not yet allocated at year end, therefore there is no recognition of the revenue received.
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

Table 11: Conditional Grant: Department of Social Development

Department which transferred the grant	Social Development
Purpose of the grant	To purchase 4 additional Volkswagen Crafter 22-seaters with a wheelchair conversion for the Department of Social Development.
Expected outputs of the grant	Procurement of 4 additional vehicles with wheelchair conversions as stipulated in the Conditional Grant.
Actual outputs achieved	The vehicles were ordered on 9 February 2024.
Amount per amended DORA	n/a
Amount received (R'000)	845 062
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	0.00
Reasons for the funds unspent by the entity	The four vehicles are not yet allocated at year end, therefore no recognition of the revenue received.
Reasons for deviations on performance	The four vehicles have not yet been delivered and could therefore not be allocated to the Department. The order had been placed by year-end.
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

Table 12: Conditional Grant: Department of Social Development

Department which transferred the grant	Social Development
Purpose of the grant	To purchase one additional Iveco Chassis Cab with a mobile office conversion for the Department of Social Development.
Expected outputs of the grant	Procurement of one additional Iveco Chassis Cab with a mobile office conversion as stipulated in the Conditional Grant.
Actual outputs achieved	The vehicles were ordered on 28 March 2024.
Amount per amended DORA	n/a
Amount received (R'000)	3 232
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	0.00
Reasons for the funds unspent by the entity	The one vehicle with conversion is not yet allocated at year end, therefore no recognition of the revenue received.
Reasons for deviations on performance	The one vehicle has not yet been delivered and could therefore not be allocated to the Department. The order had been placed by year-end.
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

Table 13: Conditional Grant: Western Cape Education Department

Department which transferred the grant	Education
Purpose of the grant	To purchase 13 Toyota Hino 35-Seater busses for the Department of Education.
Expected outputs of the grant	Procurement of 13 Toyota Hino 35-Seater busses as stipulated in the Conditional Grant.
Actual outputs achieved	The orders for the 13 Toyota Hino 35-Seater busses had not yet been placed by 31 March 2024.
Amount per amended DORA	n/a
Amount received (R'000)	16 985
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	0.00
Reasons for the funds unspent by the entity	The 13 vehicles are not yet allocated at year end, therefore no recognition of the revenue received.
Reasons for deviations on performance	The 13 vehicles are not yet allocated at year end, therefore no recognition of the revenue received.
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

Table 14: Conditional Grant: Paid-up value – judges' vehicles

Department which transferred the grant	Paid-up value – judges' vehicles
Purpose of the grant	Additional funds required for the procurement of vehicles.
Expected outputs of the grant	Procurement of vehicles.
Actual outputs achieved	The vehicles were delivered and allocated.
Amount per amended DORA	n/a
Amount received (R'000)	472
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	472
Reasons for the funds unspent by the entity	n/a
Reasons for deviations on performance	n/a
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	n/a

For unspent conditional grants and receipts that were active on 31 March 2024 (comparative year), refer to pages 166 to 167.

7 Donor funds

The entity did not receive any donor assistance.

8 Capital investment

8.1. Capital investment, maintenance and asset management plan

All vehicles in the government fleet that are under the control of GMT are recorded in the asset register, kept in the electronic fleet system, and verified by client institutions. Clients report back on any vehicle that is damaged or not operational so that the required impairment tests and procedures can be performed by GMT technical staff. Vehicles that reach the end of their useful lives are sold at public auctions, after which the details of these vehicles are updated on the FleetMan system and the National Traffic Information System (eNATIS).

Part C

Governance



1 Introduction

The GMT trading entity, as part of the administration of the WCMD, has always been committed to maintaining the highest standards of governance which is fundamental to the management of public finances and resources. Readers of the Annual Report require assurance that the WCMD has sound governance structures in place to utilise the state resources effectively, efficiently and economically at its disposal which are funded by the taxpayer. One of the core values of the WCMD is “accountability” and this is promoted through a strengthened governance environment.

2 Formal Annual Enterprise Risk Management Committee Report

The Department is proud to present its Annual Enterprise Risk Management Committee Report for the financial year ended 31 March 2024.

2.1. Enterprise Risk Management Committee Responsibility

The ERMCO reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reports that it has adopted the appropriate formal Terms of Reference (approved by the ERMCO chairperson on 6 September 2023) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

Enterprise Risk Management Committee members

The ERMCO comprises of the AO, top management, Senior Management Service (SMS), and selected members of the department’s management team. As per its Terms of Reference, the ERMCO is required to meet four times during the year under review. The ERMCO met three times during the year under review, with the fourth meeting scheduled for June 2024. All meetings were attended by members or their representatives.

The table below discloses relevant information on ERMCO members.

Table 15: ERMCO members

MEMBER	POSITION	SCHEDULED MEETINGS	MEETINGS ATTENDED	DATE APPOINTED
Ms M Moore	Accounting Officer (Risk Champion and ERMCO Chairperson)	3	3	Appointed as Chairperson by virtue of the ToR
Mr F de Wet	Chief Director: Management Support Services (CFO)	3	3	11/08/2023
Ms D Ribbonaar	Chief Director: Transport Operations	3	2	11/08/2023
Ms B Macmahon	Acting Chief Director: Transport Regulations	3	2	26/02/2024
Mr F Payne	Acting Chief Director: Provincial Traffic Management	3	3	11/08/2023

MEMBER	POSITION	SCHEDULED MEETINGS	MEETINGS ATTENDED	DATE APPOINTED
Mr Y Ahmed	Chief Director: Government Motor Transport (GMT) Trading Entity	3	3	11/08/2023
Ms R Davids	Acting Director: Financial Management		1	
Mr F Mbambo	Director: Land Transport Integration and Oversight	3	3	04/03/2024
Mr M Skriker	Director: Operating License Adjudication	3	2	11/08/2023
Mr K Booysen	Director: Strategic and Operational Management Support	3	2	26/02/2024
Mr A Botha	Office Manager / Ethics Officer	3	2	26/02/2024
Ms W Fredericks	Secretariat		3	
Ms H Robson	Deputy Director-General: Corporate Assurance (DotP)	3	2	11/08/2023
Mr RJ van Rensburg	Chief Director: Provincial Forensic Services (DotP)	3	3	11/08/2023
Ms A Haq	Director: Enterprise Risk Management (DotP)	3	3	11/08/2023
Mr A Fakir	Services Manager: Centre of Innovation (DotP)	3	1	11/08/2023

MEMBER	POSITION	MEETINGS ATTENDED
Ms M Moore	Accounting Officer (Chairperson)	3
Mr F de Wet	Chief Financial Officer (CFO)	3
Ms D Ribbonaar	Chief Director: Mobility Delivery & Innovation	2
Ms B Macmahon	Acting Chief Director: Transport Regulations	2
Mr F Payne	Acting Chief Director: Provincial Traffic Management	3
Mr Y Ahmed	Chief Director: Government Motor Transport (GMT) Trading Entity	3
Ms R Davids	Acting Director: Financial Management	1
Mr F Mbambo	Director: Land Transport Integration and Oversight	3
Mr M Skriker	Director: Operating License Adjudication	2
Mr K Booysen	Director: Strategic and Operational Management Support	2
Mr A Botha	Office Manager / Ethics Officer	2
Ms W Fredericks	Secretariat	3
Ms H Robson	Deputy Director-General: Corporate Assurance (DotP)	2
Mr RJ van Rensburg	Chief Director: Provincial Forensic Services (DotP)	3
Ms A Haq	Director: Enterprise Risk Management (DotP)	3
Mr A Fakir	Services Manager: Centre of Innovation (DotP)	1

* There has always been representation of the unit when ERMCO members were unable to attend meetings.

The following is an indication of other officials who attended the ERMCO meetings during the year under review:

OTHER ATTENDEES	POSITION	MEETINGS ATTENDED
Mr D Needham	Deputy Director: Internal Control	2
Ms A Needham	Assistant Director: Internal Control	3
Ms O Friday	Assistant Director: Performance Monitoring	2
Ms L Theron	Deputy Director: Office of the HOD	2
Ms A Ranana	Assistant Director: Office of the HOD	2
Ms M Allie	Deputy Director: Communication	1
Mr R Arendse	Deputy Director: Enterprise Risk Management (DotP)	3
Ms N Mabude	Assistant Director: Enterprise Risk Management (DotP)	3
Ms W Hansby	Director: Provincial Forensic Services (DotP)	3
Mr S Malan	Director: Internal Audit (DotP)	3
Ms A Behardien	Deputy Director: Internal Audit (DotP)	2

Enterprise Risk Management Committee key activities

The Accounting Officer is the chairperson of the ERMCO, and the Chief Financial Officer is the risk champion of the department. In executing its function, the ERMCO performed the following key activities during the year:

- Reviewed the Department's ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the Accounting Officer;
- Monitored and reviewed risks in set grouped categories of appetite ranges, reviewed and applied appropriate risk appetite and tolerances guided by the Provincial Enterprise Risk Management Policy and Strategy adopted by Provincial Top Management;
- Reported to the Accounting Officer any material changes to the risk profile of the Department;
- Confirmed the Department's citizen-centric strategic risks. This illustrates the Department's effort to address the contributing factors and impacts that relate directly to the citizen;
- Received and considered risk intelligence and trend reports;
- Identified emerging risks;
- Reviewed risks that are outside the tolerance levels for further action/ attention;
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan;
- Monitored the implementation of the departmental ERM Policy, Strategy and Implementation Plan;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks; and
- Provided oversight on ethics management in the Department.

Key risks considered and addressed during the year

The department during the fourth quarter, took a zero-based approach for the strategic risk profile. A risk workshop was held with the HOD and senior managers to identify the new strategic risks, using the departmental annual performance strategic outcomes listed below, as a basis for the risk identification:

- Improved public transport, walking and cycling;
- Optimised freight systems;
- Strengthened transport enforcement, regulation and safety;
- Innovative systems and technology solutions; and
- Governance.

The following are the strategic risks for the department that were identified during this workshop:

- **Unsustainable public transport services** - Failure to integrate and coordinate transport planning with spatial, land-use planning, modal and sectoral planning elements. Limited funding for initiatives to improve public transport, walking and cycling. Lack of legislative clarity. Public transport safety and security and threats to staff and assets.
- **Inefficient freight movement** – Road congestion; unreliability of rail and port inefficiencies.
- **Illegal operators** – Lack of public transport planning and destructive competition in the industry.
- **Revenue risk** – Memorandum of agreement not currently in place.
- **Road crashes and fatalities** – Lack of road safety culture and insufficient cooperation.
- **Dependency on suppliers** - Lack of procurement planning and transition complications.
- **Internal control failure** – Failures within financial and asset management, as well as supply chain management.
- **Not being effective and efficient** - Department not fit for purpose/ appropriate capacity. Performance management failure and organizational culture.

Management has agreed that the remaining elements of the risks, such as contributing factors, impacts, controls or action plans, risk ratings, tolerance will be further elaborated during the first quarter in 2024/25.

The Infrastructure and Mobility Cluster Audit Committee provided independent oversight of the department's system of risk management. The Audit Committee was furnished with quarterly ERM progress reports and risk registers to execute their independent oversight role.

Regular strategic and programme risk assessments are conducted to determine the effectiveness of the Department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each programme's risks were deliberated and debated during the year and presented at the quarterly ERMCO meetings. Senior managers were required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or their impact should they materialise. ERMCO also referred risks back to the responsible programmes that should be analysed more extensively and recommended additional mitigations or actions to manage risk.

Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The Department's ERM Policy and Strategy are circulated to all officials annually for all levels of staff to stay abreast of enhancements that have been effected and as a means of embedding risk management throughout the department. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements so that risk management can mature in the department. Activities detailed in the implementation plan are continually monitored and periodically reported on, in the same way that APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

Conclusion

As a new department, this was an opportune time to undertake a complete review of the risk register.

In reviewing the risk register the department aimed to balance a focus on risks, largely influenced by outside factors, with risks within the span of control of the department. This allows for a prioritisation on action plans to reduce those risk whilst being mindful of the complex environment of mobility.

Marissa Moore

Digitally signed by Marissa Moore
Date: 2024.08.28 18:01:21 +02'00'

MARISSA MOORE

ACCOUNTING OFFICER

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 28 AUGUST 2024

3 Fraud and corruption

Fraud and corruption represent significant potential risks to the Department's assets and negatively impact on service delivery efficiency and the Department's reputation.

The Western Cape Government has adopted an Anti-Fraud and Corruption Strategy which confirms the province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy, the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes, by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan and a concomitant Implementation Plan which gives effect to the Prevention Plan. Various channels for reporting allegations of fraud, theft and corruption are in place and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy, and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the WCG and the Department.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e., it meets the statutory requirements of the Protected Disclosures Act, No. 26 of 2000 i.e., whether the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with appropriate line management, specific designated persons in the WCG, or external institutions, where they have reasonable grounds for believing that offences or improprieties have been, or are being, perpetrated within the WCG. The opportunity of remaining anonymous is afforded to any person who would like to report acts of fraud, theft and corruption. Should they do so in person, their identities are kept confidential by the person to whom they are reporting.

Once fraud, theft or corruption is confirmed after completion of an investigation, the employee who participated in such acts is subjected to a disciplinary hearing. The WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Service (SAPS).

For the year under review, PFS issued a Case Movement Certificate for the Department noting the following:

CASES	NUMBER OF CASES
Open cases as at 1 April 2023	1
New cases (2023/24)	2
Closed cases (2023/24)	(0)
Open cases as at 31 March 2024	3

4 Minimising conflicts of interest

With transport as a significant economic sector, conflict of interest claims are frequent especially in relation to transport regulation. Where matters have been found not to have any fraudulent basis and is found by internal control not to be as a result of compliance failures, the Department has requested Internal Audit to review conflict of interest issues to protect staff, ensure effective services and prepare for planned amendments in transport legislation that place a greater burden on removing opportunities for conflict of interest to arise.

The Department managed the following processes to minimise conflict of interest in the Supply Chain Management domain:

- Requiring all employees in the Department's supply chain to complete an annual Disclosure of Financial Interest form, accompanied by an annual Remunerative Work Outside the Public Service (RWOPS) application, taking into account the Public Service Regulations.
- Communicating the content of the Public Service Regulations (PSR) 2016, issued by the Minister for Public Service and Administration to officials where possible non-compliance has been identified.
- Implementing the e-disclosure prescribed by the Department of Public Service Administration platform for the WCMD supply chain, as well as for all designated employees as prescribed by the Minister for Public Service and Administration.
- Requiring a Declaration of Interest form from everyone involved in the consideration, recommendation and/ or adjudication of bids.
- Requiring all prospective bidders to submit a Western Cape Bid Document (WCBD) 4 form (disclosure of interest/ suppliers' performance/ declaration of employees and independent bid determination).
- Requiring all WCMD staff to comply with ethical standards.
- Implementing the Code of Conduct for supply chain management practitioners.
- Implementing the National Treasury's Code of Conduct for Bid Adjudication Committees.
- Implementing the process for managing conflicts of interest and the risks that could arise through accepting gratification, hospitality and gifts.
- Implementing bidder/ employee profile verification processes that entail a quarterly comparison of employee information on the Personnel and Salary System (PERSAL) with the supplier data on the Western Cape Supplier Evidence Bank (WCSEB) as well as the National Treasury's Central Supplier Database (CSD). This serves as both a preventative and detective control to identify officials doing business with government.
- Implementing Provincial Treasury Instructions which require all suppliers intending to do business with the Western Cape Government to register on the Western Cape Supplier Evidence Bank. This includes prerequisites such as:
 - Verification with Companies and Intellectual Property Commission (CIPC) for company registration and ownership information.
 - A sworn declaration by all prospective bidders on the WCBD 4 form.
 - Submission of a B-BBEE profile which is verified against data in the Department of Trade, Industry and Competition (DTIC) database.
- Implementing National Treasury Instruction 4A of 2016 which requires all suppliers intending to do business with government to register on the Central Supplier Database. The following key information of prospective suppliers is verified on the CSD:
 - Business registration, including details of directorship and membership.
 - Bank account holder information.
 - "In the service of the state" status.
 - Tax compliance status.

- Identity number.
- B-BBEE status level.
- Tender defaulting and restriction status.
- Identifying and verifying potential employee conflicts of interest through the Provincial Treasury's Compliance Report.
- Conducting annual training and formal workshops on ethics.

5 Code of Conduct

All transgressions are dealt with in terms of the Directive on Discipline Management in the Public Service (attached) as well as the disciplinary processes and procedures in the public service. To date, the Ethics Committee have not received any request for intervention in disciplinary cases.

The Ethics Committee will circulate the explanatory manual on the Code of Conduct for Public Service in the department as part of the awareness raising initiatives.

6 Health, safety and environmental issues

The Occupational Health and Safety Act, 1993 (Act 85 of 1993) imposes a responsibility on the Department to ensure the physical health and safety of their employees.

The staff complement of GMT are split across three premises, with the Rusper Street building in Maitland being our official office since October 2022. GMT has established a new Health and Safety Committee. The committees are responsible for the following GMT premises:

- 3 Rusper Street, Maitland;
- 34 Roeland Street, Cape Town; and
- GMT George Regional Hub, York Street, George.

During the year under review, GMT held three Health and Safety Committee meetings. One evacuation exercise was conducted during this period. No further changes were made to the GMT Business Continuity Plan.

During the year under review, the GMT achieved the following:

- Training was provided to 18 GMT officials as Health and Safety Representatives; and
- Training was provided to 18 GMT officials as First Aiders, Fire and Floor Marshals during October 2023.

7 Standing Committee on Mobility

7.1. Report of the Standing Committee on Mobility

Table 16: Standing Committee meeting dates

NO	STANDING COMMITTEE	DATE
1.	Standing Committee on Mobility	18 July 2023
2.	Standing Committee on Mobility	1 August 2023
3.	Standing Committee on Mobility	23 August 2023
4.	Standing Committee on Mobility	19 September 2023
5.	Standing Committee on Finance, Economic Opportunities and Tourism	22 September 2023
6.	Standing Committee on Mobility	30 October 2023
7.	Standing Committee on Mobility	29 November 2023
8.	Standing Committee on Mobility	5 March 2024
9.	Standing Committee on Mobility	13 March 2024

Table 17: Standing Committee information requests

RESOLUTION NO	SUBJECT	DETAILS	RESPONSE
WCPP 11/4/7	Briefing by Minister Mackenzie and the Mobility Department on the department's Annual Performance Plan 2023/24	Briefing by Minister Mackenzie and the Mobility Department on its Annual Performance Plan 2023/24	All information requested was submitted
	Briefing by the Mobility Department	Briefing by the Mobility Department on their written comments on the Economic Regulation of Transport Bill [B 1B-2020] (NCOP), National Road Traffic Amendment Bill [B 7B-2020] and the National Land Transport Amendment Bill [B 7F-2016]	All information requested was submitted
WCPP 11/4/7	Briefing by the Department of Mobility on the department's Annual Performance Plan	Mobility Department to indicate to what extent they assist Municipalities to compile their Integrated Transport Plans as well as how they assist with the erection of taxi ranks in the various municipalities	All information requested was submitted
	Briefing by the Department of Mobility	A breakdown of vehicle condition inspections that were done by the George and Maitland depots	All information requested was submitted
	Briefing by the Department of Mobility	A breakdown per district and metro of law enforcement operations conducted during the first quarter of 2023	All information requested was submitted
	Briefing by the Department of Mobility	Briefing by the Mobility Department on the written comments on the Economic Regulation of Transport Bill [B 1B-2020] (NCOP), National Road Traffic Amendment Bill [B 7B-2020] (NCOP) and the National Land Transport Amendment Bill [B 7F-2016] (NCOP)	All information requested was submitted

RESOLUTION NO	SUBJECT	DETAILS	RESPONSE
WCPP 11/4/7	Briefing by the Minister for Mobility on outcomes of the Minibus Taxi Task Team	Briefing by the Minister for Mobility on outcomes of the Minibus Taxi Task Team discussions and how he sees his role and that of his Department in relation to the City of Cape Town, and particularly the City of Cape Town Law Enforcement Officers	All information requested was submitted
WCPP 11/4/7	Briefing by the Department of Mobility	Deliberation on the Annual Reports of the Department of Transport and Public Works (Vote 10) and Government Motor Transport for the 2022/23 financial year.	Submission of Annual Report
WCPP 11/4/7	Briefing by the Department of Mobility on Vote 8	Deliberation on Vote 8: Mobility, in the Schedule to the Western Cape Adjustments Appropriation Bill, 2023.	All information requested was submitted
WCPP 11/4/7	Briefing by the National Department of Transport	The National Department of Transport and the Western Cape Mobility Department briefed the committee on Transport on the Railway Safety Bill and the Transport Appeal Tribunal Amendment Bill.	All information requested was submitted

8 Public Accounts Committee resolutions

8.1. Response to the report of the Public Accounts Committee (PAC) on the 2022/23 Annual Report

The Committee noted the audit opinion of the Auditor-General regarding the annual financial statements of the entity for the 2022/23 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2021/22 financial year.

Audit opinion

The Auditor-General of South Africa raised no findings with the entity on compliance with laws and regulations, predetermined objectives nor deficiencies in its internal controls.

Financial management

During the financial year under review, GMT spent R607.933 million of an appropriated budget of R693.114 million, which resulted in an underspending of R85.181 million (87,7% budget spend). For the 2021/22 financial year, the entity spent R718.448 million of an appropriated budget of R771.134 million, which resulted in an underspending of R52.689 million (93% budget spend).

In addition, the total estimated revenue budget of the Government Motor Transport of R876.258 million was over-collected by R117.704 million, which resulted in a departmental receipt of R876.258 million.

The over- and under-collection of revenue occurred under the following categories of revenue:

- Daily-, kilometre tariffs and interest earned on finance lease receivables (*R94.325 million over-collected*);
- Other income (*R5.755 million under-collected*);
- Government grants and other subsidies received (funding received from clients for additional vehicles) (*R7.408 million over-collected*);
- Services in-kind (*R1.987 million under-collected*); and
- Interest earned – accounts receivables, and cash and cash equivalents (*R23.713 million over-collected*).

8.2. Resolution/s

None.

8.3. List of information required

None.

9 Prior modifications to Audit Reports

New Department established from effect 1 April 2023.

Part
A

GENERAL
INFORMATION

Part
B

PERFORMANCE
INFORMATION

Part
C

GOVERNANCE

Part
D

HUMAN
RESOURCE
MANAGEMENT

Part
E

PFMA
COMPLIANCE
REPORT

Part
F

FINANCIAL
MANAGEMENT

10 Internal Control units

ISSUES	WORK PERFORMED
Internal control commentary	<p>Provided comments on the following documents:</p> <ul style="list-style-type: none"> • Ethics and Integrity Management Implementation Plan WCMD; • Ethics and Integrity Management Strategy WCMD; • Terms of Reference Ethics Committee WCMD; and • Zero-based approach for the strategic risk profile.
Financial delegations	<p>The Public Finance Management Act (PFMA) Accounting Officer's delegations were re-issued in totality for WCMD during 2023/24 financial year during the DOI & WCMD Management Arrangement. Re-issue is underway in terms of a consolidated Delegation document which include new specific GMT items.</p>
The development, review, and amendment of standard operating procedures and policies to enhance financial governance	<p>List of all Finance Instructions issued in terms of the DOI & WCMD Management Arrangement from 1 April 2023 – 01 October 2023 and WCMD Finance Instructions.</p> <p>Western Cape Government Anti-Fraud and Corruption Strategy 2022:</p> <ul style="list-style-type: none"> • Finance Instruction 2 of 2023. <p>Adoption of Whistle blowing policy:</p> <ul style="list-style-type: none"> • Finance Instruction 3 of 2023. <p>Fraud and Corruption Prevention and Response Plan:</p> <ul style="list-style-type: none"> • Finance Instruction 4 of 2023. <p>Management of Losses and Claims:</p> <ul style="list-style-type: none"> • Finance Instruction 5 of 2023. <p>Annual revision of subsistence and camping allowance:</p> <ul style="list-style-type: none"> • Finance Instruction 6 of 2023. <p>Entertainment Expenditure:</p> <ul style="list-style-type: none"> • Finance Instruction 7 of 2023. <p>Catering:</p> <ul style="list-style-type: none"> • Finance Instruction 8 of 2023. <p>Declaration of gifts by employees:</p> <ul style="list-style-type: none"> • Finance Instruction 9 of 2023. <p>Travel and subsistence:</p> <ul style="list-style-type: none"> • Finance Instruction 10 of 2023. <p>Authorisation of Overtime:</p> <ul style="list-style-type: none"> • Finance Instruction 11 of 2023. <p>Awareness brochure in respect of the PFMA s45:</p> <ul style="list-style-type: none"> • Finance Instruction 12 of 2023. <p>Attendance of External Conferences:</p> <ul style="list-style-type: none"> • Finance Instruction 13 of 2023. <p>Departmental Fraud and Corruption Prevention Implementation Plan 2023/24–2025/26:</p> <ul style="list-style-type: none"> • Finance Instruction 14 of 2023. <p>Forensic Investigation Process:</p> <ul style="list-style-type: none"> • Finance Instruction 15 of 2023. <p>Finance SOP: Use of Basic Accounting System Expenditure vouchers and system:</p> <ul style="list-style-type: none"> • Finance Instruction 16 of 2023. <p>Payment Stubs, Document Control Report and System Password Control:</p> <ul style="list-style-type: none"> • Finance Instruction 17 of 2023. <p>Distribution of Salary Advices, Payrolls and Certification of the Latter:</p> <ul style="list-style-type: none"> • Finance Instruction 18 of 2023. <p>Management and treatment of IFW&U Expenditure:</p> <ul style="list-style-type: none"> • Finance Instruction 19 of 2023. <p>AO delegations (new set issued):</p> <ul style="list-style-type: none"> • Finance Instruction 20 of 2023. <p>Granting of gifts, donations and Sponsorships by the department:</p> <ul style="list-style-type: none"> • Finance Instruction 21 of 2023. <p>Acceptance of gifts, donations and Sponsorships by the department:</p> <ul style="list-style-type: none"> • Finance Instruction 22 of 2023. <p>Appointment of AGSA key audit team members:</p> <ul style="list-style-type: none"> • Finance Instruction 23 of 2023. <p>Personal Use of Department's name:</p> <ul style="list-style-type: none"> • Finance Instruction 24 of 2023. <p>Tariff approval process and required information:</p> <ul style="list-style-type: none"> • Finance Instruction 25 of 2023. <p>Standard Operating Procedure with regard to Strongboxes / Safes:</p> <ul style="list-style-type: none"> • Finance Instruction 26 of 2023.

ISSUES	WORK PERFORMED						
The development, review, and amendment of standard operating procedures and policies to enhance financial governance	<p>Allowances and Tariffs for Calculation and Application:</p> <ul style="list-style-type: none"> Finance Instruction 27 of 2023. <p>Adjustment of Danger Allowances:</p> <ul style="list-style-type: none"> Finance Instruction 28 of 2023. <p>Adjustment of the Determination and Directive on Working Time 2015:</p> <ul style="list-style-type: none"> Finance Instruction 29 of 2023. <p>Finance SOP: Cellular Phone and Data (Data Card) Policy:</p> <ul style="list-style-type: none"> Finance Instruction 30 of 2023. <p>Asset Accounting Policy Guide on the Classification, Recognition & Measurement of Capital Assets:</p> <ul style="list-style-type: none"> Finance Instruction 31 of 2023. <p>Acquisition of Enterprise Resource Plan Systems:</p> <ul style="list-style-type: none"> Finance Instruction 32 of 2023. <p>Internal Audit Charter:</p> <ul style="list-style-type: none"> Finance Instruction 33 of 2023. <p>Management and Treatment of Internal Audit reports:</p> <ul style="list-style-type: none"> Finance Instruction 34 of 2023. <p>Tabling of Statutory Publications & Alignment of Reports to PAC Resolutions:</p> <ul style="list-style-type: none"> Finance Instruction 35 of 2023. <p>Newspaper Subscriptions:</p> <ul style="list-style-type: none"> Finance Instruction 36 of 2023. <p>Year-End Functions:</p> <ul style="list-style-type: none"> Finance Instruction 37 of 2023. <p>Submissions to Higher Authorities:</p> <ul style="list-style-type: none"> Finance Instruction 38 of 2023. <p>Interim Financial Statements – June 2023:</p> <ul style="list-style-type: none"> Finance Instruction 39 of 2023. <p>WCMD ERMCO Terms of Reference 2023/2024:</p> <ul style="list-style-type: none"> Finance Instruction 41 of 2023. <p>WCMD Declaration of Gifts by Employees:</p> <ul style="list-style-type: none"> Finance Instruction 42 of 2023. <p>WCMD Interim Financial Statement – Dec 2023:</p> <ul style="list-style-type: none"> Finance Instruction 45 of 2023. 						
Provincial Forensic Services reports	Attended to investigation requests of the three reports received. All three investigations still in progress at PFS.						
External audit process	To ensure continuity with the prior year audit outcome, essential preparation work was performed prior to the commencement of the new audit cycle in January 2024.						
Internal audit process	As at 31 March 2024, 3 new as well as 2 follow-up reports were received. Implementation of the recommendations were managed through the Departmental Corporate Governance Improvement Plan (DCGIP).						
Retention of financial information	During the 2023–2024 financial year, 4 584 WCMD Basic Accounting System (BAS) payment vouchers, 2 671 WCMD BAS journals and 9 335 WCMD receipts were verified against the monthly document control reports to ensure completeness and safeguarding of financial information.						
Reporting	<table border="1"> <tbody> <tr> <td>Reporting done under the administration of the WCMD:</td> <td> <ul style="list-style-type: none"> Public Accounts Committee (Resolutions); Public Service Commission (Financial Misconduct); Department of Public Service and Administration (Corruption and Fraud); Top Management (Departmental Corporate Governance Improvement Plan); Audit Committee (Departmental Corporate Governance Improvement Plan); Top Management (Irregular, Fruitless and Wasteful Expenditure); Audit Committee (Irregular, Fruitless and Wasteful Expenditure); ERMCO (Fraud Prevention Strategy Implementation Plan and Fraud Risk Registers); and IYM (in-year monitoring) (Irregular, Fruitless and Wasteful Expenditure). </td> <td> Annually Quarterly Quarterly Monthly Quarterly Monthly Quarterly Quarterly Monthly </td> </tr> <tr> <td>Reporting done by GMT:</td> <td> <ul style="list-style-type: none"> In-year monitoring (Top Management); Interim Financial Statements (Top Management, Audit Committee and Provincial Treasury); Annual Financial Statements (Top Management, Audit Committee, AGSA and Provincial Treasury); and Quarterly Performance Reports. </td> <td> Monthly Annually Annually Quarterly </td> </tr> </tbody> </table>	Reporting done under the administration of the WCMD:	<ul style="list-style-type: none"> Public Accounts Committee (Resolutions); Public Service Commission (Financial Misconduct); Department of Public Service and Administration (Corruption and Fraud); Top Management (Departmental Corporate Governance Improvement Plan); Audit Committee (Departmental Corporate Governance Improvement Plan); Top Management (Irregular, Fruitless and Wasteful Expenditure); Audit Committee (Irregular, Fruitless and Wasteful Expenditure); ERMCO (Fraud Prevention Strategy Implementation Plan and Fraud Risk Registers); and IYM (in-year monitoring) (Irregular, Fruitless and Wasteful Expenditure). 	Annually Quarterly Quarterly Monthly Quarterly Monthly Quarterly Quarterly Monthly	Reporting done by GMT:	<ul style="list-style-type: none"> In-year monitoring (Top Management); Interim Financial Statements (Top Management, Audit Committee and Provincial Treasury); Annual Financial Statements (Top Management, Audit Committee, AGSA and Provincial Treasury); and Quarterly Performance Reports. 	Monthly Annually Annually Quarterly
Reporting done under the administration of the WCMD:	<ul style="list-style-type: none"> Public Accounts Committee (Resolutions); Public Service Commission (Financial Misconduct); Department of Public Service and Administration (Corruption and Fraud); Top Management (Departmental Corporate Governance Improvement Plan); Audit Committee (Departmental Corporate Governance Improvement Plan); Top Management (Irregular, Fruitless and Wasteful Expenditure); Audit Committee (Irregular, Fruitless and Wasteful Expenditure); ERMCO (Fraud Prevention Strategy Implementation Plan and Fraud Risk Registers); and IYM (in-year monitoring) (Irregular, Fruitless and Wasteful Expenditure). 	Annually Quarterly Quarterly Monthly Quarterly Monthly Quarterly Quarterly Monthly					
Reporting done by GMT:	<ul style="list-style-type: none"> In-year monitoring (Top Management); Interim Financial Statements (Top Management, Audit Committee and Provincial Treasury); Annual Financial Statements (Top Management, Audit Committee, AGSA and Provincial Treasury); and Quarterly Performance Reports. 	Monthly Annually Annually Quarterly					
Departmental Corporate Governance Improvement Plan	<p>The DCGIP was updated with findings from the AGSA Management report, Internal Audit reports, Provincial Treasury GAP (Gap Analysis Project) analysis, Provincial Forensic Services reports and PAC resolutions.</p> <p>At year-end, three projects in this regard were monitored.</p>						

ISSUES	WORK PERFORMED
Financial Manual on the Electronic Content Management system	Maintenance of the system and loading of governance documents on an ongoing basis.
Financial Inspections	<ul style="list-style-type: none"> • 10 compliance inspections and 2 ad-hoc inspections were conducted; • 1 563 BAS payment vouchers were post-audited; and • As part of the Inspectorate's Operational Plan, the accruals for the financial year are verified for <u>validity, accuracy and completeness</u> prior to submission into the Annual Financial Statements by inspection of all LOGIS (Logistical Information System) and BAS payments in the months before and after year-end to ensure the amount is fairly stated.
Loss control case files: Cases relate to claims against and by the state, damages to government motor vehicles and loss of moveable assets	<ul style="list-style-type: none"> • 2 688 crashes and losses cases processed.
Irregular, fruitless and wasteful case files	WCMD: <ul style="list-style-type: none"> • Opening balance 1 April 2023 (0) • New cases registered (0) • Total cases investigated (0) • Cases closed (0) • Balance as at 31 March 2024 (0)

Discuss the work performed by internal control unit during the year.

11 Internal Audit and Audit Committees

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the trading entity. It assists the trading entity to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the trading entity's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process; and
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for the GMT included one assurance engagement. Details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the trading entity, which includes oversight and responsibilities relating to:

- Internal Audit function;
- External Audit function (Auditor-General of South Africa);
- Departmental accounting and reporting;
- Financial Accounting Policies;
- Review of AGSA management and audit report;
- Review of Departmental In-Year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives; and
- Ethics and Forensic Investigations.

The table below discloses relevant information on the audit committee members:

Table 18: Audit Committee members

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Mr Mervyn Burton (Chairperson)	B.Compt; B.Compt (Hons); CA (SA)	External	n/a	1 January 2021 (2nd term)	31 March 2024	7
Mr Ebrahim Abrahams	B.Com (Accounting)	External	n/a	1 January 2022 (2nd term)	n/a	7
Mr Tshepo Lesihla	ND IT and Master of Technology in IT	External	n/a	1 January 2021 (1st term)	31 March 2024 (Contract expired)	7
Ms Louise Stevens	ND: Fin Info Systems CIA, CCSA, CRMA, PEQA	External	n/a	1 January 2022 (1st term)	n/a	7
Mr C Bunting (Chairperson)	ND: Internal Audit MBA	External	n/a	1 April 2024 (1st Term)	n/a	n/a
Ms A Cilliers	CA (SA)	External	n/a	1 April 2024 (1st Term)	n/a	n/a
Mr A Davids	BCom; ACG(CS); BA(SA)	External	n/a	1 April 2024 (1st Term)	n/a	n/a
Mr S Ndwandwa	BCom; BCom Honours; CA (SA; MPhil)	External	n/a	1 April 2024 (1st Term)	26 May 2024	n/a

On 1 November 2023, Cabinet approved the restructuring of the Western Cape Government Audit Committees to align to the WCG's priorities. This reduced the number of Audit Committees from six to three and resulted in the Jobs Cluster Audit Committee providing oversight to the Department from 1 April 2024.

12 Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **Section 38 (1) (a) (ii) of the Public Finance Management Act (PFMA) and National Treasury Regulation 3.1.13**. In addition, the Audit Committee has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1.10. The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

The effectiveness of Internal Control

The Department (including the GMT trading entity) is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in, to promote efficiency and effectiveness of operations, and to support reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Department, facilitated by Internal Audit, which is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks, and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagement was approved by the audit committee and completed by the internal audit during the year under review.

Assurance Engagement

- GMT Traffic Violations

The internal audit plan was completed for the year. The areas for improvements, as noted by internal audit during performance of their work; were agreed to by management. The Audit Committee continues to monitor the actions on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the National Treasury Regulations and the Division of Revenue Act.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the Audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the AGSA's Management Report and management's response thereto; and
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements.

Compliance

The Audit Committee has reviewed the GMT's processes for compliance with legal and regulatory provisions. Feedback on new provisions that has an impact on the Department are provided quarterly to the Audit Committee.

Provincial Forensics Services

The Audit Committee has reviewed the reports presented by Provincial Forensic Services on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

Performance information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

Report of the Auditor-General of South Africa

The Audit Committee has on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these Audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for maintaining an unqualified audit opinion, with no findings.



MR COMFORT BUNTING

CHAIRPERSON OF THE JOBS CLUSTER AUDIT COMMITTEE

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 6 August 2024

13 B-BBEE compliance performance information

The table below has been completed to comply with the B-BBEE requirements of the B-BBEE Act of 2013 as determined by the Department of Trade, Industry and Competition.

HAS THE TRADING ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1-8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	RESPONSE YES/ NO	ATTACHMENT
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	Yes	When EPS, limited bid or open bid processes are applied.
Developing and implementing a preferential procurement policy	n/a	The department (including GMT) conforms to the national PPP legislation.
Determining qualification criteria for the sale of state-owned enterprises	Yes	When EPS, limited bid or open bid processes are applied.
Developing criteria for entering into partnerships with the private sector	Yes	When EPS, limited bid or open bid processes are applied.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	Yes	When EPS, limited bid or open bid processes are applied.

Approved by:

Marissa Moore

Digitally signed by Marissa Moore
Date: 2024.08.28 18:01:21 +02'00'

MARISSA MOORE

HEAD: MOBILITY

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 28 AUGUST 2024

Part D

Human resource management



Part D

Human resource management

1 Introduction

Our ability to contribute effectively to the work of the WCG is as a direct outcome of the persistent, and often selfless, efforts of the people in Government Motor Transport, under the auspices of the Western Cape Mobility Department, despite the contemporary landscape of people management having undergone significant changes in recent years, necessitating intricate navigation through various competing factors.

The recent implementation of the DPSA Directive on managing fiscal sustainability, which will be in effect until 31 March 2025, signified a pivotal moment during the period under review.

While our dedication to service delivery remains steadfast, the realities of constrained budgets and stringent regulations necessitate a strategic reassessment of our approach to talent management. One key impact that looms large in this new paradigm is the challenge of “doing more with less” in the face of staff turnover. As outlined in the directive, when staff exit GMT, their posts cannot be immediately filled, placing added strain on existing resources. This reality underscores the critical importance of talent retention strategies and succession planning initiatives within GMT.

Challenges faced during the period include striking a balance between service delivery imperatives and prudent resource allocation, leveraging technology and innovative practices to maximise efficiency, while at the same time attracting and retaining critical and scarce skills, empowering the workforce, managing career development, succession planning, promoting employment equity, and creating an environment that enables employee growth and fulfilment.

Despite the challenges posed by the evolving landscape of people management, we remain steadfast in our commitment to driving positive change within GMT, the WCG and ultimately the citizens that we serve.

2 Status of people management at the Department

2.1. Departmental workforce planning priorities

The role of workforce planning is important to ensure that the Department and GMT has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the GMT trading entity annually assesses its workforce profile against current and future organisational needs.

The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.

The Workforce Plan 2023–2026 is therefore aligned to the vision and mission of GMT, under the auspices of the Mobility Department’s Strategic Plan.

The assumptions on which this Workforce Plan was developed are still valid, and the Action Plan was reviewed to ensure that strategies (as per the listed priorities) would achieve its outcomes.

Identifying and developing the required organisational capability:

- Values and Competency based recruitment practices (which includes the possibility of an online Application and Screening system to enhance the recruitment practices and attract the right candidates that are future and culture-fit);
- Diversify the talent pool;
- Learning interventions to address the following:
 - Talent and skills development for employees on new emerging skills (e.g., 4IR Meta Competencies/ functional and technical skills as well as behavioural skills) that are critically needed to support the future-fit organisation; and
 - Prioritise training interventions to address Departmental Critical Competencies and Career Development Plan (CCCDP) requirements (departmental specific aligned with Personal Development Plans, Workplace Skill Plans and generic/ transversal competencies per salary band).
- Development and implementation of the Future-fit Skills Strategy (FFSS);
- Youth development programmes for assisting with creating talent pipelines (internships);
- Reconfiguration of the Provincial Training Institute (PTI) into a provincial learning and innovation centre;
- Employment Equity (EE) priorities according to the Employment Equity Plan to guide the Recruitment and Selection decisions of GMT;
- Provide Health and Wellness interventions/services in support of employee wellbeing; and
- Develop and implement the transition to a New Way of Work/WCG citizen-centric culture project.

2.2. Employee performance management

The purpose of performance management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is in essence a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process, the WCG has devised an electronic system, namely the Performance Management Information System (PERMIS), that allows for the entire performance management process to be captured, monitored and managed.

The performance management process requires that a mid-year review and an annual assessment are conducted, but that the operational targets and achievements linked to the performance agreement are monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established in the Department of the Premier Chief Directorate: People Management Practices to assist line managers (people managers) to deal with poor performance. The process is developmental. However, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or, alternatively, to disciplinary action.

2.3. Employee wellness

The WCG's transversal Employee Health and Wellness Programme (EHWP) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHWP is monitored in GMT through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incident counselling, training and targeted intervention, executive coaching, and advocacy).

A quarterly report is prepared by the Directorate: Transversal People Capacity Enablement within the Department of the Premier that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, ongoing reporting to the DPSA is a requirement, and such reporting focuses on four areas: Human Immunodeficiency Virus (HIV)/ Acquired immune deficiency syndrome (AIDS), Health and Productivity, Wellness Management, and SHERQ (Safety, Health, Environment, Risk and Quality).

2.4. People management monitoring

GMT, in collaboration with the Department of the Premier, monitors the implementation of a range of people management compliance indicators. The monthly management information, that is developed by the Chief Directorate: People Management Practices within the Department of the Premier, provides the GMT with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement and employment equity etcetera.

3 People management oversight statistics

3.1. Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the BAS and the figures in Table 3.1.2 are drawn from the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the total expenditure reflected on these systems.

The key in the table below is a description of the GMT trading entity within the Department. This report only covers GMT.

ENTITY ABBREVIATION	ENTITY DESIGNATION
Trading entity	Government Motor Transport (GMT)

Table 3.1.1: Personnel expenditure by entity, 2023/24

ENTITY	TOTAL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	GOODS AND SERVICES (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL EXPENDITURE PER EMPLOYEE (R')	NUMBER OF EMPLOYEES REMUNERATED
GMT	654,998	56,073	48	598,877	8.7	395	142

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Provincial Minister. The number is accumulative and not a snapshot as at a specific date.

Table 3.1.2: Personnel expenditure by salary band, 2023/24

SALARY BAND	PERSONNEL EXPENDITURE (R'000)	% OF TOTAL PERSONNEL EXPENDITURE	AVERAGE PERSONNEL EXPENDITURE PER EMPLOYEE (R'000)	NUMBER OF EMPLOYEES
Interns	-	-	-	-
Lower skilled (Levels 1-2)	3 678	6.6	216	17
Skilled (Levels 3-5)	13 832	24.8	288	48
Highly skilled production (Levels 6-8)	28 336	50.9	436	65
Highly skilled supervision (Levels 9-12)	5 811	10.4	646	9
Senior management (Levels 13-16)	4 014	7.2	1 338	3
TOTAL	55 669	100.0	392	142

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Provincial Minister. The number is accumulative and not a snapshot as at a specific date.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as pensions, performance bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

Table 3.1.3: Salaries, overtime, housing allowance and medical assistance by entity, 2023/24

ENTITY	SALARIES		OVERTIME		HOUSING ALLOWANCE		MEDICAL ASSISTANCE	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	HOUSING ALLOWANCE AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	MEDICAL ASSISTANCE AS A % OF PERSONNEL EXPENDITURE
GMT	38 849	69.8	81	0.1	2 089	3.8	4 408	7.9

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL system and not BAS. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. salaries, overtime, housing and medical assistance. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

Table 3.1.4: Salaries, overtime, housing allowance and medical assistance by salary band, 2023/24

SALARY BAND	SALARIES		OVERTIME		HOUSING ALLOWANCE		MEDICAL ASSISTANCE	
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	HOUSING ALLOWANCE AS A % OF PERSONNEL EXPENDITURE	AMOUNT (R'000)	MEDICAL ASSISTANCE AS A % OF PERSONNEL EXPENDITURE
Interns	-	-	-	-	-	-	-	-
Lower skilled (Levels 1-2)	2 195	3.9	42	0.1	285	0.5	694	1.2
Skilled (Levels 3-5)	9 464	17.0	40	0.1	747	1.3	1 503	2.7
Highly skilled production (Levels 6-8)	20 540	36.9	-	-	966	1.7	1 996	3.6
Highly skilled supervision (Levels 9-12)	4 005	7.2	-	-	91	0.2	188	0.3
Senior management (Levels 13-16)	2 645	4.8	-	-	-	-	27	0.0
TOTAL	38 849	69.8	81	0.1	2 089	3.8	4 408	7.9

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL system and not BAS. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. salaries, overtime, housing and medical assistance. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

3.2. Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Provincial Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), salary band (Table 3.2.2) and critical occupation (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1: Employment and vacancies by entity, as at 31 March 2024

ENTITY	NUMBER OF ACTIVE POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %
GMT	134	132	1.5

Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2024

SALARY BAND	NUMBER OF ACTIVE POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %
Lower skilled (Levels 1-2)	21	21	-
Skilled (Levels 3-5)	51	51	-
Highly skilled production (Levels 6-8)	49	49	-
Highly skilled supervision (Levels 9-12)	10	8	20.0
Senior management (Levels 13-16)	3	3	-
TOTAL	134	132	1.5

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2024

CRITICAL OCCUPATIONS	NUMBER OF ACTIVE POSTS	NUMBER OF POSTS FILLED	VACANCY RATE %
None			

3.3. Job evaluation

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in their organisations or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that job evaluation and staff performance management differ in the sense that job evaluation refers to the value/ weighting of the activities that are associated with the post, and staff performance management refers to the review of an individual's performance.

Table 3.3.1: Job evaluation, 1 April 2022 to 31 March 2024

SALARY BAND	TOTAL NUMBER OF ACTIVE POSTS AS AT 31 MARCH 2024	NUMBER OF POSTS EVALUATED	% OF POSTS EVALUATED	POSTS UPGRADED		POSTS DOWNGRADED	
				NUMBER	POSTS UPGRADED AS A % OF TOTAL POSTS	NUMBER	POSTS DOWNGRADED AS A % OF TOTAL POSTS
Lower skilled (Levels 1-2)	21	-	-	-	-	-	-
Skilled (Levels 3-5)	51	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	49	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	10	-	-	-	-	-	-
Senior Management Service Band A (Level 13)	2	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	1	-	-	-	-	-	-
TOTAL	134	-	-	-	-	-	-

Note: The "Number of posts evaluated" per Salary Band reflects the Final Approved Post Level after Job Evaluation.

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2023 to 31 March 2024

BENEFICIARIES	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
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None

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2023 to 31 March 2024

MAJOR OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION ON A HIGHER SALARY LEVEL	REMUNERATION ON A HIGHER NOTCH OF THE SAME SALARY LEVEL	REASON FOR DEVIATION
					None

None

Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2023 to 31 March 2024

BENEFICIARIES	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
					None

None

3.4. Employment changes

Turnover rates provide an indication of trends in the employment profile of the entity during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include intern information.

Table 3.4.1: Annual turnover rates by salary band, 1 April 2023 to 31 March 2024

SALARY BAND	NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	TURNOVER RATE % 2022/23	APPOINTMENTS INTO THE ENTITY	TRANSFERS INTO THE ENTITY	TERMINATIONS OUT OF THE ENTITY	TRANSFERS OUT OF THE ENTITY	TURNOVER RATE % 2023/24
Lower skilled (Levels 1-2)	22	7.7	-	-	1	-	4.5
Skilled (Levels 3-5)	56	10.9	1	-	2	2	7.1
Highly skilled production (Levels 6-8)	51	9.7	-	-	5	-	9.8
Highly skilled supervision (Levels 9-12)	8	27.3	1	-	1	-	12.5
Senior Management Service Band A (Level 13)	2	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	1	-	-	-	-	-	-
TOTAL	140	10.7	2	-	9	2	7.9
			2		11		

Note: "Transfers" refer to the lateral movement of employees from one public service department to another (both provincially and nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2023).

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2023 to 31 March 2024

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	TURNOVER RATE % 2022/23	APPOINTMENTS INTO THE ENTITY	TRANSFERS INTO THE ENTITY	TERMINATIONS OUT OF THE ENTITY	TRANSFERS OUT OF THE ENTITY	TURNOVER RATE % 2023/24
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None

Table 3.4.3: Staff leaving the employ of the entity, 1 April 2023 to 31 March 2024

EXIT CATEGORY	NUMBER	% OF TOTAL EXITS	NUMBER OF EXITS AS A % OF TOTAL NUMBER OF EMPLOYEES AS AT 31 MARCH 2023
Death	-	-	-
Resignation*	4	36.4	2.9
Expiry of contract	-	-	-
Dismissal – operational changes	-	-	-
Dismissal – misconduct	-	-	-
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	5	45.5	3.6
Employee initiated severance package	-	-	-
Transfers to statutory bodies	-	-	-
Transfers to other public service departments	2	18.2	1.4
Promotion to another WCG department	-	-	-
TOTAL	11	100.0	7.9

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of GMT.

*Resignations are further discussed in **Table 3.4.4** and **Table 3.4.5**.

Table 3.4.4: Reasons why staff resigned, 1 April 2023 to 31 March 2024

RESIGNATION REASONS	NUMBER	% OF TOTAL RESIGNATIONS
Need for career change	1	25.0
No reason provided	2	50.0
Personal health	1	25.0
TOTAL	4	100.0

Table 3.4.5: Different age groups of staff who resigned, 1 April 2023 to 31 March 2024

AGE GROUP	NUMBER	% OF TOTAL RESIGNATIONS
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	-	-
Ages 30 to 34	-	-
Ages 35 to 39	-	-
Ages 40 to 44	3	75.0
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	1	25.0
Ages 60 to 64	-	-
Ages 65 >	-	-
TOTAL	4	100.0

Table 3.4.6: Employee-initiated severance packages

TOTAL NUMBER OF EMPLOYEE-INITIATED SEVERANCE PACKAGES OFFERED IN 2023/2024	NONE
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Table 3.4.7: Promotions by salary band, 1 April 2023 to 31 March 2024

SALARY BAND	EMPLOYEES AS AT 31 MARCH 2023	PROMOTIONS TO ANOTHER SALARY LEVEL	PROMOTIONS AS A % OF TOTAL EMPLOYEES	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY BAND	NOTCH PROGRESSIONS AS A % OF TOTAL EMPLOYEES WITHIN A SALARY BAND
Lower skilled (Levels 1-2)	22	-	-	3	13.6
Skilled (Levels 3-5)	56	-	-	27	48.2
Highly skilled production (Levels 6-8)	51	1	2.0	25	49.0
Highly skilled supervision (Levels 9-12)	8	1	12.5	4	50.0
Senior management (Levels 13-16)	3	-	-	1	33.3
TOTAL	140	2	1.4	60	42.9

Note: Promotions refer to the total number of employees who have advanced to a higher post level within GMT by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions are not included.

Table 3.4.8: Promotions by critical occupation, 1 April 2023 to 31 March 2024

CRITICAL OCCUPATION	EMPLOYEES AS AT 31 MARCH 2023	PROMOTIONS TO ANOTHER SALARY LEVEL	PROMOTIONS AS A % OF TOTAL EMPLOYEES IN CRITICAL OCCUPATIONS	PROGRESSIONS TO ANOTHER NOTCH WITHIN A CRITICAL OCCUPATION	NOTCH PROGRESSIONS AS A % OF TOTAL EMPLOYEES WITHIN A CRITICAL OCCUPATION
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None

3.5. Employment equity

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational level, as at 31 March 2024

OCCUPATIONAL LEVEL	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Senior management (Levels 13-14)	-	1	-	2	-	-	-	-	-	-	3
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	2	-	2	-	3	-	-	-	-	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	3	23	-	8	5	19	-	2	-	-	60
Semi-skilled and discretionary decision making (Levels 3-5)	2	10	-	1	14	16	-	1	-	-	44
Unskilled and defined decision making (Levels 1-2)	6	8	-	1	1	1	-	-	-	-	17
TOTAL	12	44	-	14	20	39	-	3	-	-	132
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	12	44	-	14	20	39	-	3	-	-	132

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level. For the number of employees with disabilities, refer to **Table 3.5.2**.

Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational level, as at 31 March 2024

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Senior management (Levels 13-14)	-	-	-	1	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	1	-	2	-	-	-	-	-	-	3
Semi-skilled and discretionary decision making Levels 3-5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	1	-	3	-	-	-	-	-	-	4
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	1	-	3	-	-	-	-	-	-	4

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational level include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

Table 3.5.3: Recruitment, 1 April 2023 to 31 March 2024

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	-	-	-	-	1	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	1	-	-	-	-	-	1
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	1	1	-	-	-	-	2
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	1	1	-	-	-	-	2

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to the appointment of new employees to the staff establishment of the GMT but excludes interns. The totals include transfers from other government departments and/or institutions, as per **Table 3.4.1**.

Table 3.5.4: Promotions, 1 April 2023 to 31 March 2024

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	1	-	-	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	1	-	-	-	-	-	1
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1	-	-	-	1	-	-	-	-	-	2
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	1	-	-	-	1	-	-	-	-	-	2

A = African; C = Coloured; I = Indian; W = White.

Note: Promotions refer to the total number of employees who have advanced to a higher post level within GMT, by applying and being successful for an advertised post, through the recruitment and selection process as per **Table 3.4.7**.

Table 3.5.5: Terminations, 1 April 2023 to 31 March 2024

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	-	-	-	-	-	-	-	1	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	2	-	3	-	-	-	-	-	-	5
Semi-skilled and discretionary decision making (Levels 3-5)	-	1	-	-	-	3	-	-	-	-	4
Unskilled and defined decision making (Levels 1-2)	1	-	-	-	-	-	-	-	-	-	1
TOTAL	1	3	-	3	-	3	-	1	-	-	11
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	1	3	-	3	-	3	-	1	-	-	11

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees (excluding interns) who have left the employ of GMT, including transfers to other departments, as per **Table 3.4.1**.

Table 3.5.6: Disciplinary actions, 1 April 2023 to 31 March 2024

DISCIPLINARY ACTIONS	MALE				FEMALE			FOREIGN NATIONALS			TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Suspension without pay coupled with a Final Written Warning	-	-	-	-	1	-	-	-	-	-	1
TOTAL	-	-	-	-	1	-	-	-	-	-	1
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	1	-	-	-	-	-	1

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and the types of misconduct addressed at disciplinary hearings, refer to **Table 3.12.2** and **Table 3.12.3**.

Table 3.5.7: Skills development, 1 April 2023 to 31 March 2024

OCCUPATIONAL LEVEL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Senior management (Levels 13-14)	-	-	-	2	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	1	-	1	-	1	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	10	-	3	2	7	-	-	24
Semi-skilled and discretionary decision making (Levels 3-5)	1	4	-	-	4	9	-	1	19
Unskilled and defined decision making (Levels 1-2)	5	6	-	-	-	-	-	-	11
TOTAL	8	21	-	6	6	17	-	1	59
Temporary employees	-	-	-	-	-	-	-	-	-
GRAND TOTAL	8	21	-	6	6	17	-	1	59

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to **Table 3.13.2**.

3.6. Signing of performance agreements by SMS members

Table 3.6.1: Signing of performance agreements by SMS members, as at 31 May 2023

SMS LEVEL	NUMBER OF ACTIVE SMS POSTS PER LEVEL	NUMBER OF SMS MEMBERS PER LEVEL	NUMBER OF SIGNED PERFORMANCE AGREEMENTS PER LEVEL	SIGNED PERFORMANCE AGREEMENTS AS % OF SMS MEMBERS PER LEVEL
Salary Level 14	1	1	1	100.0
Salary Level 13	2	2	2	100.0
TOTAL	3	3	3	100.0

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members, have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to **Table 3.8.5** in this regard.

Table 3.6.2: Reasons for not having concluded performance agreements with all SMS members on 31 May 2023

REASONS FOR NOT CONCLUDING PERFORMANCE AGREEMENTS WITH ALL SMS
None

Table 3.6.3: Disciplinary steps taken against SMS members for not having concluded performance agreements on 31 May 2023

DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS
None required

3.7. Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information of advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

Table 3.7.1: SMS posts information, as at 30 September 2023

SMS LEVEL	NUMBER OF ACTIVE SMS POSTS PER LEVEL	NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Salary Level 14	1	1	100.0	-	-
Salary Level 13	2	2	100.0	-	-
TOTAL	3	3	100.0	-	-

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

Table 3.7.2: SMS posts information, as at 31 March 2024

SMS LEVEL	NUMBER OF ACTIVE SMS POSTS PER LEVEL	NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Salary Level 14	1	1	100.0	-	-
Salary Level 13	2	2	100.0	-	-
TOTAL	3	3	100.0	-	-

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

Table 3.7.3: Advertising and filling of SMS posts, as at 31 March 2024

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED WITHIN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED WITHIN 6 MONTHS AFTER BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED WITHIN 6 MONTHS BUT FILLED WITHIN 12 MONTHS

None

Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS LEVEL	REASONS FOR NON-COMPLIANCE

N/A

Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS

None required

3.8. Employee performance

The following tables note the number of staff by salary band (Table 3.8.1) and staff within critical occupation (Table 3.8.2) who received a notch progression as a result of performance management. (i.e., qualifying employees who scored between 3 and 4 in their performance ratings).

Table 3.8.1: Notch progressions by salary band, 1 April 2023 to 31 March 2024

SALARY BAND	EMPLOYEES AS AT 31 MARCH 2023	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY BAND	NOTCH PROGRESSIONS AS A % OF TOTAL EMPLOYEES WITHIN A SALARY BAND
Lower skilled (Levels 1-2)	22	3	13.6
Skilled (Levels 3-5)	56	27	48.2
Highly skilled production (Levels 6-8)	51	25	49.0
Highly skilled supervision (Levels 9-12)	8	4	50.0
Senior management (Levels 13-16)	3	1	33.3
TOTAL	140	60	42.9

Table 3.8.2: Notch progressions by critical occupation, 1 April 2023 to 31 March 2024

CRITICAL OCCUPATION	EMPLOYEES AS AT 31 MARCH 2023	PROGRESSIONS TO ANOTHER NOTCH WITHIN A CRITICAL OCCUPATION	NOTCH PROGRESSIONS AS A % OF TOTAL EMPLOYEES WITHIN A CRITICAL OCCUPATION
None			

Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2023 to 31 March 2024

RACE AND GENDER	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP AS AT 31 MARCH 2023	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)
None					

Table 3.8.4: Performance rewards (cash bonus), by salary band for personnel below Senior Management Service level, 1 April 2023 to 31 March 2024

SALARY BAND	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP AS AT 31 MARCH 2023	% OF TOTAL WITHIN SALARY BANDS	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)	COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
None						

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2023 to 31 March 2024

SALARY BAND	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP AS AT 31 MARCH 2023	% OF TOTAL WITHIN SALARY BANDS	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)	COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
None						

Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2023 to 31 March 2024

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP AS AT 31 MARCH 2023	% OF TOTAL WITHIN SALARY BANDS	COST (R'000)	AVERAGE COST PER BENEFICIARY (R)	COST AS A % OF TOTAL PERSONNEL EXPENDITURE
None						

3.9. Foreign workers

The tables below summarise the employment of foreign nationals in GMT in terms of salary band (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1: Foreign workers by salary band, 1 April 2023 to 31 March 2024

SALARY BAND	1 APRIL 2023		31 MARCH 2024		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
None						

Table 3.9.2: Foreign workers by major occupation, 1 April 2023 to 31 March 2024

MAJOR OCCUPATION	1 APRIL 2023		31 MARCH 2024		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
None						

3.10. Leave utilisation for the period 1 January 2023 to 31 December 2023

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2023 to 31 December 2023

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	TOTAL NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Interns	-	-	-	-	-	-	-
Lower skilled (Levels 1-2)	85	91.8	14	18	77.8	6	40
Skilled (Levels 3-5)	366	88.8	36	50	72.0	10	277
Highly skilled production (Levels 6-8)	282	77.3	48	65	73.8	6	349
Highly skilled supervision (Levels 9-12)	43	100.0	5	9	55.6	9	77
Senior management (Levels 13-16)	18	77.8	1	3	33.3	18	67
TOTAL	794	85.4	104	145	71.7	8	810

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2022 and ends in December 2024. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2023 to 31 December 2023

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING INCAPACITY LEAVE	TOTAL NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES USING INCAPACITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)
Interns	-	-	-	-	-	-	-
Lower skilled (Levels 1-2)	-	-	-	18	-	-	-
Skilled (Levels 3-5)	56	100.0	2	50	4.0	28	34
Highly skilled production (Levels 6-8)	-	-	-	65	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	9	-	-	-
Senior management (Levels 13-16)	-	-	-	3	-	-	-
TOTAL	56	100.0	2	145	1.4	28	34

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such

investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid out at the time of termination of service.

Table 3.10.3: Annual leave, 1 January 2023 to 31 December 2023

SALARY BAND	TOTAL DAYS TAKEN	TOTAL NUMBER EMPLOYEES USING ANNUAL LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE
Interns	-	-	-
Lower skilled (Levels 1-2)	260	17	15
Skilled (Levels 3-5)	994	46	22
Highly skilled production (Levels 6-8)	1 377	64	22
Highly skilled supervision (Levels 9-12)	180	9	20
Senior management (Levels 13-16)	49	3	16
TOTAL	2 860	139	21

Table 3.10.4: Capped leave, 1 January 2023 to 31 December 2023

SALARY BAND	TOTAL CAPPED LEAVE AVAILABLE AS AT 31 DEC 2022	TOTAL DAYS OF CAPPED LEAVE TAKEN	NUMBER OF EMPLOYEES USING CAPPED LEAVE	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	NUMBER OF EMPLOYEES WITH CAPPED LEAVE AS AT 31 DEC 2023	TOTAL CAPPED LEAVE AVAILABLE AS AT 31 DEC 2023
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	325.57	3.79	1	4	4	217.78
Highly skilled production (Levels 6-8)	621.81	66.14	3	22	20	646.82
Highly skilled supervision (Levels 9-12)	175.00	57	1	57	2	118.00
Senior management (Levels 13-16)	24.00	-	-	-	1	24.00
TOTAL	1 146.38	126.93	5	25	27	1 006.60

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total. Furthermore, capped leave is only paid out in the event of retirement, ill-health retirement or death, therefore capped leave forfeited due to resignation and or dismissal is not reflected in the table above.

Table 3.10.5: Leave pay-outs, 1 April 2023 to 31 March 2024

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
Leave pay-outs due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	336	5	67 242
Current leave pay-outs on termination of service	244	8	30 471

3.11. Health promotion programmes, including HIV and AIDS

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2023 to 31 March 2024

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
The nature of the department's, including GMT's, work does not expose employees to increased risk of contracting HIV and AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>Employee health and wellness services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> • 24/7/365 telephone counselling; • Face to face counselling (6-session model); • Trauma and critical incident counselling; • Advocacy on HIV and AIDS awareness, including online services; and • Training, coaching and targeted interventions where these were required.

Table 3.11.2: Details of health promotion including HIV and AIDS Programmes, 1 April 2023 to 31 March 2024

QUESTION	YES	NO	DETAILS, IF YES
1. Has the department, including GMT, designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	√		Ms Letitia Isaacs, Director: Transversal People Capacity Enablement (Department of the Premier).
2. Does the department, including GMT, have a dedicated unit or does it have designated specific staff members to promote the health and well-being of employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Department of the Premier provides a transversal service to eleven provincial client departments, including Government Motor Transport under the auspices of the Western Cape Mobility Department.</p> <p>A designated Employee Health and Wellness unit in the Directorate: Transversal People Capacity Enablement and the Chief Directorate: Organisation Development in the Department of the Premier serves to promote the health and well-being of employees in the eleven client departments.</p> <p>The unit consists of a Deputy Director, three Assistant Directors, and two employee health and wellness (EHW) practitioners.</p> <p>The entity consists of one EHW ambassador (Nazreen Mohamed).</p> <p>Annual Budget R3.5m.</p>

QUESTION	YES	NO	DETAILS, IF YES
<p>3. Has the trading entity introduced an employee assistance or health promotion programme for employees? If so, indicate the key elements/ services of this programme.</p>	√		<p>The Department of the Premier has entered into a service level agreement with Metropolitan Health. The external service provider rendered an employee health and wellness service to the eleven provincial departments, as well as GMT.</p> <p>The interventions provided includes: Mental health, stress and burnout, situational leadership, owning your personal power, substance abuse awareness, managing addiction in the workplace, personal brand, working well, effective habits, relationship between sleep, gut and brain health, leading multi-generational teams, GenZ-assimilation into the workplace, effective communication in the workplace, team cohesion, me in a team, getting your flow back, team building, depression and dealing with loss, stress and work-life balance, why burnout should be taken seriously, the relationship between team connectedness and mental well-being, creating an environment of psychological safety, breaking through mental barriers, stress, burnout and depression, breaking through metal barriers, developing resilience to cope with occupational trauma, how to create happiness, empowering women from within, team alignment, how gratitude changes your brain, psychosocial preparation for retirement, suicide prevention, cross cultural effectiveness, best self-strategies, effective communication and relationship building, spending tips for the holidays, managing conflict and toxic relationships.</p> <p>The staff members from the department attended the following Transversal Webinars:</p> <p>Relationship between sleep, gut and brain health, managing generational teams, women's health managerial capacitation (creating a psychological safe environment to increase employee), youth webinar: understanding your personalities in the workplace, marital contracts, science of retail therapy, financial literacy during tough times and youth webinar: what's next for you.</p> <p>The following Transversal EHW Power Hour Series were attended:</p> <p>Stretching exercises, mindfulness, grounding exercises, laughter therapy & aerobics, meditation exercises, rhythm for healing, and desk exercises.</p> <p>These interventions are based on the Mental Health Strategy, trends reflected in the quarterly reports and specific needs from the department.</p> <p>The targeted interventions for both employees and managers were aimed at personal development; promotion of healthy lifestyles; and improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. Targeted Interventions were also implemented to equip managers with tools to engage employees in the workplace.</p> <p>Employee Health and Wellness Information desks were conducted to raise awareness about the EHW services and how to access the Employee Health and Wellness Programme.</p>
<p>4. Has the trading entity established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	√		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>GMT, under the auspices of the Western Cape Mobility Department is represented by Mr Robbie Robberts and Ms Aneeqah Benjamin.</p>

QUESTION	YES	NO	DETAILS, IF YES
5. Has the trading entity reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	√		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province in December 2016.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are continually monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four EHW policies were approved which includes HIV and AIDS and TB (tuberculosis) management that responds to the prevention of discrimination against employees affected and infected by HIV and AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health and Wellness, the lead department for HIV and AIDS, has approved the Transversal HIV and AIDS/STI (sexually transmitted infections) Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the National EHW Strategic Framework 2019 as amended.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB management policy have been reviewed against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2023–2028) which aims to ensure inclusivity and elimination of discrimination and stigma against employees with HIV.</p>
6. Has the trading entity introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		<p>The Provincial Strategic Plan on HIV & AIDS, STIs and TB 2023–2028 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into departments' core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees; and Reduce unfair discrimination in access to services. This included ensuring that the Directorate: Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. GMT, under the auspices of the Western Cape Mobility Department, participated in the Commemoration of the World AIDS day event. It also implemented two Wellness days during November 2023 and March 2024 and information material distributed as follows: <ul style="list-style-type: none"> Wellness screenings (blood pressure, glucose, cholesterol, TB and BMI); HCT screenings; Distributing posters and pamphlets; and Condom distribution.
7. Does the department, including GMT, encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	√		<p>HCT sessions:</p> <p>World AIDS day: 01 December 2023.</p>
8. Has the department, including GMT, developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		<p>The EHWP is monitored through quarterly and annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e., age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

3.12. Labour relations

The following provincial collective agreements were entered into with trade unions for the period under review.

Table 3.12.1: Collective agreements, 1 April 2023 to 31 March 2024

SUBJECT MATTER	DATE
GPSSBC Resolution 1 of 2024: Charter of the GPSSBC: Collective Bargaining	11 March 2024
GPSSBC Resolution 2 of 2024: Improvement in Conditions of Service: Special Leave	11 March 2024
PSCBC Resolution 3 of 2023: Enforcement of Collective Agreements in the Public Service	13 July 2023
PSCBC Resolution 1 of 2024: Rules for the Conduct of Proceedings before the PSCBC	1 March 2024

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within GMT for the period.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2023 to 31 March 2024

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER OF CASES FINALISED	% OF TOTAL
Suspension without pay coupled with a Final Written Warning	1	100.0
TOTAL	1	100.0
Percentage of total employment		0.7

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2023 to 31 March 2024

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Steals Bribes or Commits Fraud	1	100.0
TOTAL	1	100.0

Table 3.12.4: Grievances lodged, 1 April 2023 to 31 March 2024

GRIEVANCES LODGED	NUMBER	% OF TOTAL
	None	

Table 3.12.5: Disputes lodged with councils, 1 April 2023 to 31 March 2024

DISPUTES LODGED WITH COUNCILS	NUMBER	% OF TOTAL
	None	

Table 3.12.6: Strike actions, 1 April 2023 to 31 March 2024

STRIKE ACTIONS	NUMBER
	None

Table 3.12.7: Precautionary suspensions, 1 April 2023 to 31 March 2024

PRECAUTIONARY SUSPENSIONS	NUMBER
	None

3.13. Skills development

This section highlights the efforts of GMT with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1: Training needs identified, 1 April 2023 to 31 March 2024

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2023	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers (Salary Band 13-16)	Female	-	-	-	-	-
	Male	3	-	2	-	2
Professionals (Salary Band 9-12)	Female	3	-	4	-	4
	Male	5	-	4	-	4
Technicians and associate professionals (Salary Band 6-8)	Female	24	-	12	-	12
	Male	39	-	20	-	20
Clerks (Salary Band 3-5)	Female	34	-	24	-	24
	Male	14	-	7	-	7
Elementary occupations (Salary Band 1-2)	Female	2	-	-	-	-
	Male	15	-	25	-	25
SUB TOTAL	FEMALE	63	-	40	-	40
	MALE	76	-	58	-	58
TOTAL		139	-	98	-	98
Employees with disabilities	Female	-	-	-	-	-
	Male	4	-	5	-	5

Note: The above table identifies the training needs at the start of the reporting period as per the entity's Workplace Skills Plan.

Table 3.13.2: Training provided, 1 April 2023 to 31 March 2024

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2023	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEARNERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Legislators, senior officials and managers (Salary Band 13-16)	Female	-	-	-	-	-
	Male	3	-	2	-	2
Professionals (Salary Band 9-12)	Female	3	-	4	-	4
	Male	5	-	4	-	4
Technicians and associate professionals (Salary Band 6-8)	Female	26	-	24	-	24
	Male	34	-	27	-	27
Clerks (Salary Band 3-5)	Female	31	-	19	-	19
	Male	13	-	8	-	8
Elementary occupations (Salary Band 1-2)	Female	2	-	-	-	-
	Male	15	-	23	-	23
SUB TOTAL	FEMALE	62	-	47	-	47
	MALE	70	-	64	-	64
TOTAL		132	-	111	-	111
Employees with disabilities	Female	-	-	-	-	-
	Male	4	-	2	-	2

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14. Injury on duty

Table 3.14.1 provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1: Injury on duty, 1 April 2023 to 31 March 2024

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
	None	

3.15. Utilisation of consultants

The following tables relates information on the utilisation of consultants in GMT.

In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024

ENTITY	CONSULTING FIRM	PROJECT TITLE	NATURE OF THE PROJECT	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION IN WORKING DAYS	CONTRACT VALUE IN Rands	TOTAL NUMBER OF PROJECTS	B-BBEE LEVEL
GMT	-	-	-	-	-	-	-	-
TOTAL				-	-	-	-	

Part E
**PFMA
compliance
report**



1 Irregular, fruitless and wasteful expenditure and material losses

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Opening balance		197
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed		
Less: Irregular expenditure condoned		(197)
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
CLOSING BALANCE	-	-

Reconciling notes

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to prior year and identified during the current year	-	-
Irregular expenditure for the current year	-	-
TOTAL	-	-

b) Details of irregular expenditure (under assessment, determination, and investigation)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
TOTAL	-	-

c) Details of irregular expenditure condoned

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned		-
TOTAL		-

d) Details of irregular expenditure removed – (not condoned)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed		-
TOTAL		-

e) Details of irregular expenditure recoverable

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure recoverable		-
TOTAL		-

f) Details of irregular expenditure written off (irrecoverable)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off		-
TOTAL		-

Additional disclosure relating to inter-institutional arrangements

- g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

DESCRIPTION
None

- h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
None		

- i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

DISCIPLINARY STEPS TAKEN
None

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Opening balance		-
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed		-
Less: Fruitless and wasteful expenditure recoverable		-
Less: Fruitless and wasteful expenditure not recoverable and written off		-
CLOSING BALANCE		-

Reconciling notes

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		-
Fruitless and wasteful expenditure for the current year		-
TOTAL		-

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment		-
Fruitless and wasteful expenditure under determination		-
Fruitless and wasteful expenditure under investigation		-
TOTAL		-

c) Details of fruitless and wasteful expenditure recoverable

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recoverable		-
TOTAL		-

d) Details of fruitless and wasteful expenditure not recoverable and written off

DESCRIPTION	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off		-
TOTAL		-

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

DISCIPLINARY STEPS TAKEN
None

1.3. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) & (iii)

a) Details of material losses through criminal conduct

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	2023/24	2022/23
	R'000	R'000
Theft	236	4 527
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
TOTAL	4 527	-

This expenditure are losses with the estimated total value of R236 000 (2022/23: R4.5 million) due to theft linked to the use of fuel cards. It is impractical to determine the exact monetary amount as these cases are still under investigation by various bodies, including GMT, SAPS and Provincial Forensic Services.

b) Details of other material losses

NATURE OF OTHER MATERIAL LOSSES	2023/24	2022/23
	R'000	R'000
None		

c) Other material losses recoverable

NATURE OF LOSSES	2023/24	2022/23
	R'000	R'000
None		

d) Other material losses not recoverable and written off

NATURE OF LOSSES	2023/24	2022/23
	R'000	R'000
None		

2 Late and/or non-payment of suppliers

To the best of management's knowledge, no late and/or non-payment of suppliers was incurred during the year under review for previous reporting periods.

3 Supply Chain Management

3.1. Procurement by other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
				R'000
Cloud Hosting Services	Amazon Web Services	Limited bid	L069/23	4 900
Vehicle procurement Volvo XC90 B5	CMH Volvo Car Umhlanga	Limited bid	L99/22	1 366
Vehicle procurement Mercedes-Benz GLC Coupe	Mercedes-Benz Culemborg	Limited bid	L146/22	1 293
Vehicle procurement Land Rover Defender	Jaguar Land Rover Waterford	Limited bid	L010/23	1 824
Vehicle procurement Porsche Cayenne S Coupe	Porsche Centre Cape Town	Limited bid	L202/23	2 304
Vehicle procurement Haval H6GT 2.0T	Leo Haese Hatfield	Limited bid	L032/23	641
Vehicle procurement Range Rover Velar	Jaguar Land Rover Waterford	Limited bid	L081/23	1 773
Vehicle procurement Land Rover Defender	Jaguar Land Rover Waterford	Limited bid	L080/23	1 875
Vehicle procurement Volvo XC40 B4	Tom Campher Volvo Cars Johannesburg	Limited bid	L021/23	826
Vehicle procurement Porsche Cayenne	Porsche Centre Pretoria	Limited bid	L021/22	1 704
Vehicle procurement Range Rover Evoque	Land Rover Pietermaritzburg	Limited bid	L034/23	1 344
Vehicle procurement Jeep Grand Cherokee	Cargo Motors Rustenburg	Limited bid	L039/23	1 192
Vehicle procurement Porsche Macan S	Porsche Centre Cape Town	Limited bid	L119/21	1 602
Vehicle procurement Range Rover Sport	Jaguar Land Rover Waterford	Limited bid	L033/23	2 385

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
				R'000
Vehicle procurement Ford Wildtrak	Motus Ford Culemborg	Limited bid	L019/23	820
Vehicle procurement Porsche Macan S	Porsche Centre Umhlanga	Limited bid	L201/23	1 830
Vehicle procurement Porsche Macan S	Porsche Centre Cape Town	Limited bid	L020/23	1 742
Vehicle procurement Jaguar F-Pace	Jaguar Land Rover Waterford	Limited bid	L200/23	1 562
Vehicle procurement Land Rover Defender	Jaguar Land Rover Waterford	Limited bid	L193/22	1 538
Vehicle procurement Porsche Macan S	Porsche Centre Umhlanga	Limited bid	L199/23	1 432
Vehicle procurement Porsche Macan S	Porsche Centre Cape Town	Limited bid	L110/22	1 856
Vehicle procurement Jeep Grand Cherokee	Cargo Motors Rustenburg	Limited bid	L093/23	1 207
Vehicle procurement Land Rover Defender	Land Rover The Glen	Limited bid	L101/22	1 697
Vehicle procurement Jaguar E-Pace	Land Rover The Glen	Limited bid	L102/22	1 298
TOTAL				145 523

3.2. Contract variations and expansions

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
None						
TOTAL						

Part F

Financial management



1 Report of the Auditor-General to the Western Cape Provincial Parliament on Government Motor Transport

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Government Motor Transport set out on pages 148 to 265, which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, statement of changes in total net assets, statement of cash flows and statement of comparison of budget and accrual amounts 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 Government Motor Transport as at 31 March 2024, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

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 trading entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as other 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity'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 the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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 the 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 143, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to the core function of providing quality, integrated and cost-effective mobility solutions to provincial and national client institutions and other entities presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the trading entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of vehicles in the fleet;
 - Number of vehicle inspections carried out; and
 - Number of automatic transmission vehicles.
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - The indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives;
 - All the indicators relevant for measuring the trading entity's performance against its primary mandated and prioritised functions and planned objectives are included;
 - The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements;
 - The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated;
 - The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents;

- The reported performance information is presented in the annual performance report in the prescribed manner; and
- There is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information of the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in core function presented in the annual performance report that have been specifically reported on in this auditor's report.
23. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in core function presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
27. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town

31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit; and
- The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 the selected material performance indicators and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this 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 trading entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- conclude on the appropriateness of the 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 related to events or conditions that may cast significant doubt on the trading entity'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 this auditor's report. However, future events or conditions may cause a trading entity to cease operating as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 38(1)(j); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c) Treasury Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A 6.2(a) & (b); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1; 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.3; 16A 8.4; 16A 9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A 9.1(f); 16A 9.2; 16A 9.2(a)(ii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.6.1 Treasury Regulation 19.8.4
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation (PPRs), 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
National Treasury SCM Instruction No. 03 2021-22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction No. 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Instruction No. 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction No. 11 2020-21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury Instruction No. 1 of 2021-22	Paragraph 4.1
Second amendment National Treasury Instruction No.5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction No.5 of 2020-21	Paragraph 2
National Treasury Instruction No.5 of 2020-21	Paragraph 1; 2; 4.8; 4.9; 5.3
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2

2 Annual Financial Statements for the year ended 31 March 2024

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of vehicle fleet services to provincial and national clients
Business address	3 Rusper Street Maitland Cape Town 7405
Postal Address	Private Bag X9014 Cape Town 8000
Bankers	Nedbank
Auditors	Auditor-General of South Africa
Accounting Officer	M Moore

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Accounting Officer's Responsibility and Approval

1. This is the first set of Annual Financial Statements prepared for Government Motor Transport as a Trading Entity under the administration of the Western Cape Mobility Department – a department which was newly created with effect from 1 April 2023.
2. The Accounting Officer is required by the Public Finance Management Act, 1999 (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements. It is the responsibility of the Accounting Officer to ensure that the Annual Financial Statements fairly present the state of affairs of the entity as at the end of the reporting period and the results of its operations and cash flows for the period that ended.
3. The Annual Financial Statements have been prepared in accordance with the Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.
4. Standards, Interpretations of GRAP Standards and Guidelines were consistently applied from 2022/23 to the current reporting period. The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.
5. The following is an approved guideline that entities are required to apply:
 - a) Accounting for Landfill sites.
6. The following Standards and Interpretations of GRAP standards were approved and effective from 1 April 2023. In addition to the list below, there were also improvements to the Standards of GRAP. GMT institutionalised the requirements of these upon adaptation of the Standards and Interpretations:
 - a) GRAP 1 on the Presentation of financial statements (revised);
 - b) GRAP 25 on Employee Benefits (revised);
 - c) IGRAP 7 on the limit on a defined benefit asset, minimum funding requirements and their interaction (revised); and
 - d) IGRAP 21 on the effect of past decisions on materiality.
7. The following Standard and Interpretation of GRAP were approved and the effective dates are indicated next to each:
 - a) GRAP 104 on Financial Instruments (revised) – 1 April 2025; and
 - b) IGRAP 25 on Foreign Currency Transactions and Advance Consideration – 1 April 2025.
8. A summary of the impact of the standards and interpretations contained in paragraph seven above are contained in note 44 of the Annual Financial Statements.
9. The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risks of errors in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards to ensure that the entity's business

**GOVERNMENT MOTOR TRANSPORT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour is applied and managed within predetermined procedures and constraints.

10. GMT as a trading entity prepared its financial statements as a going concern for the 31 March 2024 reporting period. The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.
11. The going concern assessment was done by evaluating all available information for a period up to 18 months after the reporting date, that is, up to 30 September 2025. The evaluation was done on the following areas:
 - a) Stable and expanding client base;
 - b) Sound financial standing;
 - c) Budget availability which allocates funding to operations;
 - d) Effective, efficient and economic revenue, cost base and working capital management;
 - e) Alignment to the GMT Strategic Plan 2020/21–2024/25;
 - f) Tariff structures; and
 - g) Alternative revenue sources.
12. In the light of the above, the current financial position and the expected future cash flows for the 18 months ending 30 September 2025, the Accounting Officer is satisfied that the entity has, or has access to, adequate resources and the entity intends to continue its operations in the fleet management environment for the foreseeable future.
13. I would like to thank my predecessor, Adv. K Reinecke, for the valuable contribution he made to the Western Cape Mobility Department. I hereby pledge to continue to build on the work he did to support GMT's service delivery to improve the lives of citizens.

Marissa Moore

Digitally signed by Marissa Moore
Date: 2024.08.28 18:01:21 +02'00'

M MOORE

ACCOUNTING OFFICER

WESTERN CAPE MOBILITY DEPARTMENT

DATE: 31 May 2024

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
NET ASSETS AND LIABILITIES			
Net Assets			
Accumulated surplus		3 903 183	3 469 690
Total Net Assets		3 903 183	3 469 690
Non-current liabilities			
Employee benefit obligation	1	630	626
Provisions	2	1 150	1 100
Total Non-current liabilities		1 780	1 726
Current liabilities			
Payables from exchange transactions	3	118 895	112 800
Payables from non-exchange transactions	4	4 965	11 482
Unspent conditional grants and receipts	5	66 164	49 737
Provisions	6	340	1 003
Total current liabilities		190 363	175 022
Total liabilities		192 143	176 748
Total Net Assets and Liabilities		4 095 326	3 646 438
ASSETS			
Non-current Assets			
Property, plant and equipment	7	599 746	551 044
Intangible assets	8	351 659	321 008
Heritage assets	9	140	140
Finance lease receivables	10	1 068 776	879 743
Total Non-current assets		2 020 322	1 751 935
Current Assets			
Inventory	11	284	138
Receivables from exchange transactions	12	45 753	47 129
Receivables from non-exchange transactions	13	9 902	31 972
Cash and cash equivalents	14	1 801 365	1 637 755
Finance lease receivables	10	217 700	177 507
Total current assets		2 075 004	1 894 502
Total Assets		4 095 326	3 646 438

GOVERNMENT MOTOR TRANSPORT

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
REVENUE			
Revenue from Exchange Transactions			
Revenue	15	932 840	880 225
Other income	16	9 907	11 600
Interest earned	17	128 807	82 927
Government grants and subsidies received	18	3 123	7 408
Revenue from Non-exchange Transactions			
Services in-kind	19	13 814	11 802
Total Revenue		1 088 491	993 962
EXPENDITURE			
Administrative expenses	20	(23 093)	(21 047)
Employee costs	21	(56 073)	(52 795)
Operating expenditure	22	(490 393)	(468 722)
Depreciation	23	(30 089)	(23 030)
Amortisation	24	(22 898)	(10 181)
Accidents and Impairment losses	26	(9 824)	(4 864)
Operating leases	34	(22 628)	(27 292)
Total Expenditure		(654 998)	(607 932)
SURPLUS FOR THE YEAR		433 493	386 030

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STATEMENT OF CHANGES IN TOTAL NET ASSETS FOR THE YEAR ENDED 31 MARCH 2024

DESCRIPTION	ACCUMULATED SURPLUS	TOTAL NET ASSETS
	R'000	R'000
Balance at 31 March 2022	3 083 660	3 083 660
Changes in net assets for the year ended 31 March 2023		
Surplus for the year ended 31 March 2023	386 030	386 030
Balance at 31 March 2023	3 469 690	3 469 690
Changes in net assets for the year ended 31 March 2024		
Surplus for the year ended 31 March 2024	433 493	433 493
Balance at 31 March 2024	3 903 183	3 903 183

GOVERNMENT MOTOR TRANSPORT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
CASH FROM OPERATING ACTIVITIES			
Receipts			
Charges for services provided	28.1	498 677	492 416
Other receipts	28.2	370	296
Interest earned	28.3	128 807	82 927
Government grants and subsidies received	28.4	19 551	28 747
Transactions entered into by GMT on behalf of client institutions	28.5	22 630	-
Payments			
Employee costs	28.6	(56 075)	(51 401)
Suppliers paid	28.7	(443 715)	(387 617)
Other payments	28.8	(53 164)	(47 078)
Vehicles and equipment procured as procuring agent	28.9	-	(1 412)
Transactions entered into by GMT on behalf of client institutions	28.5	-	(20 011)
NET CASH FLOWS FROM OPERATING ACTIVITIES	28.10	117 079	96 866
CASH FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment	28.11	43 877	40 246
Acquisition of property, plant and equipment	28.12	(278 006)	(309 926)
Intangible Assets – development cost	28.13	(48 419)	(27 913)
Intangible Assets – vehicle maintenance plans acquired	28.14	(5 735)	-
Finance lease receivables	28.15	334 814	295 772
- Vehicle allocated to client institutions		(214 449)	(183 450)
- Cash receipts from finance lease receivables		549 264	479 222
NET CASH FLOWS FROM INVESTING ACTIVITIES		46 530	(1 821)
NET INCREASE IN CASH AND CASH EQUIVALENTS		163 609	95 045
CASH AND CASH EQUIVALENTS – BEGINNING OF THE YEAR		1 637 755	1 542 710
CASH AND CASH EQUIVALENTS – END OF THE YEAR	29	1 801 365	1 637 755

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

DESCRIPTION	ORIGINAL BUDGET	BUDGET COMMITMENTS FROM PY	BUDGET ADJUSTMENTS	FINAL ADJUSTMENTS BUDGET	ADDITIONAL BUDGET	SHIFTING OF FUNDS	FINAL BUDGET	ACTUAL OUTCOME	VARIANCE	ACTUAL OUTCOME AS % OF FINAL BUDGET	ACTUAL OUTCOME AS % OF ORIGINAL BUDGET
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
FINANCIAL POSITION											
Current assets											
Inventories	-	-	-	-	-	-	-	284	284	-	-
Receivables from exchange transactions	-	-	-	-	-	-	-	45 753	45 753	-	-
Receivables from non-exchange transactions	-	-	-	-	-	-	-	9 902	9 902	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	1 801 365	1 801 365	-	-
Finance lease receivables	-	-	-	-	-	-	-	217 700	217 700	-	-
Non-current assets											
Property, plant and equipment	590 476	814 416	-	1 404 892	-	109 531	1 514 423	599 746	(914 677)	40	102
Intangible assets	109 582	2 996	-	112 579	-	99 537	212 115	351 659	139 543	166	321
Heritage assets	-	-	-	-	-	-	-	140	140	-	-
Finance lease receivables	-	-	-	-	-	-	-	1 068 776	1 068 776	-	-
Total assets	700 059	817 412	-	1 517 471	-	209 067	1 726 538	4 095 325	2 368 787	237	585
Current liabilities											
Payables from exchange transactions	-	-	-	-	-	-	-	118 895	118 895	-	-
Payables from non-exchange transactions	-	-	-	-	-	-	-	4 965	4 965	-	-
Unspent conditional grants and receipts	-	-	-	-	-	-	-	66 164	66 164	-	-
Provisions	-	-	-	-	-	-	-	340	340	-	-

GOVERNMENT MOTOR TRANSPORT

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

DESCRIPTION	ORIGINAL BUDGET	BUDGET COMMITMENTS FROM PY	BUDGET ADJUSTMENTS	FINAL ADJUSTMENTS BUDGET	ADDITIONAL BUDGET	SHIFTING OF FUNDS	FINAL BUDGET	ACTUAL OUTCOME	VARIANCE	ACTUAL OUTCOME AS % OF FINAL BUDGET	ACTUAL OUTCOME AS % OF ORIGINAL BUDGET
Non-current liabilities											
Employee benefit liability	-	-	-	-	-	-	-	630	630	-	-
Provisions	-	-	-	-	-	-	-	1 150	1 150	-	-
Total liabilities	-	-	-	-	-	-	-	192 143	192 143	-	-
Total assets and liabilities	700 059	817 412	-	1 517 471	-	209 067	1 726 538	3 903 183	2 176 644	-	-
Net assets											
Accumulated surplus	-	-	-	-	-	-	-	3 903 183	3 903 183	-	-
Total Net assets	-	-	-	-	-	-	-	3 903 183	3 903 183	-	-

DESCRIPTION	ORIGINAL BUDGET	BUDGET COMMITMENTS FROM PY	BUDGET ADJUSTMENTS	FINAL ADJUSTMENTS BUDGET	ADDITIONAL BUDGET	SHIFTING OF FUNDS	FINAL BUDGET	ACTUAL OUTCOME	VARIANCE	ACTUAL OUTCOME AS % OF FINAL BUDGET	ACTUAL OUTCOME AS % OF ORIGINAL BUDGET
FINANCIAL PERFORMANCE											
Revenue from exchange transactions											
Revenue	(852 820)	-	-	(852 820)	-	-	(852 820)	(932 840)	(80 020)	109	109
Other income	(8 200)	-	-	(8 200)	-	300	(7 900)	(9 907)	(2 007)	125	121
Interest earned	(43 064)	-	-	(43 064)	-	(15 100)	(58 164)	(128 807)	(70 643)	221	299
Government grants and subsidies received	(19 656)	-	-	(19 656)	-	16 520	(3 136)	(3 123)	12	100	-

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

DESCRIPTION	ORIGINAL BUDGET	BUDGET COMMITMENTS FROM PY	BUDGET ADJUSTMENTS	FINAL ADJUSTMENTS BUDGET	ADDITIONAL BUDGET	SHIFTING OF FUNDS	FINAL BUDGET	ACTUAL OUTCOME	VARIANCE	ACTUAL OUTCOME AS % OF FINAL BUDGET	ACTUAL OUTCOME AS % OF ORIGINAL BUDGET
Revenue from non-exchange transactions											
Services in-kind	(12 094)	-	-	(12 094)	-	(1 720)	(13 814)	(13 814)	-	100	114
Financing through own funds	(692 519)	-	-	(692 519)	-	-	(692 519)	-	692 519	-	-
Total revenue	(1 628 352)	-	-	(1 628 352)	-	-	(1 628 352)	(1 088 491)	539 861	67	67
Expenditure											
Administrative expenses	34 740	2 815	-	37 554	-	(11 795)	25 759	23 093	(2 667)	90	66
Employee costs	70 109	-	-	70 109	-	-	70 109	56 073	(14 036)	80	80
Operating expenditure	721 493	14 240	-	735 733	-	(181 655)	554 078	490 393	(63 685)	89	68
Depreciation	29 250	-	-	29 250	-	1 073	30 323	30 089	(235)	99	103
Amortisation	36 572	-	-	36 572	-	(13 088)	23 485	22 898	(586)	98	63
Accidents and Impairment losses	3 606	-	-	3 606	-	6 448	10 054	9 824	(230)	98	272
Operating leases	32 523	210	-	32 734	-	(10 051)	22 683	22 628	(55)	100	70
Total expenditure	928 293	17 265	-	945 558	-	(209 067)	736 491	654 998	(81 494)	89	71
Surplus for the year	-	17 265	-	(682 794)	-	(209 067)	(891 861)	(433 493)	458 367	-	-

& IS

& Refer to note 45

IS Refer to the Statement of Financial Performance for note references

NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Explanation of variances between the Original and Final Budget

The reasons for movements between the Original and Final Budget on the various items disclosed in the Statement of Financial Performance and Statement of Financial Position are explained below:

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

Revenue from exchange transactions

Other income

A shifting of funds decrease of R300,000 between the Original Budget and Final Adjustments Budget was done. The shift decrease of R300,000 was done to cater for interest earned on Cash and Cash Equivalents.

Interest earned

A shifting of funds increase of R15,1 million between the approved and Final budget was done. The shift was done to allocate budget to interest earned on Cash and Cash Equivalents as the interest yields on financial instruments was higher than originally anticipated during the budget preparation. The main reasons for the variance are -

Main bank account interest earned:

- Estimated yields used during the budget preparation: 6.25% to 7.25%
- Actual yields on the funds held in the main bank account: 7.25% to 7.75%

The capital amount of the main bank account was also higher than that used during the budget estimates.

Government Grants and Subsidies Received

A shifting of funds decrease of R16,52 million between the Original Budget and Final Adjustments Budget was done. The shift decrease of R16,52 million was done to cater for interest earned on Cash and Cash Equivalents.

Revenue from non-exchange transactions

Services in-kind

A shifting of funds increase of R1,72 million between the Original Budget and Final Adjustments Budget was done. The shift increase of R1,72 million was done to cater for the services in-kind benefit derived from the use of occupying buildings and sites owned and/or leased by the Western Cape Department of Infrastructure. The escalations in the benefit realisations were higher for some properties than envisaged during the process of setting budget estimates.

NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Explanation of variances between the Original and Final Budget (continued)

EXPENDITURE

Administrative expenses

A budget commitment increase of R2,815 million between the Original Budget and Final Adjustments Budget was done as well as a shifting of funds decrease of R11,795 million between the Final Adjustments Budget to the Final Budget. The budget commitments of R2,815 million were for purchase orders raised during the 2022/23 financial year for expenditure which were not yet invoiced by 31 March 2023. The shifting of funds decrease of R11,795 million was mainly due to move funds to vehicle replacements.

Operating expenditure

A budget commitment increase of R14,24 million between the Original Budget and Final Adjustments Budget was done as well as a shifting of funds decrease of R181,655 million between the Final Adjustments Budget and Final Budget. The budget commitments of R14,24 million were for purchase orders raised during the 2022/23 financial year for expenditure which were not yet invoiced by 31 March 2023. The shifting of funds decrease of R181,655 million was mainly due to move funds to vehicle replacements and for the procurement of vehicle maintenance plans.

Depreciation

A shifting of funds increase of R1,073 million between the Final Adjustments Budget and the Final Budget was done. The shifting of funds increase of R1,073 million was due to fund the depreciation expense on vehicles.

Amortisation

A shifting of funds decrease of R13,088 million between the Final Adjustments Budget and the Final Budget was done. The shifting of funds decrease of R13,088 million was to reallocate funds to vehicle replacements.

Accidents and impairment losses

A shifting of funds increase of R6,448 million between the Final Adjustments Budget and the Final Budget was done. The shifting of funds increase of R6,448 million was done to cater for funds required during the process of recognising impairment losses on vehicles as the carrying values of these vehicles exceeded the estimated recoverable amounts at the reporting date.

Operating leases

A budget commitment increase of R210,000 between the Original Budget and Final Adjustments Budget as well as a shifting of funds decrease of R10,051 million between the Final Adjustments Budget and Final Budget was done. The budget commitments increase of R210,000 was for purchase orders raised during the 2022/23 financial year for expenditure which were not yet invoiced by 31 March 2023. The shifting of funds decrease of R10,051 million between the Final Adjustments Budget and Final Budget was mainly due to cater for non-rental expenditure associated to operating lease arrangements and the amortisation of intangible assets.

NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2024

Explanation of variances between the Original and Final Budget (continued)

Property, plant and equipment

A budget commitment increase of R814,416 million between the Original Budget and Final Adjustments Budget as well as a shifting of funds increase of R109,531 million between the Final Adjustments Budget and Final Budget was done. The budget commitments increase of R814,416 million were primarily for vehicle related and office equipment of which the purchase orders raised during the 2022/23 financial year which were not yet invoiced by 31 March 2023. The shifting of funds increase of R109,531 million was done to issue purchase orders for mobility assets.

Intangible assets

A budget commitment increase of R2,996 million between the Original Budget and the Final Adjustments Budget was done as well as a shifting of funds increase of R99,537 million between the Final Adjustments Budget and Final Budget was done. The budget commitments increase of R2,996 million were for purchase orders raised during the 2022/23 financial year which were not yet invoiced by 31 March 2023. The shifting of funds increase of R99,537 million was mainly due to issue purchase orders for the procurement of vehicle maintenance plans.

The reasons for variances greater than 10% between Final Budget and Actual outcome on the various items disclosed in the Statement of Financial Performance and Statement of Financial Position are explained below:

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

Revenue from exchange transactions

Other income

The actual other income earned is R2,007 million over the Final Budget. This line item includes profit on the sale of vehicles. The number of vehicles disposed which were expected to attract profits were less than that anticipated during the budget preparation process.

Interest earned

The actual interest earned is R70,643 million over the Final Budget. Refer to the explanation included under the variances between the Original and Final Budget for interest earned for this variance.

Financing through own funds

GMT envisages to utilise R692,519 million from its own funding to procure the items envisaged under the Statement of Financial Position and Statement of Financial Performance.

**NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

Explanation of variances between the Final Budget and the Actual expenditure (continued)

EXPENDITURE

Employee costs

The variance of R14,036 million under the Final Budget is due to GMT having a number of staff vacancies.

Operating expenditure

The variance of R63,685 million under the Final Budget is due to under spending on grants and subsidies paid for the development of electric vehicle infrastructure as well as lower expenditure incurred on fleet fuel costs.

FINANCIAL POSITION

The Final Budget is the total of the expected revenue earned and expenditure incurred during the year ended 31 March 2024. The actual balances of the Statement of Financial Position is the carrying value of the line item which has accrued since its recognition until 31 March 2024.

Current assets

Inventories

The variance of R284,000 over budget is due to the budget being prepared on the cash basis. The expense is budgeted under administrative expenses.

Receivables from exchange transactions

The variance of R45,753 million over budget is due to the budget being prepared on the cash basis. The revenue is budgeted under Revenue and not under this line item.

Receivables from non-exchange transactions

The variance of R9,902 million over budget is due to the budget being prepared on the cash basis. The items included in this line item are for prepayments for expenditure which will be included in administrative expenses as the period vests, Sundry debtors, employees with debit leave balances and Fleet Risk Debtors.

Cash and cash equivalents

The variance of R1,801 billion over budget is due to the budget being prepared on the cash basis. The net effect of this account is that of the operations reflected under revenue and expenditure and not under this line item.

Finance lease receivables

The variance of R217,7 million over budget is due to the budget being prepared on the cash basis. The revenue is budgeted under Revenue and not under this line item.

**NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

Explanation of variances between the Final Budget and the Actual expenditure (continued)

Non-current assets

Property, plant and equipment

The variance of R914,677 million under budget is due to the budget being prepared on the cash basis. The budgeted expenditure is the expenditure which is expected to be incurred during 2023/24 while the balance of R599,746 million is the carrying value of the line item which has accrued since its recognition until 31 March 2024.

Intangible assets

The variance of R139,543 million over budget is due to the budget being prepared on the cash basis. The budgeted expenditure is the expenditure, which is expected to be incurred during 2023/24, while the balance of R351,659 million is the carrying value of the line item which has accrued since its recognition until 31 March 2024.

Heritage assets

The variance of R140,000 over budget is due to the budget being prepared on the cash basis. No expenditure was incurred during the year ended 31 March 2024. The value of this item must be disclosed in terms of the accounting standard on Heritage assets, thus the carrying value of R140 000 is reflected on the Statement of Financial Position.

Finance lease receivables

The variance of R1,069 billion over budget is due to the budget being prepared on the cash basis. The revenue is budgeted under Revenue with a reallocation of the capital component of the daily tariffs which is included in revenue. The reallocation is made to Finance Lease Receivables.

Current liabilities

Payables from exchange transactions

The variance of R118,895 million over budget is due to the budget being prepared on the cash basis. The expenditure is budgeted under the relevant expenditure items on the Statement of Financial Performance and not under this line item.

Payables from non-exchange transactions

The variance of R4,965 million over budget is due to the budget being prepared on the cash basis. The expenditure is budgeted under the relevant expenditure items on the Statement of Financial Performance and not under this line item.

Unspent conditional grants and receipts

The variance of R66,164 million over budget is due to the budget being prepared on the cash basis. The revenue is budgeted under the relevant income items on the Statement of Financial Performance and not under this line item.

**NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 31 MARCH 2024**

Explanation of variances between the Final Budget and the Actual expenditure (continued)

Provisions

The variance of R340,000 over budget is due to the budget being prepared on the cash basis. The expenditure is budgeted under the relevant expenditure items on the Statement of Financial Performance and not under this line item.

Non-current liabilities

Employee benefit liability

The variance of R630,000 over budget is due to the budget being prepared on the cash basis. The expenditure is budgeted under the relevant expenditure items on the Statement of Financial Performance and not under this line item.

Provisions

The variance of R1,150,000 over budget is due to the budget being prepared on the cash basis. The expenditure is budgeted under the relevant expenditure items on the Statement of Financial Performance and not under this line item.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
1 EMPLOYEE BENEFIT OBLIGATION		
Provision for Long Service Awards	<u>630</u>	<u>626</u>
The movement in the Employee Benefit Obligation is reconciled as follows:		
Balance at the beginning of the year	626	581
Contributions to the provision	<u>65</u>	<u>95</u>
	691	676
Transfer to current provisions	Note 6 (61)	(50)
Balance at end of the year	<u>630</u>	<u>626</u>

Government Motor Transport operates an unfunded defined benefit obligation for its employees. Under the plan, long service benefits are awarded to employees in the form of leave days or a fixed cash amount after 20, 30 or 40 years of continuous service. The provision is an estimate of the long service based on historical staff turnover. No other long service benefits are provided to employees.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 March 2024 by Mr. Julian van der Spuy, a Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, and the related current service and past service cost, were measured using the Projected Unit Credit Method.

As at the valuation date, the long service obligation was unfunded, i.e. no dedicated assets have been set aside to meet the liability. Therefore, no assets were valued as part of the valuation.

On 31 March 2024, 131 (31 March 2023: 140) employees were eligible for long service awards.

The current service cost for the year ended 31 March 2024 is estimated to be R37,000, whereas the cost for the year ending 31 March 2025 is estimated to be R37,000 (31 March 2023: R37,000).

GMT is able to settle these amounts by means of the funds held as part of the entity's Cash and Cash Equivalents (note 14). This long-term provision does not create uncertainty on the entity's future cash flows given the quantum of this provision in comparison to the entity's Cash and Cash Equivalents resources.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.44%	10.52%
CPI (Consumer Price Inflation)	4.09%	5.93%
Normal Salary Increase Rate	5.09%	6.93%
Net Effective Discount Rate	4.14%	3.36%
Expected Retirement Age – Females	60	60
Expected Retirement Age – Males	62	62

Mortality rates:

Pre-Retirement SA 85 – 90 mortality tables

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000	
1 EMPLOYEE BENEFIT OBLIGATION (continued)			
Movements in the present value of the Defined Benefit Obligation were as follows:			
Balance at the beginning of the year	676	592	
Current service cost	37	31	
Interest cost	73	48	
Benefits paid	(44)	(11)	
Actuarial (gain) / loss	(51)	16	
Present Value of Fund Obligation at the end of the year	691	676	
The amounts recognised in the Statement of Financial Performance are as follows:			
Present value of fund obligations	691	676	
Total Benefit Obligation	691	676	
The amounts recognised in the Statement of Financial Performance are as follows:			
Current service cost	37	31	
Interest cost	73	48	
Actuarial (gain) / loss	(51)	16	
Total Benefit Obligation included in Employee costs	59	95	
The history of experienced adjustments is as follows:			
	2023/24 R'000	2022/23 R'000	2021/22 R'000
Present Value of Defined Benefit Obligation	691	676	592
Deficit	691	676	592
	2023/24 R'000	2022/23 R'000	
The effect of a 1% p.a. change in the Consumer Price Inflation assumption is as follows:			
Increase:			
Effect on the aggregate of the current service cost and the interest cost		105	118
Effect on the defined benefit obligation		698	721
Decrease:			
Effect on the aggregate of the current service cost and the interest cost		102	102
Effect on the defined benefit obligation		685	634

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2023/24
R'000

2022/23
R'000

2 PROVISIONS

Capped leave pay:

Opening balance	1,100	1,293
Increase in the provision during the year	49	50
Current portion transferred to current liabilities	-	(243)
	1,150	1,100

The provision for capped leave pay represents GMT's obligation to pay as a result of employees services provided up to 1 July 2000. Unused leave entitlement that had accumulated at this date had been capped in terms of the instructions of the Provincial Bargaining Council's Resolution 7 of 2000. The provision is measured as the amount that is expected to be paid as a result of the leave days capped as at 1 July 2000, taking into account the undiscounted amount of current cost to employer per employee.

Uncertainty exists at the reporting date on whether the unused capped leave entitlement will be utilised or when the settlement of the capped leave liability will occur. The adjustment of the cost of employment for employees will affect the amount required to settle the liabilities. No amounts are expected to be reimbursed.

GMT is able to settle these amounts by means of the funds held as part of the entity's Cash and Cash Equivalents (note 14). This long-term provision does not create uncertainty on the entity's future cash flows given the quantum of this provision in comparison to the entity's Cash and Cash Equivalents resources.

3 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors		5,248	16,155
Staff leave		3,128	2,596
Staff bonuses		1,449	1,342
Overtime payable		7	7
Accrued expenditure	Note 3.1	107,200	92,670
Sundry creditors		92	27
Payments received in advance – clients with overpaid accounts		1,772	2
		118,895	112,800

Trade creditors are present obligations for goods and services received which arise from past events. The settlement is expected to result in an outflow from GMT's resources included under cash and cash equivalents.

Staff leave accrues to the employees of the entity on an annual basis, subject to certain conditions. The liability is an estimate of the amount due at the reporting date.

Staff bonuses are 13th cheques which accrue to the employees of the entity on an annual basis. The liability is an estimate of the amount due at the reporting date.

Overtime payable are amounts due to officials for overtime worked.

Sundry creditors are liabilities due to third party claims.

Payments received in advance are liabilities due to clients which have paid more towards accounts than due by 31 March 2024. This total includes an amount of R889,233 due to the Western Cape Education Department. This amount was refunded to the department during May 2024. Refer to note 33.2.4.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

GMT has financial risk policies in place to ensure that all creditors are paid within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment as determined by National Treasury Regulation 8.2.3 and section 38(1)(f) of the PFMA.

Interest is charged in accordance with the credit policies of the various individual creditors that GMT deals with. GMT has policies and procedures in place to facilitate the process of having amounts paid within the credit timeframe.

GMT considers that the carrying amount of creditors approximates their fair value.

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the GMT and other parties. GMT did not default on any payment of its creditors. No terms for payment have been re-negotiated. Discounting of trade and other payables on initial recognition is not deemed necessary.

Restrictions apply for some of the amounts included under Accounts payable and Accrued expenditure on the use of the funds by GMT as these funds must be used for the settlement of accounts owing to a service provider. The restriction amount is disclosed in note 14.

		2023/24 R'000	2022/23 R'000
3.1 Accrued expenditure			
Accrued expenditure are recognised for transactions, events or conditions when they occur and not only when cash or its equivalent is paid. An analysis of this balance is:			
Employee costs accrual	Note 35.3.1.3	4,573	9,078
Machinery, equipment and vehicles: repairs, maintenance and other related costs		7,428	3,104
Machinery, equipment and vehicles: fuel and oil		3,264	2,733
Other goods and services accrual		91,935	77,766
Accrued expenditure for reimbursement	* / Note 35.3.1.2	17,422	45,826
Audit fees – Regulatory and ICT audits		132	370
Motor vehicle license fees		463	428
Acquisition of Property, Plant and Equipment (excluding mobility assets)		-	937
Development of Intangible Assets	Note 3.2	36,649	20,783
Mobility assets (including conversions and extras fitted to vehicles)		19,569	538
Consultant, contractors and special services		14,533	8,507
Other accrued expenditure	**	3,167	377
Accrued expenditure liability		1,150	1,100

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000	
3.2	Development of Intangible Assets	Note 3.1	36,649	20,783
	FleetMan system		1,189	2,779
	Oracle Financial System		-	301
	Intelligent Transport Platform	***	31,396	17,224
	GMT Website		1,067	-
	Employee Wellness System		2,997	480

* Accrued expenditure for reimbursement are liabilities which GMT settles upon receipt of funds from a client institution to settle the expenditure on a direct charge principle.

** Other accrued expenditure consists mainly consists of security and cloud hosting expenses. Other items included in the accrued expenditure include employee cell phone and data cost claims, banking administration – and transaction fees, travel, accommodation costs, induction programme training costs, catering, courier charges and other office expenses.

*** Refer to note 8.8 for a narrative on the Intelligent Transport Platform. As at 31 March 2024 and the comparative year, the majority of the accrued development expenditure pertains to Fleetman modernisation (phase 1) and the Dispatch (phase 1) system.

4 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Payments received in advance - funds held for accounts settlement	Note 35.3.1.2	4,908	11,482
Refundable auction returns	^	57	-
		4,965	11,482

Payments received in advance exist due to the timing of receiving funds from a client institution and the settlement of accounts owing to a service provider. This is disclosed as a related party disclosure. Restrictions apply on the use of the funds by GMT as these funds must be used for the settlement of accounts owing to a service provider. The restriction amount is disclosed in note 14.

^ Refundable auction returns consists of R47,000 owing to a government entity based in KwaZulu-Natal for auction returns generated during the disposal of one of their vehicles which was based in the Western Cape. The amount was refunded to the entity on 24 May 2024 (refer to note 33.2.3).

Another amount of R10,250 is owed to the Western Cape Mobility Department for the disposal of a trailer. This amount is also disclosed under the related party note (note 35.3.1.2).

These amounts detailed above are payable to the entities as at 31 March 2024.

GMT did not default on any payment of its creditors. No payment terms have been re-negotiated by GMT.

The management of GMT is of the opinion that the carrying value of creditors approximates their fair values.

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between GMT and other parties.

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Grants from Provincial Departments	66,164	49,737
Western Cape Government Health and Wellness	15,819	16,854
Department of Social Development	15,889	6,797
Department of Transport and Public Works	-	21,704
Western Cape Mobility Department	13,089	-
Western Cape Education Department	21,368	4,383
Total Conditional Grants and Receipts	66,164	49,737
GMT complied with the conditions attached to all grants received to the extent of revenue recognised.		
5.1 Grants from Provincial Departments:		
5.1.1 Department of Agriculture		
Balance at the beginning of the year	-	644
Assets procured as procuring agent	Note 42.5.1	(644)
	-	-
5.1.2 Western Cape Mobility Department	A	
*Transfer liability from the Department of Transport and Public Works	21,704	-
Reallocation of funds to prepayment	(8,615)	-
	-	-
<i>*transfer on 1 April 2023 from the department previously known as the Department of Transport and Public Works</i>		
5.1.3 Department of Economic Development and Tourism		
Balance at the beginning of the year	-	128
Conditions met – transferred to revenue	-	(128)
	-	-
5.1.4 Western Cape Government Health and Wellness		
Balance at the beginning of the year	16,854	20,718
Current year receipts	1,616	7,310
Conditions met – transferred to revenue	Note 18	(2,533)
Unspent grants refunded to the department	-	(8,641)
	15,819	16,854

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
5.1.5 Department of Social Development			
Balance at the beginning of the year		6,797	1,930
Current year receipts		8,294	6,796
Additional invoices raised		798	-
Unspent grants refunded to the department		-	(1,161)
Vehicles procured as procuring agent	Note 42.5.1	-	(768)
		15,889	6,797
5.1.6 Department of Transport and Public Works	^		
Balance at the beginning of the year		21,704	1,273
**Transfer of liability to the Western Cape Mobility Department		(21,704)	-
Current year receipts		-	27,500
Reallocation of funds to prepayments		-	(7,069)
	Note 35.2.1.5	-	21,704
<i>**transfer on 1 April 2023 to the Western Cape Mobility</i>			
5.1.7 Western Cape Education Department			
Balance at the beginning of the year		4,383	5,117
Current year receipts		16,985	3,450
Conditions met – transferred to revenue		-	(4,539)
Additional invoices raised		-	355
		21,368	4,383
5.2 Grants from Other stakeholders:			
5.2.1 Paid up value – Judges vehicles			
Current year receipts		472	207
Conditions met – transferred to revenue	Note 18	(472)	(207)
		-	-

^ Premier Alan Winde announced the establishment of the Department of Infrastructure and the Western Cape Mobility Department during the State of the Province address on 15 February 2022. The Department of Transport and Public Works and the Department of Human Settlements ceased to exist from 1 April 2023 due to the formation of the two new departments referred to above. The annual financial statements for the year ended 31 March 2023 were compiled for Government Motor Transport as a Trading Entity under the administration of the Department of Transport and Public Works. The unspent conditional grant balances which were disclosed on 31 March 2023 were transferred during the reporting period to the Western Cape Mobility Department.

Part
A
GENERAL
INFORMATION

Part
B
PERFORMANCE
INFORMATION

Part
C
GOVERNANCE

Part
D
HUMAN
RESOURCE
MANAGEMENT

Part
E
PFMA
COMPLIANCE
REPORT

Part
F
FINANCIAL
MANAGEMENT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
6 PROVISIONS			
Personnel expense related commitments:			
Employee benefit obligation	Note 1	61	50
Capped leave	Note 2	-	243
Early retirement provision		279	710
		340	1,003

Employee Benefit Obligations are paid only after the time period is reached as staff may still leave the service before they reach their 20/30/40 service dates. The timing and amount of the outflow of these provisions are uncertain due to the nature of the specific provisions.

Capped leave are the amounts payable within one year from the reporting date due to employees leaving GMT's service. Refer to note 2 for the description of the uncertainties about the amount and expected timing of the resulting cash outflows of economic benefits. The provision amount was based on officials who indicated that they intend on leaving GMT's services and/or applied for formal exit approaches from the entity. It is assumed that the applications would all be approved for the purposes of this note. No amounts are expected to be reimbursed.

The early retirement provision is recognised on 31 March for officials who will be retiring without penalisation of pension benefits. The approval to retire without penalisation was granted by the end of the financial year, with GMT being fully responsible for the resultant liability to the Government Employees Pension Fund ('GEPPF'). The last day of service of the officials are known as this is contained in the approval documentation. However, uncertainty exists about the amounts which are subject to change due to the calculation results are sensitive to input provided leading up to final settlement.

The movement on current provisions are reconciled as follows:

31 March 2023:	Early retirement provision	Employee benefit obligation	Capped leave provision	Total
	R'000	R'000	R'000	R'000
Balance at the beginning of the year	-	11	10	21
Additional provisions raised	710	-	-	710
Transfer from non-current provisions	-	50	243	293
Expenditure incurred	-	(11)	(10)	(21)
Balance at the end of the year	710	50	243	1,003
31 March 2024:				
	Early retirement provision	Employee benefit obligation	Capped leave provision	Total
	R'000	R'000	R'000	R'000
Balance at the beginning of the year	710	50	243	1,003
(Reductions) / contributions to the provisions	(16)	(6)	60	38
Transfer from non-current provisions	-	61	-	61
Expenditure incurred	(415)	(44)	(303)	(762)
Balance at the end of the year	279	61	-	340

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7 PROPERTY, PLANT AND EQUIPMENT

31 March 2023

Reconciliation of Carrying Value

DESCRIPTION	PLANT AND EQUIPMENT	VEHICLES	TOTAL
	R'000	R'000	R'000
Carrying amount at 1 April 2022	7,733	314,659	322,394
Cost	19,698	489,259	508,958
Accumulated depreciation	(11,961)	(171,786)	(183,746)
Accumulated impairment losses	(4)	(2,813)	(2,817)
Additions at cost (for vehicles refer to note 7.3.1)	5,450	304,476	309,926
Depreciation	(1,931)	(21,100)	(23,031)
Impairment losses	-	(4,058)	(4,058)
Disposals	(115)	(31,328)	(31,443)
Cost (for vehicles refer to note 7.3.2)	(153)	(86,971)	(87,124)
Accumulated depreciation	38	51,578	51,616
Accumulated impairment	-	4,065	4,065
Vehicles moved from client institutions to GMT	-	56,262	56,262
Cost (for vehicles refer to note 7.3.4)	-	126,465	126,465
Accumulated depreciation	-	(70,204)	(70,204)
Vehicles moved from GMT to client institutions	-	(78,579)	(78,579)
Cost (for vehicles refer to note 7.3.5)	-	(81,841)	(81,841)
Accumulated depreciation	-	3,262	3,262
Stolen	-	(515)	(515)
Cost (for vehicles refer to note 7.3.6)	-	(650)	(650)
Accumulated depreciation	-	135	135
Stolen vehicle recovered	-	90	90
Cost (for vehicles refer to note 7.3.7)	-	90	90
Accumulated depreciation	-	-	-
Net Carrying amount – 31 March 2023	11,137	539,907	551,044
Cost	24,995	750,828	775,823
Accumulated depreciation	(13,853)	(208,115)	(221,968)
Accumulated impairment losses	(4)	(2,806)	(2,810)

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7 PROPERTY, PLANT AND EQUIPMENT (continued)

31 March 2024

Reconciliation of Carrying Value

DESCRIPTION	PLANT AND EQUIPMENT	VEHICLES	TOTAL
	R'000	R'000	R'000
Carrying amount at 1 April 2023	11,137	539,907	551,044
Cost	24,995	750,828	775,822
Accumulated depreciation	(13,853)	(208,115)	(221,968)
Accumulated impairment losses	(4)	(2,806)	(2,810)
Additions at cost (for vehicles refer to note 7.3.1)	1,539	276,467	278,006
Depreciation	(3,166)	(26,923)	(30,089)
Impairment losses	-	(9,316)	(9,316)
Disposals	(1)	(37,853)	(37,854)
Cost (for vehicles refer to note 7.3.2)	(59)	(92,844)	(92,903)
Accumulated depreciation	58	52,858	52,916
Accumulated impairment	-	2,133	2,133
Alienated	-	(221)	(221)
Cost (for vehicles refer to note 7.3.3)	-	(407)	(407)
Accumulated depreciation	-	187	187
Vehicles moved from client institutions to GMT	-	80,162	80,162
Cost (for vehicles refer to note 7.3.4)	-	170,774	170,774
Accumulated depreciation	-	(90,612)	(90,612)
Vehicles moved from GMT to client institutions	-	(229,421)	(229,421)
Cost (for vehicles refer to note 7.3.5)	-	(230,294)	(230,294)
Accumulated depreciation	-	873	873
Stolen	-	(2,615)	(2,615)
Cost (for vehicles refer to note 7.3.6)	-	(3,549)	(3,549)
Accumulated depreciation	-	934	934
Stolen vehicle recovered	-	50	50
Cost (for vehicles refer to note 7.3.7)	-	50	50
Accumulated depreciation	-	-	-
Net Carrying amount – 31 March 2024	9,509	590,237	599,746
Cost	24,475	871,025	897,499
Accumulated depreciation	(16,961)	(270,798)	(287,759)
Accumulated impairment losses	(4)	(9,989)	(9,993)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2023/24
R'000

2022/23
R'000

7 PROPERTY, PLANT AND EQUIPMENT (continued)

No restrictions are applicable on the Property, Plant and Equipment and no assets have been pledged as security for liabilities. The commitments for the acquisition of Property, Plant and Equipment are disclosed under the note for commitments for expenditure.

7.1.1 Audio Equipment

Carrying amount at the beginning of the year

Cost

Accumulated depreciation

Additions at cost

Depreciation

Carrying amount at the end of the year

Cost

Accumulated depreciation

1,588

99

1,830

214

(242)

(115)

380

1,616

(330)

(127)

1,638

1,588

2,210

1,830

(572)

(242)

7.1.2 Computer Equipment

Carrying amount at the beginning of the year

Cost

Accumulated depreciation

Additions at cost

Depreciation

Carrying value of disposals:

Cost

Accumulated depreciation

Carrying amount at the end of the year

Cost

Accumulated depreciation

4,064

2,964

13,715

11,441

(9,652)

(8,477)

15

2,340

(1,699)

(1,210)

-

(30)

-

(65)

-

35

2,379

4,064

13,730

13,715

(11,351)

(9,652)

7.1.3 Telephone

Carrying amount at the beginning of the year

Cost

Accumulated depreciation

Depreciation

Carrying amount at the end of the year

Cost

Accumulated depreciation

4

8

138

138

(134)

(130)

(4)

(4)

-

4

138

138

(138)

(134)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1.4 Workshop Equipment		
Carrying amount at the beginning of the year	104	91
Cost	334	296
Accumulated depreciation	(227)	(202)
Accumulated impairment losses	(3)	(3)
Additions at cost	129	40
Depreciation	(42)	(27)
Carrying value of disposals:	-	-
Cost	-	(2)
Accumulated depreciation	-	2
Carrying amount at the end of the year	191	104
Cost	463	334
Accumulated depreciation	(269)	(227)
Accumulated impairment losses	(3)	(3)
7.1.5 Office Furniture and Fittings		
Carrying amount at the beginning of the year	3,374	2,770
Cost	5,304	4,469
Accumulated depreciation	(1,929)	(1,698)
Accumulated impairment losses	(1)	(1)
Additions at cost	-	921
Depreciation	(632)	(231)
Transfers	-	(1)
Cost	-	(1)
Accumulated depreciation	-	-
Carrying value of disposals:	(1)	(84)
Cost	(46)	(85)
Accumulated depreciation	45	1
Carrying amount at the end of the year	2,741	3,374
Cost	5,258	5,304
Accumulated depreciation	(2,516)	(1,929)
Accumulated impairment losses	(1)	(1)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1.6 Office Equipment		
Carrying amount at the beginning of the year	169	193
Cost	484	463
Accumulated depreciation	(315)	(270)
Additions at cost	61	22
Depreciation	(59)	(46)
Carrying value of disposals	-	(1)
Cost	(3)	(1)
Accumulated depreciation	3	-
Carrying amount at the end of the year	171	169
Cost	542	484
Accumulated depreciation	(371)	(315)
7.1.7 Domestic Equipment		
Carrying amount at the beginning of the year	7	10
Cost	46	46
Accumulated depreciation	(39)	(36)
Additions at cost	8	-
Depreciation	(4)	(3)
Carrying amount at the end of the year	10	7
Cost	54	46
Accumulated depreciation	(44)	(39)
7.1.8 Domestic Furniture		
Carrying amount at the beginning of the year	287	330
Cost	462	436
Accumulated depreciation	(175)	(105)
Additions at cost	1	26
Depreciation	(65)	(70)
Carrying value of disposals	-	-
Cost	(10)	-
Accumulated depreciation	10	-
Carrying amount at the end of the year	223	287
Cost	453	462
Accumulated depreciation	(230)	(175)

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1.9 Security Equipment and Systems		
Carrying amount at the beginning of the year	400	301
Cost	1,286	1,041
Accumulated depreciation	(885)	(739)
Additions at cost	-	245
Depreciation	(165)	(146)
Carrying amount at the end of the year	236	400
Cost	1,286	1,286
Accumulated depreciation	(1,050)	(885)
7.1.10 Kitchen Appliances		
Carrying amount at the beginning of the year	74	55
Cost	153	117
Accumulated depreciation	(79)	(61)
Additions at cost	3	36
Depreciation	(21)	(18)
Carrying amount at the end of the year	56	74
Cost	156	153
Accumulated depreciation	(100)	(79)
7.1.11 Photographic Equipment		
Carrying amount at the beginning of the year	61	72
Cost	138	129
Accumulated depreciation	(76)	(56)
Accumulated impairment losses	(1)	(1)
Additions at cost	-	9
Depreciation	(48)	(20)
Carrying amount at the end of the year	13	61
Cost	138	138
Accumulated depreciation	(124)	(76)
Accumulated impairment losses	(1)	(1)
7.1.12 Crockery		
Carrying amount at the beginning of the year	7	9
Cost	32	32
Accumulated depreciation	(25)	(23)
Depreciation	(2)	(2)
Carrying amount at the end of the year	5	7
Cost	32	32
Accumulated depreciation	(27)	(25)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1.13 Containers		
Carrying amount at the beginning of the year	801	826
Cost	866	866
Accumulated depreciation	(65)	(40)
Depreciation	(42)	(25)
Carrying amount at the end of the year	759	801
Cost	866	866
Accumulated depreciation	(107)	(65)
7.1.14 Garden Equipment		
Carrying amount at the beginning of the year	5	4
Cost	9	6
Accumulated depreciation	(4)	(2)
Additions at cost	-	3
Depreciation	(2)	(2)
Carrying amount at the end of the year	3	5
Cost	9	9
Accumulated depreciation	(6)	(4)
7.1.15 Alternative Energy Solutions (Equipment)		
Carrying amount at the beginning of the year	96	-
Cost	96	-
Accumulated depreciation	-	-
Additions at cost	-	96
Depreciation	(20)	-
Carrying amount at the end of the year	76	96
Cost	96	96
Accumulated depreciation	(20)	-
7.1.16 Alternative Energy Solutions (Batteries)		
Carrying amount at the beginning of the year	96	-
Cost	96	-
Accumulated depreciation	-	-
Additions at cost	-	96
Depreciation	(15)	-
Carrying amount at the end of the year	81	96
Cost	96	96
Accumulated depreciation	(15)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.1.17 Emergency Equipment		
Carrying amount at the beginning of the year	-	-
Cost	-	-
Accumulated depreciation	-	-
Additions at cost	8	-
Depreciation	(2)	-
Carrying amount at the end of the year	6	-
Cost	8	-
Accumulated depreciation	(2)	-
7.1.18 Handheld Devices		
Carrying amount at the beginning of the year	-	-
Cost	-	-
Accumulated depreciation	-	-
Additions at cost	240	-
Depreciation	(4)	-
Carrying amount at the end of the year	236	-
Cost	240	-
Accumulated depreciation	(4)	-
7.1.19 Office Pods		
Carrying amount at the beginning of the year	-	-
Cost	-	-
Accumulated depreciation	-	-
Additions at cost	694	-
Depreciation	(8)	-
Carrying amount at the end of the year	686	-
Cost	694	-
Accumulated depreciation	(8)	-

7.2 Impairment of Property, Plant and Equipment

Impairment losses on Property, Plant and Equipment to the amount of 9,316 million (31 March 2023: R 4,058 million) was recognised in operating surplus and are included in Impairment losses in the Statement of Financial Performance as indicated in note 26.

There were no reversals of impairment losses during the year under review.

Government Motor Transport assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the individual asset.

The recoverable service amount of vehicles has been determined on the basis of their fair value less cost to sell. The fair value of vehicles was determined by reference to active market prices or reserve prices as determined by management for vehicles to be sold after the reporting period for which active market prices are not yet available.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
7.3.1 Analysis of additions at cost		
Vehicles purchased during the year	260,297	284,008
Extras purchased during the year	16,170	20,468
Total vehicle additions at cost	276,467	304,476
7.3.2 Analysis of disposals at cost		
Vehicles	86,028	77,311
Extras fitted to vehicles	6,816	9,660
Total cost	92,844	86,971
7.3.3 Analysis of alienations at cost		
Vehicles	400	-
Extras fitted to vehicles	7	-
Total cost	407	-
Two Toyota Quests were donated to Mossel Bay municipality during the year under review.		
7.3.4 Analysis of movements from client institutions to GMT at cost		
Vehicles	157,882	110,981
Extras fitted to vehicles	12,892	15,485
Total cost	170,774	126,465
7.3.5 Analysis of movements from GMT to client institutions at cost		
Vehicles	214,293	69,412
Extras fitted to vehicles	16,000	12,429
Total cost	230,294	81,841
7.3.6 Analysis of stolen vehicles at cost		
Vehicles	3,497	650
Extras fitted to vehicles	52	-
Total cost	3,549	650
Four Toyota Hilux Double Cabs, two Toyota Quest, one Toyota Avanza and four Volkswagen Polos were stolen during the year under review (2022/23: two Volkswagen Polos and one Hyundai Accent).		
7.3.7 Analysis of stolen vehicles at cost		
Vehicles	50	90
Total cost	50	90

Government Motor Transport recovered a Toyota Avanza (GCW274G) during the year under review that was stolen during the 2022/23 financial year and permanently allocated to the Western Cape Government Health and Wellness. (Government Motor Transport recovered a Toyota Avanza (GFB630G) during 2022/23 that was stolen during the 2021/22 financial year and also permanently allocated to the Western Cape Government Health and Wellness).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
7		
PROPERTY, PLANT AND EQUIPMENT (continued)		
7.4		
Expenditure incurred to repair and maintain Property, Plant and Equipment		
Vehicles	106,029	93,153
Plant and Equipment	73	32
	106,102	93,185

Refer to note 22.1 for an analysis of the repair and maintenance expenditure.

8 INTANGIBLE ASSETS

Net carrying value at beginning of the year		321,008	303,299
Cost		434,961	407,069
Cost – Software Applications		248,118	248,118
Costs – Intangible assets under development		82,919	58,217
Cost – Internal Development		103,924	100,734
Accumulated impairment losses		(24)	(24)
Accumulated Amortisation		(113,928)	(103,746)
Accumulated Amortisation – Software Applications		(14,341)	(14,071)
Accumulated Amortisation – Internal Development		(99,587)	(89,675)
Vehicle maintenance plans acquired		5,735	-
Internal Development - Cost capitalised		468	3,211
Intangible assets under development		47,952	24,702
Internal Development – Retirements		-	(22)
Cost – Internal Development		-	(22)
Amortisation during the year		(23,504)	(10,182)
Software Applications	Note 24	(16,669)	(270)
Internal Development	Note 24	(6,229)	(9,912)
Vehicle maintenance plans	Note 22	(606)	-
Net carrying value at end of the year		351,659	321,008
Cost		489,115	434,961
Cost – Software Applications		248,118	248,118
Cost – Vehicle maintenance plans		5,735	-
Costs – Intangible assets under development		130,870	82,919
Cost – Internal Development		104,391	103,924
Accumulated impairment losses		(24)	(24)
Accumulated Amortisation		(137,432)	(113,928)
Accumulated Amortisation – Software Applications		(31,010)	(14,341)
Accumulated Amortisation – Internal Development		(105,816)	(99,587)
Accumulated Amortisation – Vehicle Maintenance Plans		(606)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
8 INTANGIBLE ASSETS (continued)		
<i>Analysis of Intangible assets:</i>		
8.1 <i>FleetMan System:</i>		
Net carrying amount at beginning of the year	13,261	10,929
Cost	61,667	56,070
Costs - Intangible assets under development	16,147	13,474
Cost – Internal Development	45,520	42,596
Accumulated impairment losses	(24)	(24)
Accumulated Amortisation	(48,381)	(45,118)
Accumulated Amortisation – Internal Development	(48,381)	(45,118)
Internal Development – Cost capitalised	468	2,945
Intangible assets under development	2,860	2,673
Internal Development - Retirements	-	(22)
Cost – Internal Development	-	(22)
Intangible assets under development – transferred	(5,117)	-
Cost – Intangible assets under development	(5,117)	-
Amortisation during the year	Note 24 (1,526)	(3,263)
Internal Development	(1,526)	(3,263)
Net carrying amount at end of the year	9,946	13,261
Cost	59,877	61,667
Costs – Intangible assets under development	13,889	16,147
Cost – Internal Development	45,988	45,520
Accumulated impairment losses	(24)	(24)
Accumulated Amortisation	(49,907)	(48,381)
Accumulated Amortisation – Internal Development	(49,907)	(48,381)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
8 INTANGIBLE ASSETS (continued)		
8.2 Oracle Financial System:		
Net carrying amount at beginning of the year	66,262	72,371
Cost	131,808	130,999
Cost – Software Applications	28,118	28,118
Costs – Intangible assets under development	45,286	44,743
Cost – Internal Development	58,404	58,138
Accumulated Amortisation	(65,547)	(58,628)
Accumulated Amortisation – Software Applications	(14,341)	(14,071)
Accumulated Amortisation – Internal Development	(51,206)	(44,557)
Internal Development – Cost capitalised	-	266
Intangible assets under development	201	543
Intangible assets under development – transferred	201	-
Cost – Intangible assets under development	201	-
Amortisation during the year	Note 24 (4,907)	(6,919)
Software Applications	(204)	(270)
Internal Development	(4,703)	(6,649)
Net carrying amount at end of the year	61,756	66,261
Cost	132,210	131,808
Cost – Software Applications	28,118	28,118
Costs – Intangible assets under development	45,688	45,286
Cost – Internal Development	58,404	58,404
Accumulated Amortisation	(70,454)	(65,547)
Accumulated Amortisation – Software Applications	(14,545)	(14,341)
Accumulated Amortisation – Internal Development	(55,909)	(51,206)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
8 INTANGIBLE ASSETS (continued)		
8.3 <i>Intelligent Transport Platform:</i>		
Net carrying amount at beginning of the year	241,006	220,000
Cost	241,006	220,000
Cost – Software Applications	220,000	220,000
Costs – Intangible assets under development	21,006	
Accumulated Amortisation	-	-
Accumulated Amortisation – Software Applications	-	-
Intangible assets under development – transferred	4,916	-
Cost – Intangible assets under development	4,916	
Intangible assets under development	40,152	21,006
Amortisation during the year	Note 24 (16,465)	-
Software Applications	(16,465)	-
Net carrying amount at end of the year	269,609	241,006
Cost	286,074	241,006
Cost – Software Applications	220,000	220,000
Costs – Intangible assets under development	66,074	21,006
Accumulated Amortisation	(16,465)	-
Accumulated Amortisation – Software Applications	(16,465)	-
8.4 <i>Employee Wellness:</i>		
Net carrying amount at beginning of the year	480	-
Cost	480	-
Costs – Intangible assets under development	480	-
Accumulated Amortisation	-	-
Accumulated Amortisation – Intangible assets under development	-	-
Intangible assets under development	3,368	480
Net carrying amount at end of the year	3,848	480
Cost	3,848	480
Costs – Intangible assets under development	3,848	480
Accumulated Amortisation	-	-
Accumulated Amortisation – Intangible assets under development	-	-

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
8	INTANGIBLE ASSETS (continued)		
8.5	<u>GMT Website:</u>		
	Net carrying amount at beginning of the year	-	-
	Cost	-	-
	Costs – Intangible assets under development	-	-
	Accumulated Amortisation	-	-
	Accumulated Amortisation – Intangible assets under development	-	-
	Intangible assets under development	1,371	-
	Net carrying amount at end of the year	1,371	-
	Cost	1,371	-
	Costs – Intangible assets under development	1,371	-
	Accumulated Amortisation	-	-
	Accumulated Amortisation – Intangible assets under development	-	-
8.6	<u>Vehicle Maintenance Plans:</u>		
	Net carrying amount at beginning of the year	-	-
	Cost	-	-
	Cost – Vehicle maintenance plans acquired	-	-
	Accumulated Amortisation	-	-
	Accumulated Amortisation – Vehicle maintenance plans	-	-
	Vehicle maintenance plans acquired	5,735	-
	Amortisation during the year	(606)	-
	Vehicle maintenance plans	(606)	-
	Net carrying amount at end of the year	5,130	-
	Cost	5,735	-
	Cost – Vehicle maintenance plans acquired	5,735	-
	Accumulated Amortisation	(606)	-
	Accumulated Amortisation – Vehicle maintenance plans	(606)	-

Note 22

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
8 INTANGIBLE ASSETS (continued)		
8.7 Intangible assets in the process of being developed		
Cumulative expenditure recognised in the carrying value of Intangible Assets - computer software	130,870	82,919

8.8 Other information

Refer to note 32 for the capital commitments in respect of the acquisition of intangible assets.

Intangible assets comprise of computer software and vehicle maintenance plans in the following categories:

Computer software:

- The Fleetman is an internally developed Oracle based fleet management system. This system is used for the operational functionality of GMT's fleet.
- The Oracle Financial System of modules is used for the financial management within GMT.
- The Intelligent Transport Platform is the basis of innovative mobility solutions to delivery mobility as a service in the future. It contains foundational and advanced mobility capabilities. These capabilities can be deployed to specific applications which promote achieving the outcomes as per GMT's strategic plan.
- During the 2022/23 financial year there was a transfer of an instance of the Employee Wellness system (previously known as the Life Events Management System – 'LEMS') from Traffic Law Enforcement within the Department of Transport and Public Works at that stage to GMT at no cost with no acquisition cost implications. Employee Wellness system will be used to provide a technology platform for managing staff wellness as well as provide learning and development applications. GMT will further develop the Employee Wellness system based on its own business requirements and will have exclusive usage of the revised version of the software. The system configuration commenced and is still in progress of having Employee Wellness system developed and at the reporting date the system is not yet ready for use as intended by management.
- The GMT Website is technology which enhances access and communication with stakeholders for mobility solutions and services.

Vehicle maintenance plans:

- The maintenance plans are distinct contractual agreements between GMT and the Original Equipment Manufacturers ('OEMs'), providing specific maintenance and associated services separate from other assets (i.e. the vehicles to which they are linked). They are acquired assets.

The amortisation expense has been included in the Statement of Financial Performance. Amortisation is charged on a straight-line basis over the intangible assets' useful lives. All intangible assets have finite useful lives. No fully amortised intangible assets exist and are still in use on the reporting date. Intangible assets have not been pledged as security for liabilities.

The currency exchange rate affects certain components of the costs which are capitalised as part of intangible assets.

No delays have been encountered during the year under review. No developments have been halted either during the period and the comparative year.

None of the intangible assets have been provided as a guarantee for liabilities.

The remaining useful lives of intangible assets are as follows:

- * Oracle Financial System: 11 years and 6 months (31 March 2023: 11 years and 6 months)
- * FleetMan System: 3 years and 6 months (31 March 2023: 4 years and 6 months)
- * Intelligent Transport Platform: 10 years (31 March 2023: 10 years)
- * Employee Wellness System: 10 years (31 March 2023: 10 years)
- GMT Website: 4 years (31 March 2023: n/a - asset recognised during 2023/24)
- Vehicle Maintenance Plans: ranging between 1 year and 3 months to 5 years and 11 months (31 March 2023: n/a - asset recognised during 2023/24)

* Useful life reassessed during 2023/24

The following restrictions apply to Intangible assets:

- GMT ERP and vehicle maintenance plans are not transferable.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
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8.9 Impairment of Intangible Assets

No impairment of intangible assets occurred during the year (2022/23: R nil).

9 HERITAGE ASSETS

None of the intangible assets have been provided as a guarantee for liabilities.

Gross carrying amount	140	140
------------------------------	------------	------------

The movement in Heritage Assets is reconciled as follows:

	140	140
Gross carrying amount at the beginning of the year		
Cost	146	146
Accumulated impairment losses	(6)	(6)
Gross carrying amount at the end of the year	140	140
Cost	146	146
Accumulated impairment losses	(6)	(6)

Heritage assets consist of an antique vehicle (GVY444G - 1942 Ford Ambulance) which is protected, cared for and preserved for the benefit of present and future generations.

No heritage assets have been pledged as security for any liabilities of GMT. There are no restrictions on title and the disposal of the heritage asset. No contractual commitments exist for any further acquisition, maintenance and restoration of heritage assets. The heritage asset is not used for any alternative use.

The fair value of the heritage asset is R250,000 (2022/23: R225,000) at the reporting date.

There are no contractual commitments for the acquisition, maintenance and restoration of the heritage asset as at the reporting date.

No amounts are included in the Statement of Financial Performance at the reporting date for compensation received from third parties as none were impaired, lost or given up.

The following sources of information were considered to determine whether impairment losses must be recognised on the heritage asset:

External: Decline in the market value of the asset.

Internal: Evidence of physical damage or deterioration.

The estimated market value of the asset remained at R250,000 on 31 March 2024 (31 March 2023: R225,000). No physical damage or deterioration is visible on the asset. No impairment losses are considered necessary as the estimated recoverable service amount of the asset exceeds the carrying value thereof.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
10 FINANCE LEASE RECEIVABLES		
Finance Lease receivables	1,286,476	1,057,250
Sub-total	1,286,476	1,057,250
Less: Current Portion transferred to Current Assets	217,700	177,507
Finance Lease Receivables	217,700	177,507
Total Long-term portion of Finance Lease Receivables	1,068,776	879,743

The management of GMT is of the opinion that the carrying value of Finance Lease Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values.

10.1 Amounts receivables under Finance Leases

GMT as Lessor:

Finance Leases relate to vehicles that are permanently allocated to certain user departments with remaining lease terms of between 0.3 and 7.88 years as at 31 March 2024 (31 March 2023: 0.58 and 7.83 years). Five Isuzu trucks (GFL637G, GFL638G, GFL640G, GFL647G & GFL649G) and six VW Crafters (GCT169G, GCT224G, GCT329G, GCT391G, GCT464G & GCT262G) were purchased during the 2022/2023 financial year with remaining lease terms between 6.39 and 6.87 years. GCV070G & GCV076G, two Isuzu trucks purchased in the 2023/2024 financial year, have remaining lease terms between 7.73 and 7.88 years as at 31 March 2024. If these vehicles are excluded, the remaining lease terms are between 0.3 and 5.78 years. The effective annual interest rate on new vehicles purchased and permanently allocated to departments during the year under review is between 15.53% and 47.71% (31 March 2023: 10.28% and 63.5%).

Interest rates on Finance Lease Receivables are calculated once-off in accordance with the monthly cash flows over the period of the lease. The following factors affects the calculated effective annual interest rate over the lease period: (1) daily tariffs charged over the lease period, (2) the residual value/proceeds on disposal at the end of the lease period (3) lease period which coincide with the useful life of the vehicle. The three factors above are re-assessed on an annual basis which have an impact on the effective annual interest, in some cases resulting in high interest rates. To ensure fair presentation, only the interest rates on new vehicles purchased and permanently allocated to clients are therefore disclosed.

Ownership of the leased vehicles is not transferred to the clients at the conclusion of the lease agreements. GMT's rights under Finance Lease Receivables are secured by the lessors' title to the leased assets.

The amounts receivable under Finance Leases are as follows:

	Minimum Lease Receivables		Present Value of Minimum Lease Receivables	
	2023/24 R'000	2022/23 R'000	2023/24 R'000	2022/23 R'000
Amounts receivable under finance leases:				
Within one year	659,357	563,628	217,700	177,507
In the second to fifth years, inclusive	1,822,256	1,450,903	1,059,801	870,584
Over five years	10,955	12,065	8,975	9,159
	2,492,569	2,026,597	1,286,476	1,057,250
Less: Unearned Future Finance Income	1,206,092	969,347	-	-
Present Value of Minimum Lease Receivables	1,286,476	1,057,250	1,286,476	1,057,250
Less: Amounts due for settlement within 12 months (current portion)			217,700	177,507
Finance lease receivables due for settlement after 12 months (Non-current portion)			1,068,776	879,743



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
10	FINANCE LEASE RECEIVABLES (continued)		
	GMT has finance lease agreements for the following significant classes of assets:		
	• Vehicles		
	Unguaranteed residual values (R'000)	735,724	617,266
	Included in these classes are the following significant leases:		
	i) GFD336G:		
	• Instalments are payable monthly in arrears	29.21%	26.46%
	• Average monthly instalment (Rands only)	R 12,643	R 10,214
	• Annual escalation (average tariff increase over the next 3 years per MTEF)	3.10%	4.44%
	ii) GFC192G:		
	• Instalments are payable monthly in arrears		
	• Average effective interest rate	30.57%	30.95%
	• Average monthly instalment (Rands only)	R 23,751	R 20,035
	• Annual escalation (average tariff increase over the next 3 years per MTEF)	3.10%	4.44%
11	INVENTORY		
	Consumables store	Note 11.1	284
	Total Inventory		138
	Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write-down of inventory was recognised as expenditure during the year ended 31 March 2024 (2022/23: none). No reversal of write-down expenditure incurred.		
11.1	Analysis of consumables store		
	Office supplies and stationary		284
	The cost of inventories recognised as an expense for the year amounted to R369,188 (2022/23: R291,265).		
	No Inventories have been pledged as collateral for liabilities of the Entity.		
12	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Accounts receivable	46,736	47,646
	Less: Provision for impairment	(983)	(517)
	Total receivables from Exchange Transactions	45,753	47,129

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
12 RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)		
12.1 Ageing of Receivables from Exchange Transactions		
Current: 0 - 30 days	69,969	65,062
Gross Balances	69,969	65,062
Less: Provision for Impairment	-	-
More than 30 days and not more than 60 days	91	239
Gross Balances	92	239
Less: Provision for Impairment	(1)	-
More than 60 days and not more than 90 days	(236)	99
Gross Balances	(234)	99
Less: Provision for Impairment	(2)	-
More than 90 days	109	2,873
Gross Balances	1,089	3,389
Less: Provision for Impairment	(980)	(517)
	69,933	68,272
Adjustment for daily tariffs included in the finance lease receivables	(24,180)	(21,143)
Net Balances	45,753	47,129

As at 31 March 2024, the receivables indicated below were past due but not impaired (31 March 2023: R3,21 million). The age analysis of these receivables is as follows:

More than 30 days and not more than 60 days	91	239
Gross Balances	92	239
Less: Provision for Impairment	(1)	-
More than 60 days and not more than 90 days	(236)	99
Gross Balances	(234)	99
Less: Provision for Impairment	(2)	-
More than 90 days	109	2,873
Gross Balances	1,089	3,389
Less: Provision for Impairment	(980)	(517)
Net Balances	(35)	3,210

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
12 RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)		
12.2 Summary of Receivables from Exchange Transactions by Customer Classification		
National and Provincial client institutions:		
<u>Current:</u>		
0 - 30 days	45,789	43,919
<u>Past Due:</u>		
More than 30 days and not more than 60 days	92	239
More than 60 days and not more than 90 days	(234)	99
More than 90 days	1,089	3,389
Sub-total	46,736	47,646
Less: Provision for Impairment	(983)	(517)
Total Trade Receivables by Customer Classification	45,753	47,129
12.3 Summary of Receivables from Exchange Transactions by Customer Classification - Provincial		
<u>Current:</u>		
0 - 30 days	54,683	55,149
<u>Past Due:</u>		
More than 30 days and not more than 60 days	-	110
More than 60 days and not more than 90 days	(117)	35
More than 90 days	34	128
Sub-total	54,600	55,421
Less: Provision for Impairment	-	-
Total Trade Receivables by Provincial customer classification	54,600	55,421
12.4 Summary of Receivables from Exchange Transactions by Customer Classification - National		
<u>Current:</u>		
0 - 30 days	15,286	9,913
<u>Past Due:</u>		
More than 30 days and not more than 60 days	92	129
More than 60 days and not more than 90 days	(117)	64
More than 90 days	1,054	3,262
Sub-total	16,316	13,368
Less: Provision for Impairment	(983)	(517)
Total Trade Receivables by National customer classification	15,333	12,851
Total Trade Receivables by Provincial and National customer classification	69,933	68,272

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
12 RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)		
12.5 Reconciliation of the Provision for Impairment		
Balance at beginning of the year	(517)	-
Provision impairment losses recognised	(466)	(517)
Amounts written off as uncollectable	-	-
Balance at end of the year	(983)	(517)

Provision for impairment of Receivables has been made for all balances outstanding based on the collectability of the amounts outstanding. No further credit provision is required in excess of the Provision for Impairment.

13 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS			
Software license fees		5,851	5,433
Sundry debtors	Note 35.3.1.2	3,623	26,253
Employees with leave debits		41	10
Fleet Risk Debtors	Note 13.1	387	277
Total Receivables from Non-exchange Transactions		9,902	31,972

Software license fees are for payments for software application modules license fees which are paid for periods after the reporting date.

The balance recognised for employees with leave debits are for officials employed at GMT which utilised more annual leave by the reporting date than the leave accrual on 31 March 2024.

Fleet Risk Debtors are recoverable amounts from parties arising from incidents with mobility assets.

Sundry debtors consist of business transactions entered into by GMT on behalf of the Western Cape Mobility Department (up to 31 March 2023: the Department of Transport and Public Works) for which the amounts are recoverable from the Department.

None of the receivables have been pledged as security for the entity's financial liabilities.

13.1 Fleet Risk Debtors			
Receivable balances		555	600
Less: Provision for Impairment		(168)	(323)
Balance of receivables from Fleet Risk Debtors		387	277

13.2 Ageing of Fleet Risk Debtors			
Current: 0 - 30 days		102	13
Gross Balances		102	13
Less: Provision for Impairment		-	-
More than 30 days and not more than 60 days		2	-
Gross Balances		2	-
Less: Provision for Impairment		-	-
More than 60 days and not more than 90 days		-	4
Gross Balances		-	4
Less: Provision for Impairment		-	-
More than 90 days		283	261
Gross Balances		451	584
Less: Provision for Impairment		(168)	(323)
Net Balances		387	277

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
13	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continued)		
13.3	Reconciliation of the Provision for Impairment		
	Balance at beginning of the year	(323)	(55)
	Provision impairment losses recognised	(5)	(289)
	Provision impairment losses reversed	36	-
	Amounts written off as uncollectable	96	21
	Amounts recovered	28	-
	Balance at end of the year	(168)	(323)

Provision for impairment of Receivables has been made for all balances outstanding based on the collectability of the amounts outstanding. No further credit provision is required in excess of the Provision for Impairment.

13.4 Ageing of impaired Receivables from Non-Exchange Transactions

Current:

0 - 30 days

	-	-
--	---	---

Past Due:

More than 30 days and not more than 60 days

	-	-
--	---	---

More than 60 days and not more than 90 days

	-	-
--	---	---

More than 90 days

	168	323
--	-----	-----

Sub-total

	168	323
--	------------	------------

Less: Provision for Impairment

	(168)	(323)
--	-------	-------

Total

	-	-
--	----------	----------

14 CASH AND CASH EQUIVALENTS

Bank accounts

	1,318,527	1,192,233
--	-----------	-----------

Cash-on-hand

	2	2
--	---	---

Current investment deposits

	482,836	445,520
--	---------	---------

	1,801,365	1,637,755
--	------------------	------------------

Cash and cash equivalents comprise of cash and short-term, highly liquid investments that are held with a registered banking institution which is subject to insignificant interest rate risk. The carrying amount of these assets approximates their fair value.

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-hand and Cash in the bank.

14.1 Bank Accounts

Nedfleet bank account

Nedbank Account

Cash book balance at the beginning of the year

	12,955	15,287
--	--------	--------

Cash book balance at the end of the year

	11,032	12,955
--	---------------	---------------

Nedbank Account Number: 1452 049 831

Bank statement balance at the beginning of the year

	12,955	15,287
--	--------	--------

Bank statement balance at the end of the year

	11,032	12,955
--	---------------	---------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
14 CASH AND CASH EQUIVALENTS (continued)			
Primary bank account			
<i>Nedbank Account</i>			
Cash book balance at the beginning of the year		1,179,278	1,106,429
Cash book balance at the end of the year		1,307,495	1,179,278
<i>Nedbank Account Number: 1452 056 226</i>			
Bank statement balance at the beginning of the year		1,177,719	1,105,802
Bank statement balance at the end of the year		1,304,767	1,177,719
14.2 Cash-on-hand			
Cash float		2	2
14.3 Current investment deposits			
<i>Investments through Provincial Treasury:</i>			
Corporation of Public Deposits		482,836	445,520
		482,836	445,520
Total Cash and Cash Equivalents		1,801,365	1,637,755
14.4 Cash and cash equivalents held under restrictions			
GRAP 2 on Cash Flow Statements states the following:			
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (GRAP 2.07).			
An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the economic entity (GRAP 2.49).			
Funds held in the primary bank account and included in the following line items:			
Unspent Conditional Grants and Receipts	Note 5	66,164	49,737
Payables from exchange transactions		13,799	24,199
Trade creditors		-	4,626
Accrued expenditure		13,799	19,573
Payables from non-exchange transactions	Note 4	4,965	11,482
Payments received in advance		4,908	11,482
Refundable auction returns		57	-
		84,928	85,417

Conditional grants and receipts:

The use of these funds is restricted and must be used to fulfil conditions associated with liabilities recognised as unspent conditional grants and receipts. Note 5 contains details on the movement in the balance.

Payables from Exchange transactions and Payables from Non-exchange transactions:

Refer to notes 3 and 4 for the narratives of these line items.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14 CASH AND CASH EQUIVALENTS (continued)

14.5 Other disclosure

GMT does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned on favourable balances.

The entity did not pledge any of its cash and cash equivalents as collateral for its financial liabilities.

As required in section 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the local banks where the bank accounts are held.

Nedbank has an AA long-term SA National scale ratings through Standards and Poor's Ratings Services.

The management of the entity is of the opinion that the carrying value of cash and cash equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the entity and financial institutions.

	2023/24 R'000	2022/23 R'000
15 REVENUE		
An analysis of the entity's revenue is as follows:		
Rendering of services:		
National Departments	58,466	58,675
Provincial Departments	440,103	428,050
Interest earned:		
Finance lease receivables	434,272	393,501
	932,840	880,225
An analysis of the entity's revenue as per:		
Kilometre tariffs	417,178	420,407
Daily tariffs	81,390	66,318
Interest earned	434,272	393,501
	932,840	880,225

The amounts disclosed above for revenue are in respect of services rendered, which are billed to the clients on a monthly basis according to approved tariffs, as well as interest earned on finance lease receivables.

16 OTHER INCOME

Profit on sale of vehicles and stolen vehicles recovered	Note 16.1	9,426	11,590
Parking income		2	10
Fair value adjustment	Note 13.3/16.2	36	-
Donations received	Note 16.3	442	-
Total Other Income		9,907	11,600

16.1 Analysis of profit on sale of vehicles and stolen vehicles recovered

Profit on vehicle sales and extras		9,376	11,500
Stolen vehicles recovered at fair value	Note 7.3.7	50	90
		9,426	11,590

16.2 Fair value adjustment

The fair value adjustment is for the amendment of the provision for bad debts on fleet risk debtors. The recoverable amount of the debtors were revised from previous reported levels as the debtors since made payments, which were previously considered irrecoverable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
16 OTHER INCOME (continued)			
16.3 Donations received			
The donations received consists of office furniture which was transferred to GMT from the Department of Infrastructure. This was done to equip the phase one building at 3 Rusper Street, Maitland.			
Profit on sale of vehicles and stolen vehicles recovered	Note 16.1	9,426	11,590
Parking income		2	10
Fair value adjustment	Note 13.3/16.2	36	-
Donations received	Note 16.3	442	-
Total Other Income		9,907	11,600
17 INTEREST EARNED			
Bank account	Note 17.1	91,487	58,239
Investments	Note 17.2	37,316	24,527
Accounts receivable	Note 17.3	4	160
Total Interest Earned		128,807	82,927
17.1 Interest earned - Bank account			
Interest is earned on the primary bank account held with Nedbank. Interest is earned on a credit balance held with the bank. The rate at which interest was earned during the year varied between 7.25% to 7.75% (2022/23: 3.75% to 7.75%).			
Interest earned - Nedbank primary account		91,487	58,239
17.2 Interest earned - investments			
Interest is earned on investments held with the Corporation of Public Deposits. The interest earned and yields on investments are detailed below.			
Interest rate:			
Corporation of Public Deposits		7.34% to 8.72%	4.27% to 7.34%
Interest earned:			
Corporation of Public Deposits		37,316	24,527
Total interest earned – Investments		37,316	24,527
17.3 Interest earned - Accounts receivable			
Interest is earned on accounts receivable balances in excess of 30 days. The interest rate on which the interest is earned is determined by the National Minister of Finance for interest rates to be levied on debts owing to the State in terms of s80 of the Public Finance Management Act (Act 1 of 1999). The rate at which interest is earned during the year ended 31 March 2024 varied from 10.75% to 11.75% (2022/23: 7.5% to 10.75%).			
Interest earned - Accounts receivable		4	160
Total Interest Earned		128,807	82,927

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
18	GOVERNMENT GRANTS AND SUBSIDIES RECEIVED		
	Conditional Grants		
	Grants from Provincial Departments	2,651	7,200
	Department of Economic Development and Tourism	-	128
	Western Cape Government Health and Wellness	2,651	2,533
	Western Cape Education Department	-	4,539
	Grants from Other stakeholders:	472	207
	Paid up value - Judges vehicles	472	207
	Government Grants and Subsidies received from exchange transactions	3,123	7,408
	Refer to note 5 for the reconciliation of the movements in Unspent Conditional Grants and Receipts. GMT complied with the conditions attached to all grants received to the extent of revenue recognised. Other grants and subsidies received comprise of take-in vehicles and extras fitted to vehicles for client institutions.		
19	SERVICES IN-KIND		
	Services in-kind benefit revenue	13,814	11,802
	Services in-kind benefit revenue - accommodation	13,814	11,802
19.1	Services in-kind benefit revenue – accommodation	13,814	11,802
	In-kind benefit for leased property	1,353	1,253
	In-kind benefit for properties owned	12,461	10,550

Services in-kind benefit revenue - accommodation:

GMT occupies buildings and sites owned and leased by the Western Cape Department Infrastructure from 1 April 2023 (Western Cape Department of Transport and Public Works up to 31 March 2023) at no cost. These buildings and sites are located at:

Owned properties:

34 Roeland Street, Cape Town
 49 Hope Street, Cape Town
 3 Rusper Street, Maitland, Cape Town
 Erf 3472, George
 19 Hermes Road, Paarden Eiland, Cape Town

Leased property:

Site adjacent to 3 Rusper Street, Maitland, Cape Town

These buildings and sites are considered significant as per GRAP 23 for the operations of GMT on 31 March 2024.

^ The fluctuations in the services in-kind benefit revenue between the reporting periods are due to changes in market conditions affecting the estimated benefit amounts and changes in occupation of the buildings and sites.

From 1 April 2023, 1 192 m² of the premises at 34 Roeland Street, Cape Town was occupied for use by another entity outside GMT.

From 1 April 2023 the premises at 49 Hope Street, Cape Town was occupied for use by another entity outside GMT.

From 1 April 2023 GMT occupied a building and site of 5 943m² in Paarden Eiland, Cape Town. The building and site is owned by the Western Cape Department of Infrastructure and occupied at no cost to GMT.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
20 ADMINISTRATIVE EXPENSES		
Bank charges	3,116	4,334
Fees for services		
- Housing and hosting	8,179	6,910
Legal fees	30	62
License and software support fees	10,350	8,410
* Other administrative expenses	101	144
Stationery and printing	686	710
Training and staff development	48	20
Travel and subsistence	583	457
Total Administrative expenses	23,093	21,047

The amounts disclosed above for administrative expenses are in respect of costs incurred in the general management of GMT and not directly attributable to a specific service or class of expense.

* Other administrative expenses are catering costs, postage and other minor costs associated to the general management of GMT.

21 EMPLOYEE COSTS		
Salaries		
Basic salaries	39,262	35,744
Periodic payments	3,318	2,599
Other non-pensionable allowances	3,878	5,260
Injury on duty	-	3
Overtime and long service awards	94	129
Social contributions		
Medical	4,403	3,681
Official unions and associations	16	15
Pension	5,058	4,559
Defined Benefit Obligation expenses (see note 1):		
Current service cost	37	31
Interest cost	73	48
Net actuarial (loss) / gain recognised	(51)	16
Early retirement - (reduction) / cost to GMT	(16)	710
Total Employee costs	56,073	52,795

Employee costs are shown at cost to entity package, based upon salary, bonuses, allowances and employee benefit contributions by GMT for the year. Employee costs are charged to the Statement of Financial Performance in the year to which it relates.

The increase in the Employee Costs is due to the increase in the number of officials employed by the entity and the effective annual salary increases. The amounts reflected in note 21.1 are included in the amounts above.

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21 EMPLOYEE COSTS (continued)

21.1 The following is the disclosure of management remuneration:

	Basic Salary	Other short-term benefits	Medical Aid Contribution	Pension Contribution	Total
	R'000	R'000	R'000	R'000	R'000
Year ended 31 March 2024					
Personnel members appointed as SMS members (including those appointed in acting capacities) within Government Motor Transport					
Chief Director: Government Motor Transport	982	506	21	128	1,636
Director: Fleet Finance	850	254	-	111	1,214
Director: Fleet Services	814	237	6	106	1,162
TOTAL (SMS members)	2,645	997	27	344	4,013
Other management personnel (including those appointed in acting capacities) within Government Motor Transport					
Deputy Director: Financial Accounting (retired)	248	335	-	32	615
Acting Deputy Director: Financial Accounting	362	133	-	47	541
Acting Deputy Director: Management Support Services	435	79	54	57	624
Acting Deputy Director: Fleet Risk Management (retired)	70	153	-	9	232
Acting Deputy Director: Fleet Risk Management	245	90	31	32	399
Deputy Director: Internal Control	406	66	-	53	524
Deputy Director: Management Accounting	591	177	-	77	845
Acting Deputy Director: Fleet Operations	379	126	10	49	565
Acting Deputy Director: Fleet Repairs and Maintenance	447	57	54	58	617
TOTAL (other management personnel)	3,183	1,216	150	414	4,962
TOTAL (management remuneration for the year ended 31 March 2024)	5,828	2,213	177	758	8,975
Year ended 31 March 2023					
Personnel members appointed as SMS members (including those appointed in acting capacities) within Government Motor Transport					
Chief Director: Government Motor Transport	938	515	21	122	1,597
Director: Fleet Finance	797	258	-	104	1,159
Director: Fleet Services	725	176	6	94	1,002
TOTAL (SMS members)	2,461	950	27	320	3,757

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21 EMPLOYEE COSTS (continued)

	Basic Salary	Other short-term benefits	Medical Aid Contribution	Pension Contribution	Total
	R'000	R'000	R'000	R'000	R'000
Other management personnel (including those appointed in acting capacities) within Government Motor Transport					
Deputy Director: Financial Accounting	698	150	-	91	939
Deputy Director: Management Support Services	212	72	-	28	312
Acting Deputy Director: Management Support Services	271	171	35	35	512
Acting Deputy Director: Fleet Risk Management	390	145	-	51	586
Deputy Director: Internal Control	220	47	8	29	305
Deputy Director: Management Accounting	551	195	-	72	818
Acting Deputy Director: Fleet Operations	416	123	12	54	605
Acting Deputy Director: Fleet Repairs and Maintenance	410	71	20	53	554
TOTAL (other management personnel)	3,169	974	75	412	4,630
TOTAL (management remuneration for the year ended 31 March 2023)	5,630	1,924	102	732	8,387

Notes:

- a Mrs. K Proctor-Fourie retired on 31 July 2023
- b Mr. Y Gqamlana acted as Deputy Director: Financial Accounting from 1 August 2023 to 31 October 2023 and was appointed on a permanent basis in this position from 1 November 2023
- c Mr. P Williams acted as Deputy Director: Fleet Risk Management from 3 April 2023 to 31 May 2023 and retired on 31 May 2023
- d Mrs. C Jacobs acted as Deputy Director: Fleet Risk Management (1 June 2023 to 29 September 2023 and 8 January 2024 to 31 March 2024)
- e Mr. JC Fourie acted as Deputy Director: Fleet Operations (3 April 2023 to 7 August 2023 and 2 October 2023 to 31 March 2024)
- f Mr. S Tyman acted as Deputy Director: Fleet Repairs and Maintenance (3 April 2023 to 30 June 2023, 3 July 2023 to 30 September 2023, 2 October 2023 to 29 December 2023 and 8 January 2024 to 28 March 2024)
- g Mr. S Tyman acted as Deputy Director: Fleet Repairs and Maintenance (1 April 2022 to 30 September 2022, 3 October 2022 to 30 December 2022 and 9 January 2023 to 30 March 2023)
- h Mr. A Janse van Rensburg was appointed as Director: Fleet Services on a permanent basis from 1 December 2022
- i Mrs. J Henn was appointed as Deputy Director: Management Support Services (1 April 2022 to 15 July 2022)
- j Mr. C Kriegler acted as Deputy Director: Management Support Services (16 July 2022 to 31 March 2023)
- k Mr. P Williams acted as Deputy Director: Fleet Risk Management (1 April 2022 to 30 June 2022 and 4 July 2022 to 31 March 2023)
- l Mrs. G Hartley was appointed as Deputy Director: Internal Control (1 April 2022 to 31 July 2022)
- m Mr. JC Fourie acted as Deputy Director: Fleet Operations (4 April 2022 to 30 September 2022 and 3 October 2022 to 31 March 2023)
- n Mr. C Kriegler acted as Deputy Director: Management Support Services (4 April 2023 to 31 March 2024)
- o Mrs. Y Ismail was appointed as Deputy Director: Internal Control with effect from 1 August 2023

Consist of SMS car allowance, Public Service Co-ordinating Bargaining Council contributions, General Public Service Bargaining Council / Public Health and Welfare Sector Bargaining Council contributions, non-pensionable cash allowance and component of remuneration package, acting allowance, thirteenth cheques, payments for leave gratuity and capped leave payments

By management's judgement, management remuneration is disclosed for months during which the officials were appointed for the majority of the month during which remuneration was earned. These include acting periods.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
22 OPERATING EXPENDITURE		
Consultant, contractors and special services	64,357	45,186
• Audit fees - regulatory and ICT audits	2,656	3,098
• Computers and systems service providers:		
Support staff: scan centre	3,630	3,434
System maintenance: xECM	33	1,011
Systems Architecture and Integration	2,789	3,119
Support services: Operations	13,191	6,307
Business Analyst(s)	2,307	2,034
Fleet Finance: system maintenance and support	4,122	3,250
FleetBase: system maintenance and support	5,343	4,729
Development operations management	613	552
Linux support	116	232
Employee Wellness Systems support	4,457	1,662
Fleet Client: system maintenance and support	208	221
Database administrator: system maintenance and support	1,399	1,259
• Security services	2,428	767
• Consultant fees - contracted accountants	1,344	1,239
• Consultant fees - change management	1,347	317
• Consultant fees - project management	5,097	3,064
• Consultant fees - research and advisory services	13,276	8,864
• Consultant fees - competency based assessments	-	10
• Other services (including medical and cleaning services)	-	15
Maintenance, repairs and running costs	348,271	370,729
• Amortisation - vesting of vehicle maintenance plans	Note 8.6 606	-
• Machinery, equipment and vehicles: repairs and maintenance	Note 22.1 106,102	93,185
• Vehicles: cleaning (Covid-19)	-	19
• Vehicles: sanitising (Covid-19)	-	270
• Vehicles: losses due to fuel theft	^/ Note 37.1 236	4,527
• Vehicles: fuel, oil and vehicle electricity charges	Note 22.4 241,328	272,728
Loss on sale of property, plant and equipment; and stolen vehicles	Note 22.2 6,189	3,098
Loss on finance lease receivables	22,527	3,911
Loss on retirement of other property, plant, equipment and intangible assets	-	137
Other operating costs of associated to leases and re-fuelling	^^ 26,311	26,303
Services in-kind	Notes 19 13,814	11,802
Motor vehicle license fees	Notes 35.2.1.1 / 35.3.1.1 6,508	5,799
Third party claims	1,948	1,471
Stores and consumables	331	167
Communication costs	122	97
Data costs	-	5
Courier and delivery charges	14	16
	490,393	468,722

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
22 OPERATING EXPENDITURE (continued)			
Additional narratives:			
^ This expenditure are losses with the estimated total value of R235,634 (2022/23: R4,526,692) due to theft pertaining to the use of fuel cards. It is impractical to determine the exact monetary amount as these cases are still under investigation by various bodies, including GMT, SAPS and Provincial Forensic Services. The outcome of these investigations will determine (amongst other) whether the amounts are Fruitless and Wasteful of nature and then subsequently be disclosed in note 37 to these financial statements.			
^^ Other operating costs associated to leases and re-fuelling consist of the following:			
Maintenance, support and other services		10,088	10,081
Operating systems		10,916	10,916
SIM card subscription		3,359	3,359
Management fee		1,948	1,948
		26,311	26,303
22.1 Expenditure incurred to repair and maintain property, plant and equipment			
The following specific costs included in the amount of repairs and maintenance were incurred by Government Motor Transport during the year:			
Vehicles	Note 7.4	106,029	93,153
• General maintenance and services		68,291	62,561
• Tyres, tubes and associated maintenance		15,551	14,202
• Glass repairs		2,119	1,691
• Accident repairs		16,301	11,972
• Exhaust repairs		81	223
• Shocks		826	440
• Batteries		2,859	2,064
Plant and Equipment	Note 7.4	73	32
• Computer equipment		-	8
• Office equipment		-	4
• Domestic equipment		1	-
• Kitchen appliances		5	-
• Containers		58	19
• Office furniture and fittings		9	-
		106,102	93,185
22.2 Analysis of loss on sale of vehicles, stolen vehicles and alienations			
Vehicle sales		3,354	2,583
Vehicles alienated		221	-
Stolen vehicles		2,615	515
		6,189	3,098

Vehicles alienated:

Two Toyota Quests were donated to Mossel Bay municipality during the year under review. Refer to note 7 for the detail of the cost prices and accumulated depreciation.

Stolen vehicles:

Four Toyota Hilux Double Cabs, two Toyota Quest, one Toyota Avanza and four Volkswagen Polos were stolen during the year under review (2022/23: two Volkswagen Polos and one Hyundai Accent). Refer to note 7 for the detail of the cost price and accumulated depreciation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22.3 Consultant, contractors and special services: description of service provided

Audit fees - Regulatory and ICT audit:

Assurance services during the annual regulatory and ICT audits, and associated inspections.

Support staff: scan centre

Scan centre staff providing an in-line scanning service to business.

System maintenance: xECM

Annual support on the OpenText Mycontent instance in the GMT environment.

Systems Architecture and Integration

Conceptual modelling of the systems structures, systems landscape, behaviour and integration platform.

Support services: Operations

Annual support services to business in the Directorate: Fleet Services.

Linux support

Support services to business in the Linux open source software.

Employee Wellness System support

Support services to business for the Employee Wellness Management System.

Business Analyst(s)

Business analysis functions to document business requirements across the business.

Fleet Finance: system maintenance and support

Annual maintenance and support for Oracle EBS.

FleetBase: system maintenance and support

Annual maintenance and support for FleetMan APEX modules.

Fleet Client: system maintenance and support

Annual maintenance and support for Enterprise Asset Management (Oracle EAM in Oracle EBS).

Security Services

Contracted services to provide security at some of GMT's operational sites.

Database Administrator: system maintenance and support

Database management, maintenance and support on all systems to ensure continuity.

Consultant fees - contracted accountants:

Assist GMT with the accounting of leases, preparation of underlying asset registers and support on preparation of disclosure notes for financial statements for GMT and client institutions.

Consultant fees - project management

Planning and managing all projects across the business.

Consultant fees - research and advisory services

Professional and strategic advice from subject matter experts.

Development operations management Linux support

Configuration and support of the Linux Operating Systems within the GMT Azure Cloud Subscription.

Consultant fees - Change management

Change Management deliverables within the organisation regarding Business Transformation.

Consultant fees - competency based assessments

Costs associated to competency-based assessments during the recruitment processes.

Other services

Other services required on an ad-hoc basis e.g. removal services during relocation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
22.4 Vehicles: fuel, oil and vehicle electricity charges			
Fuel		241,000	272,436
Oil		327	292
Vehicle electricity charges		1	-
		241,328	272,728
23 DEPRECIATION			
Plant and equipment	Note 7	3,166	1,931
Vehicles	Note 7	26,923	21,100
		30,089	23,030
24 AMORTISATION			
Intangible asset – FleetMan	Note 8.1	1,526	3,263
Intangible asset - Oracle financial system	Note 8.2	4,907	6,919
Intangible asset - Intelligent Transport Platform	Note 8.3	16,465	-
		22,898	10,182
25 FINANCE COSTS			
No finance costs were incurred during the period under review (2022/23: Rnil).			
26 ACCIDENTS AND IMPAIRMENT LOSSES			
26.1 Impairment losses on fixed assets			
Impairment losses recognised:			
Property, plant and equipment	Note 26.3.1	9,316	4,058
• Vehicles		9,316	4,058
• Plant and Equipment		-	-
26.2 Impairment losses and uncollectability of financial instruments			
26.2.1 Impairment losses recognised:			
Receivables from non-exchange transactions	Note 26.3.2	42	289
• Bad debt written off		37	-
• Provision for bad debt		5	289
26.2.2 Impairment losses recognised:			
Receivables from exchange transactions	Note 26.3.3	466	517
• Bad debt written off		-	-
• Provision for bad debt		466	517
		9,824	4,864

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
26.3	The following events and circumstances resulted in the recognition of impairment losses:	
26.3.1	9,316	4,058
	9,316	4,058
	-	-

External sources:

Condition assessments performed.

Actual selling prices received for vehicles auctioned after the reporting date.

Internal sources:

GMT's internal reporting on accidents vehicles.

GMT's internal reporting indicating the economic performances of vehicles.

The impairment loss identified was the result of asset valuations performed at the end of the reporting period. The recoverable amount was based on the assets' fair value less cost to sell as accident vehicles and vehicles in a very poor or bad condition are normally withdrawn from service and sold on the following auction. The fair value was determined after taking into account current market values and market conditions.

Reserve prices determined by GMT's fleet operations section for auction purposes are based on Transunion values which provide a guide for retail prices for used vehicles and used extensively by the used car industry and dealers. In addition, the actual prices obtained during auctions are also used in calculating reserve prices.

26.3.2 Receivables from non-exchange transactions

- Fleet Risk Debtors

42	289
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GRAP 104 requires that entities shall disclose by class of financial instrument the maximum credit risk exposure. For financial assets, this is typically the gross carrying amount, net of impairment losses.

The process for estimating impairment considers all credit exposures of financial instruments, not only those of low credit quality. GMT evaluates the following groupings of financial assets as these are deemed to have similar characteristics:

Receivables from Non-exchange Transactions

- Fleet Risk Debtors; and
- Sundry debtors.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
26.3.3 Receivables from exchange transactions		
• <i>Receivables from Exchange transactions</i>	466	517

GRAP 104 requires that entities assess at the end of each reporting period whether there is an objective evidence that a financial asset or group of financial assets are impaired.

The process for estimating impairment considers all credit exposures of financial instruments, not only those of low credit quality. GMT evaluates receivables generated through tariffs and interest charges are groupings of financial assets as these are deemed to have similar characteristics.

GRAP 104 states that a financial asset may be impaired that evidence exists indicating that these is a measurable decrease in the estimated future cash flows from the financial asset since the initial recognition due to adverse changes in the payment status in the group and an increased number in delayed payments. No payments have been received for the financial asset provided as bad debt, thus the existence of a measurable decrease in the future cash flow. These debts were provided as bad debt.

Identification for impairment losses and uncollectability of financial instruments

Receivables from Exchange Transactions:

GMT charges tariffs for the rendering of goods and services for mobility solutions to other organs of State. Corresponding debts are raised against the accounts of client institutions. The debt levels for the 2023/24 year correspond to the 2022/23 levels. Internal control procedures pertaining to debt management includes monthly reconciliations of working capital accounts, debt recovery processes and reporting in terms of s40 of the PFMA. The collection of debts subsequent to 31 March 2024 has been within the expectation levels of management. In addition, interest is charged on overdue accounts at the effective interest rate as determined by the National Minister of Finance.

Receivables from Non-Exchange Transactions:

Fleet Risk Debtors were evaluated against the payments received prior to the reporting date and the subsequent period. Adequate provision for doubtful debts was made.

Sundry debtors were assessed for impairment, however no indication exists that there would be a decrease in the estimated future cash flows, as the debt is owing by the Department under which GMT's administration is. It is deemed as a related party, and the cash outflows will only be incurred upon receipt of the funds from the Department.

Other receivables as disclosed in note 13 were also assessed for impairment and the potential loss of future economic benefits associated to the assets. No such indicators exist which require for these assets to be impaired.

27 GRANTS AND SUBSIDIES PAID

No grants and subsidies were paid during the year under review or during the comparative reporting period.



GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
		R'000	R'000
28	CALCULATION OF CASH FLOW		
28.1	Charges for services provided		
		Note	
	Revenue	15	932,840 880,225
	Decrease in receivables from exchange transactions	12	1,376 1,556
	Opening balance of receivables from exchange transactions		47,129 48,685
	Closing balance of receivables from exchange transactions		(45,753) (47,129)
	Less: Interest earned on finance lease receivables	15	(434,272) (393,501)
	Debtors adjustment (Daily Tariffs on Finance Lease Receivables)	12.1	(3,037) 4,171
	Opening balance		21,143 25,314
	Closing balance		(24,180) (21,143)
	Decrease / (increase) in payments received in advance	3	1,770 (35)
	Opening balance of payables from exchange transactions		(2) (37)
	Closing balance of payables from exchange transactions		1,772 2
			498,677 492,416
28.2	Other receipts		
	Other income	16	9,907 11,600
	Increase / (decrease) in receivables from non-exchange transactions	13	22,070 (24,859)
	Opening balance of receivables from non-exchange transactions		31,972 7,113
	Closing balance of receivables from non-exchange transactions		(9,902) (31,972)
	Adjustment for:		
	Profit on disposal of property, plant and equipment	16	(9,426) (11,590)
	Transactions entered into by GMT on behalf of client institutions	13	(22,630) 20,011
	Opening balance of sundry debtors		(26,253) (6,242)
	Closing balance of sundry debtors		3,623 26,253
	Pre-payment of software license fees	13	419 5,133
	Opening balance of sundry debtors		(5,433) (300)
	Closing balance of sundry debtors		5,851 5,433
	Employees with leave debits	13	31 2
	Opening balance of sundry debtors		(10) (8)
	Closing balance of sundry debtors		41 10
			370 296
28.3	Interest earned		
	Interest earned	17	128,807 82,927

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
28.4	Government grants and subsidies received		
	Government grants and subsidies received	18	3,123
	Increase in unspent conditional grants and receipts		16,427
	Opening balance of unspent conditional grants and receipts	5	(49,737)
	Closing balance of unspent conditional grants and receipts	5	66,164
	Adjustment for:		
	Vehicles and equipment procured as procuring agent		-
	Department of Agriculture	5.1.1	644
	Department of Social Development	5.1.5	768
			19,551
			28,747
28.5	Transactions entered into by GMT on behalf of client institutions		
	Decrease in trade receivables from non-exchange transactions		
	Opening balance of sundry debtors	13	26,253
	Closing balance of sundry debtors	13	(3,623)
			22,630
			(20,011)
28.6	Employee costs		
	Employee costs	21	(56,073)
	Increase in provisions - Contributions to provisions		152
	Employee benefit obligation	1	65
	Capped leave	2	49
	Current provision	6	38
	Cash payments made against provisions - Expenditure incurred		
	Current provisions	6	(762)
	Increase in Payables from Exchange transactions - Employee cost		638
	Opening balance of staff leave accrued	3	(2,596)
	Opening balance of staff bonuses	3	(1,342)
	Closing balance of staff leave accrued	3	3,128
	Closing balance of staff bonuses	3	1,449
	Employees with leave debits	13	(31)
	Opening balance of sundry debtors		10
	Closing balance of sundry debtors		(41)
			(56,075)
			(51,401)

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
28.7	Suppliers paid		
	Note		
	Operating expenditure	22 (490,393)	(468,722)
	(Increase) in inventories	(146)	(83)
	Opening balance of inventory	11 138	55
	Closing balance of inventory	11 (284)	(138)
	Increase in payables from exchange transactions	3,687	62,241
	Opening balance of payables from exchange transactions	3 (112,800)	(50,033)
	Closing balance of payables from exchange transactions	3 118,895	112,800
	Excluding payments received in advance		
	Opening balance of payables from exchange transactions	3 2	37
	Closing balance of payables from exchange transactions	3 (1,772)	(2)
	Excluding movement in Payables from Exchange transactions - Employee cost		
	Opening balance of staff leave accrued	3 2,596	2,306
	Opening balance of staff bonuses	3 1,342	1,071
	Closing balance of staff leave accrued	3 (3,128)	(2,596)
	Closing balance of staff bonuses	3 (1,449)	(1,342)
	Adjustment for:		
	Loss on Finance Lease Receivables	22 22,527	3,911
	Vehicles moved from GMT to client institutions	7 229,421	78,579
	Vehicles moved from client institutions to GMT	7 (80,162)	(56,262)
	Finance Lease Receivables - Vehicles moved from GMT to client institutions	(320,404)	(78,975)
	Finance Lease Receivables - Vehicles moved from client institutions to GMT	180,617	54,607
	Finance Lease Receivables - Stolen vehicles	4,703	1,587
	Finance Lease Receivables - Vehicles sold	8,352	4,374
	Operating expenditure - services in-kind	22 13,814	11,802
	Amortisation - vesting of vehicle maintenance plans	22 606	-
	Loss on disposal of property, plant and equipment	22 6,189	3,235
		(443,715)	(387,617)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
28.8	Other payments		
	Note		
	Administrative expenses	20 (23,093)	(21,047)
	Depreciation	23 (30,089)	(23,030)
	Amortisation	24 (22,898)	(10,181)
	Accidents and Impairment losses	26 (9,824)	(4,864)
	Operating leases	34 (22,628)	(27,292)
		(108,532)	(86,414)
	Adjustment for:	62,303	(37,270)
	Depreciation - property, plant and equipment	23 30,089	23,030
	Amortisation - intangible assets	24 22,898	10,182
	Impairment losses on property, plant and equipment	26.1 9,316	4,058
	(Decrease) / Increase in payables from non-exchange transactions	(6,574)	7,198
	Opening balance of payables - Payments in advance	4 (11,482)	(4,284)
	Closing balance of payables - Payments in advance	4 4,908	11,482
	Increase in payables from non-exchange transactions	57	-
	Opening balance of payables - other creditors	4 -	-
	Closing balance of payables - other creditors	4 57	-
	(Increase) in trade receivables from non-exchange transactions		
	Pre-payment of software License fees	13 (419)	(5,133)
	Opening balance of sundry debtors	5,433	300
	Closing balance of sundry debtors	(5,851)	(5,433)
		(53,164)	(47,078)
28.9	Vehicles and equipment procured as procuring agent		
	Department of Agriculture	5.1.1 -	(644)
	Department of Social Development	5.1.5 -	(768)
		-	(1,412)

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
28.10 RECONCILIATION OF CASH GENERATED FROM OPERATIONS	Note		
Surplus for the year		433,493	386,030
Adjustment for:			
Revenue – services in-kind		(13,814)	(11,802)
Operating expenditure - services in-kind		13,814	11,802
Depreciation - property, plant and equipment		30,089	23,030
Amortisation - intangible assets		22,898	10,181
Amortisation - vesting of vehicle maintenance plans		606	-
Interest earned on finance lease receivables		(434,272)	(393,501)
Loss on Finance Lease Receivables		22,527	3,911
Finance Lease Receivables - Vehicles moved to client institutions		(320,404)	(78,975)
Finance Lease Receivables - Vehicles moved from client		180,617	54,607
Finance Lease Receivables - Stolen vehicles		4,703	1,587
Finance Lease Receivables - Vehicles sold		8,352	4,374
PPE: Vehicles moved from GMT to client institutions		229,421	78,579
PPE: Vehicles moved from client institutions to GMT		(80,162)	(56,262)
Impairment losses – vehicles		9,316	4,058
Increase in provision for doubtful debts - non-exchange		5	289
Loss on disposal of property, plant and equipment		6,189	3,235
Profit on disposal of property, plant and equipment		(9,426)	(11,590)
Increase in provisions		152	855
Increase in provision for doubtful debts – Exchange		466	517
Operating cash flows before working capital changes		82,044	27,014
Working capital changes		35,035	69,850
(Increase) in inventories		(146)	(83)
(Increase) / decrease in receivables from exchange transactions		(2,128)	5,211
Decrease / (increase) in receivables from non-exchange transactions		22,065	(25,149)
(Decrease) / increase in payables from non-exchange transactions		(6,517)	7,198
Increase in payables from exchange transactions		6,095	62,767
Increase in unspent conditional grants and receipts		16,427	19,928
Cash payments made against provisions		(762)	(21)
Cash generated from operations		117,079	96,866
28.11 Proceeds on disposal of Property, Plant and Equipment and Intangible Assets			
Carrying value of PPE disposals	7	37,854	31,443
Carrying value of stolen vehicles	7	2,615	515
Carrying value of vehicles alienated	7	221	-
Intangible Assets: Internal Development – Retirements	8	-	22
Adjustment for:			
Profit on disposal of property, plant and equipment	16	9,426	11,590
Stolen vehicle recovered	7	(50)	(90)
Loss on disposal of Property, Plant and Equipment and Intangible Assets	22	(6,189)	(3,235)
		43,877	40,246
28.12 Acquisition of property, plant and equipment			
PPE additions at cost	7	(278,006)	(309,926)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
	Note		
28.13	Intangible Assets - development cost capitalised		
	Internal Development - Cost capitalised	8 (468)	(3,211)
	Intangible assets under development	8 (47,952)	(24,702)
		(48,419)	(27,913)
28.14	Intangible Assets - vehicle maintenance plans acquired		
	Vehicle maintenance plans acquired	8 (5,735)	-
28.15	Increase in finance lease receivables		
	(Increase) in Finance Lease Receivables Current and Non-current	10 (229,227)	(111,964)
	Opening balance of Finance Lease Receivables Non-Current	879,743	805,906
	Opening balance of Finance Lease Receivables Current	177,507	139,380
	Closing balance of Finance Lease Receivables Non-Current	(1,068,776)	(879,743)
	Closing balance of Finance Lease Receivables Current	(217,700)	(177,507)
	Loss on Finance Lease Receivables	126,732	18,407
	Finance Lease Receivables - Vehicles moved from GMT to client institutions	320,404	78,975
	Finance Lease Receivables - Vehicles moved from client institutions to GMT	(180,617)	(54,607)
	Finance Lease Receivables - Stolen vehicles	(4,703)	(1,587)
	Finance Lease Receivables - Vehicles sold	(8,352)	(4,374)
	Interest earned on Finance Lease Receivables	15 434,272	393,501
	Debtors' adjustment (Daily Tariffs on Finance Lease Receivables)	12.1 3,037	(4,171)
	Opening balance	(21,143)	(25,314)
	Closing balance	24,180	21,143
		334,814	295,773
29	CASH AND CASH EQUIVALENTS - STATEMENT OF CASH FLOWS		
	Cash and Cash Equivalents included in the Statement of Cash Flows, comprise the following Statement of Financial Position amounts:		
	Bank balances, investments and cash-on-hand	1,801,365	1,637,755
		1,801,365	1,637,755
30	TAXATION		
	No provision has been made for taxation, as GMT is exempt from income tax in terms of section 10(1) of the Income Tax Act, 1962 (Act No 58 of 1962).		
31	CONTINGENT LIABILITIES		
31.1	Claims are instituted against GMT:		
	Claims are instituted against GMT by third parties who are party to a motor vehicle accident involving a government vehicle. An amount of R91,583 for the year (2022/23: R27,455) in respect of claims made against GMT as at 31 March 2024 and paid during the subsequent period has been raised as a payable in the Statement of Financial Position. The estimated total amount of claims made against GMT as at 31 March 2024 amounts to R2,890,585. A contingent liability of R2,799,002 exists, but has not been raised in the financial statements as the existence of this obligation will only be acknowledged by the future payment of these claims.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
32	COMMITMENTS FOR EXPENDITURE		
32.1	Capital commitments		
	Commitments for the acquisition of capital expenditure:		
	Approved and contracted for:		
	Property, plant and equipment	1,159,038	861,955
	Intangible assets	1,006,549	786,291
		152,490	75,664
	Total capital commitments	1,159,038	861,955
	This expenditure will be financed from:		
	Own resources	1,159,038	861,955
32.2	Analysis of capital commitments		
	The amount of contractual commitments for the acquisition of intangible assets, property, plant and equipment is detailed below:		
	Vehicles:	1,003,288	785,640
	New vehicle purchases	896,685	747,639
	Conversion of vehicles	96,217	28,449
	Extras fitted to vehicles	10,386	9,552
	Plant and Equipment:	3,260	651
	Office Equipment	40	651
	Computer Equipment	3,195	-
	Office Furniture and Fittings	25	-
	Total for property, plant and equipment	1,006,549	786,291
	Intangible assets:	152,490	75,664
	Systems – development	1,489	-
	Software – procurement	75,664	75,664
	Maintenance plans on mobility assets	75,337	-
	Total for intangible assets	152,490	75,664
	Total capital commitments	1,159,038	861,955
32.3	Other commitments		
	Non-cancellable operating lease commitments are disclosed in note 34.		
33	EVENTS AFTER THE REPORTING DATE		
33.1	Non-adjusting events		
33.1.1	<i>Claims, losses and damages</i>		
	The following information is disclosed as non-adjusting events after the reporting date in the financial statements and represents preliminary claims from third parties against GMT as well as the estimated loss value with regard to government vehicles. The estimated loss value will only be confirmed after finalisation of these claims.		
33.1.2	<i>Third Party claims</i>		
	Four claims with a total estimated value of R203,297 were issued to GMT after 31 March 2024 (31 March 2023: Eight claims with a total estimated value of R185,011 was issued to GMT after 31 March 2023 for the comparative reporting period).		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

33 EVENTS AFTER THE REPORTING DATE (continued)

33.1.3 *Damages/Losses - government vehicles*

336 cases were registered after 31 March 2024 with a probable loss amount of R3,302,388 (31 March 2023: 221 cases were registered after 31 March 2023 with a probable loss amount of R1,370,086 for the comparative reporting period).

33.1.4 *Compliance to governance prescripts for procurement done through transversal contracts*

The Western Cape Mobility Department (up to 31 March 2023: the Department of Transport and Public Works) (including GMT) in addition to processes followed by National Treasury, performs due diligence processes through checks of its databases and Western Cape Supplier Evidence Bank to ensure compliance during procurement through participation of transversal contracts before any orders are placed.

33.1.5 *Referral for possible recovery claim on financial losses suffered*

On 6 May 2024, the Head of Department of the Western Cape Mobility Department issued a request to the DDG: Legal Services at the Western Cape Department of the Premier for referral to outside council. The request encapsulates assessing a potential civil claim to claim back losses from the previous service provider which managed fuel and oil transactions in conjunction with GMT. GMT incurred losses during suspected fraud due to multiple instances of apparent cloned fuel card transactions which GMT believes was the responsibility of the service provider to manage. Refer to notes 22 and 37 on additional details pertaining to the instances.

The financial implications cannot be determined reliably at the reporting date due to the instances still being under investigation.

A contingent asset for this event is not disclosed as at the reporting date in terms of GRAP 19. A contingent asset is defined as a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity in GRAP 19.17 and is disclosed where an inflow of economic benefits or service potential is probable (GRAP 19.41). It is uncertain whether there will be economic inflow to GMT during the referral process as the contractual obligations on the previous service provider must be proven, quantified, instituted and the ability of the service provider to settle the potential claim amount must be determined. It is thus not practicable to disclose the estimated financial effect as at the reporting date.

33.1.6 *Appointment of management personnel*

Management personnel are considered to be all persons within the Western Cape Mobility Department structures who are responsible for planning, directing and controlling activities of GMT. All officials appointed in an acting and permanent capacity on salary level 11 and above are considered to meet this criteria. In addition, persons within the Western Cape Mobility Department who are responsible for these activities are also considered to be management personnel.

The appointment details of management personnel which occurred after the reporting date are:

Management members and position of appointment	Period of appointment	Planning, directing and controlling activities
*Mr. S Tyman - Deputy Director: Fleet Repairs and Maintenance	1 April 2024 to 30 September 2024 (or until the post is filled)	Oversee the client care centre; Coordinate the repair and maintenance of the fleet; Provide a fleet quality assurance services; and Manage the registration of vehicle related suppliers and process their invoices.
**Mr. JC Fourie - Acting Deputy Director: Fleet Operations	1 April 2024 to 30 September 2024 (or until the post is filled)	Plan, acquire, convert, fit and prepare the fleet; Render an effective general vehicle rental service; and Provide fleet administration services.
***Mrs. C Jacobs - Acting Deputy Director: Fleet Risk Management	1 April 2024 to 30 September 2024 (or until the post is filled)	Manage and administer accidents and claims in favour of the State; Manage and administer fleet and non-vehicle losses; Manage and administer third party accidents and claims against the State; and Manage the risk regarding drivers of GMT vehicles.
****Mr. C Kriegler - Acting Deputy Director: Management Support Services	1 April 2024 to 30 September 2024 (or until the post is filled)	Manage facilities and coordinate business planning, marketing and communications; Provide office support services; and Render an ICT management service.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

33 EVENTS AFTER THE REPORTING DATE (continued)

Financial implication
per month (Rand)

The financial implication for the appointment of officials in higher posts are as follows:

*Mr. S Tyman	13,302
**Mr. JC Fourie	12,761
***Mrs. C Jacobs	15,689
****Mr. C Kriegler	14,985

Acting allowances are calculated as the difference between the current notch and 75% of the commencing inclusive of the flexible remuneration package to the level 11 non-OSD post.

33.2 Adjusting events

33.2.1 Amounts receivable under Finance Leases:

Interest rates on Finance Lease Receivables are calculated once-off in accordance with the monthly cash flows over the period of the lease. The following factors affects the calculated effective annual interest rate over the lease period: (1) daily tariffs charged over the lease period, (2) the residual value/proceeds on disposal at the end of the lease period (3) lease period which coincide with the useful life of the vehicle. The three factors above are re-assessed on an annual basis which have an impact on the effective annual interest.

Future Lease instalment and tariff increases:

Increases in future lease instalments agree with approved future tariff increases as recorded in the Medium-Term Expenditure Framework (MTEF guidelines). A proposal by management was approved by Provincial Treasury that tariff adjustments remain unchanged from 2023/24 pricing levels. The tariffs would thus support client institutions in acquiring fleet management services from GMT whilst still being within the financial means of GMT as a services organisation. Future lease instalments have therefore been increased as follows:

2024/25: 0.0%
2025/26: 4.7%
2026/27: 4.6%

Annual increase beyond the 2028 financial year: 3.1% (average of the previous 3 financial years).

If tariffs were increased in line with MTEF guidelines by GMT, future lease instalments would have been increased as follows:

2024/25: 4.8%
2025/26: 4.7%
2026/27: 4.6%

Annual increase beyond the 2028 financial year: 4.7% (average of the previous 3 financial years).

The daily tariffs in 2023/24 were increased at an annual rate of 4.4% from 2022/23 pricing levels.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

33 EVENTS AFTER THE REPORTING DATE (continued)

The effect on amounts receivable under finance leases receivables:

	Minimum Lease Receivables	
	2023/24 R'000	2023/24 R'000
	MTEF (4.8%) tariff increase in 2025 and 4.7% increase beyond 2028	0.0% tariff increase in 2025 and 3.1% increase beyond 2028
Amounts receivable under finance leases:		
Within one year	686,013	659,357
In the second to fifth years, inclusive	1,884,907	1,822,256
Over five years	11,374	10,955
	2,582,294	2,492,569
Less: Unearned Future Finance Income	1,277,657	1,206,092
Present Value of Minimum Lease Receivables	1,304,637	1,286,476

	Present Value of Minimum Lease Receivables	
	2023/24 R'000	2023/24 R'000
	MTEF (4.8%) tariff increase in 2025 and 4.7% increase beyond 2028	0.0% tariff increase in 2025 and 3.1% increase beyond 2028
Amounts receivable under finance leases:		
Within one year	219,657	217,700
In the second to fifth years, inclusive	1,075,775	1,059,801
Over five years	9,205	8,975
Present Value of Minimum Lease Receivables	1,304,637	1,286,476

	2023/24 R'000	2023/24 R'000
	MTEF (4.8%) tariff increase in 2025 and 4.7% increase beyond 2028	0.0% tariff increase in 2025 and 3.1% increase beyond 2028
The effect on Interest earned on finance lease receivables in 2023/24.		
Interest earned:		
Finance Lease Receivables	452,433	43,272

33.2.2 Settlement of cases

Three claims were settled in terms of an agreed payment after the reporting date but before the financial statements were issued and amounts to R91,583 (31 March 2023: one claim amounting to R27,455).



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

33 EVENTS AFTER THE REPORTING DATE (continued)

33.2.3 *Refund of auction returns to an entity based in KwaZulu-Natal*

GMT refunded an entity based in KwaZulu-Natal R47,000 on 24 May 2024 for auction returns held as at 31 March 2024. The liability is disclosed in note 4.

33.2.4 *Refunds to client institutions*

Refunds were made by GMT to client institutions listed below for kilometer-, daily tariffs and third-party claims after the reporting date. Reasons varying from corrections on charge identification codes which are linked to the tariffs charged, odometer meter readings, closing of bookings and processing settlements resulted in some accounts being settled by the client institution in excess of the actual activity.

	Refund amount (R'000)
Western Cape Government Health and Wellness	4,138
Department of Social Development	1,295
Western Cape Mobility Department	406
Western Cape Education Department	3,236
Department of Local Government	44
Department of the Premier	226
Department of Infrastructure	43
	9,388

* This total includes amounts totalling R889,233 due to the Western Cape Education Department and included in the balance of the payments received in advance (note 3) as at 31 March 2024.

34 OPERATING LEASE ARRANGEMENTS

GMT as Lessor:

Leasing arrangements:

The trading activities of GMT's focus are mainly on the provision of vehicles to national and provincial departments and institutions, used for transportation in order that each client may carry out its services efficiently and effectively. These rentals are classified as contingent rentals due to uncertain lease periods and fluctuating tariff increases for vehicles classified as operating leases and leased to client institutions from the general hire pool as well as permanently allocated vehicles classified as operating leases. The operating lease payments are therefore not subject to straight-lining and it is impracticable to disclose the future minimum lease payments expected to be received for each of the following periods as required by GRAP 13:

- no later than one year
- later than one year and not later than five years
- later than five years.

GMT as Lessee:

Leasing arrangements:

GMT uses vehicle tracking units and variable injection timing devices fitted to vehicles in its fleet for tracking, fuelling and associated services. The ownership of the device remains with the lessor at the end of the lease, GMT does not have the option to purchase the devices, the lease term is not considered to be the major part of the economic life of the devices and the devices can easily be transferred without major modifications.

These rentals are classified as contingent rentals due to uncertain tariff increases. The operating lease payments are therefore not subject to straight-lining and it is impracticable to disclose the future minimum lease payments expected to be paid for each of the following periods as required by GRAP 13:

- no later than one year
- later than one year and not later than five years
- later than five years.

Other operating leases relate to office equipment with lease terms up to 3 years. GMT does not have an option to purchase the leased asset at the expiry of the lease period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
34 OPERATING LEASE ARRANGEMENTS (continued)			
At the reporting date GMT had outstanding commitments of future minimum lease payments under non-cancellable operating leases, which fall due as follows:			
Up to 1 year		264	236
2 to 5 years		58	219
More than 5 years		-	-
Total future minimum lease payments	Note 34.1.1	<u><u>322</u></u>	<u><u>455</u></u>
34.1 Commitments under non-cancellable operating leases for future minimum lease payments			
34.1.1 Office equipment			
Up to 1 year		264	236
2 to 5 years		58	219
More than 5 years		-	-
Total future minimum lease payments		<u><u>322</u></u>	<u><u>455</u></u>
An analysis of the operating expenses recorded is detailed below:			
The following payments have been recognised as an expense in the Statement of Financial Performance:			
Minimum lease payments		22,628	27,292
Contingent rentals		-	-
Total Operating Lease Expenses - as Lessee		<u><u>22,628</u></u>	<u><u>27,292</u></u>
In respect of non-cancellable Operating Leases the following liability has been recognised:			
Operating lease liability as at reporting date:			
Balance at beginning of the year		-	-
Operating expenses recorded	Note 34.2	22,628	27,292
Operating lease payments affected		(22,628)	(27,292)
Total Operating Lease Liabilities		<u><u>-</u></u>	<u><u>-</u></u>
GMT has operating lease agreements for the following class of assets:			
<ul style="list-style-type: none"> • Vehicle tracking units • Variable injection timing units • Office equipment 			
GMT is restricted to the hiring of office equipment and labour-saving devices by National Tender RT3-2022.			
Operating expenses recorded			
An analysis of the operating expenses recorded is detailed below:			
Vehicle tracking units		22,344	22,497
Variable injection timing units		-	4,567

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Office equipment	284	228
Total operating expenses recorded	22,628	27,292

35 RELATED PARTY DISCLOSURES

35.1 Western Cape Mobility Department (up to 31 March 2023: Western Cape Department of Transport and Public Works)

Premier Alan Winde announced the establishment of a Department of Infrastructure and a Western Cape Mobility Department during the State of the Province Address on 15 February 2022. GMT operates as a trading entity under the administration of the Western Cape Mobility Department with effect from 1 April 2023. GMT was previously under the administration of the Western Cape Department of Transport and Public Works up to 31 March 2023. The Departments are considered to be the governing bodies for the purposes of the reporting requirements of GRAP 20. The totals and balances disclosed below are those for the respective reporting periods during which related party arrangements existed.

The details of the transaction totals and balances disclosed below are done to enable users of these financial statements to understand the effect of the transactions and balances on the financial statements as contained in GRAP 20.34.

35.1.1 The following related party transaction was not concluded at arm's length during the comparative period:

GMT occupied buildings and sites which was owned and leased by the Western Cape Department of Transport and Public Works during 2022/23 at no cost.

Address details of the properties which were owned and/or leased by the Department Transport and Public Works and occupied by GMT are:

- 34 Roeland Street, Cape Town
- 49 Hope Street, Cape Town
- 3 Rusper Street, Maitland, Cape Town
- Site adjacent to 3 Rusper Street, Maitland, Cape Town
- Erf 3472, York Road, George

The Western Cape Department of Transport and Public Works incurred the following construction costs and fees for some of the stipulated sites during the period under review for use by Government Motor Transport:

- 3 Rusper Street, Maitland, Cape Town - 2022/23: R6,865,630 (incl. VAT)
- Erf 3472, York Road, George - 2022/23: R41,023 (incl. VAT)

The Western Cape Department of Transport and Public Works incurred lease expenditure of R1,252,901 during 2022/23 for a property occupied by GMT at no cost to GMT. This amount is included under services in-kind (note 19).

The Western Cape Department of Transport and Public Works also provides parking space to GMT officials at an approved rate which is not market related.

35.2 The following related party transactions with the Department of Transport and Public Works were made on terms equivalent to those that prevail in arm's length transactions up to 31 March 2023:

	2023/24 R'000	2022/23 R'000
35.2.1.1 Revenue and expenditure		
Revenue		
Transport claims	-	102,439
Kilometre tariffs	-	51,012
Daily tariffs	-	51,427
Interest earned on finance lease receivables	-	37,504
Services in-kind	-	11,802
	-	151,745
Expenditure		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

License fees	Note 22	-	5,799
Services in-kind	Note 19	-	11,802
		-	17,601

2023/24 R'000 2022/23 R'000

35 RELATED PARTY DISCLOSURES (continued)

35.2.1.2 Other receipts, payments and balances receivable/due for mobility solutions

Receipts and balances receivable

Reimbursive income		-	78,404
Reimbursements for mobility solutions		-	1,229
Reimbursements for in-vehicle technology equipment, fitment- and other devices		-	17,050
Reimbursements for in-vehicle technology licenses, maintenance and support		-	39,327
Reimbursements for alternative energy solutions		-	191
Reimbursements for settlement of tracking and related services		-	20,607
Balances due to GMT and excluded from the receipts listed above:		-	37,504
Receipts during prior reporting periods:		-	11,482
Opening balance on 1 April		-	4,284
Funds received not allocated against expenditure yet		-	3,851
Allocation against receipts during the financial year		-	3,347
Receivables from non-exchange transactions - Sundry Debtors	Note 13	-	26,253
Reimbursements for settlement of tracking and related services		-	21,009
Reimbursements for in-vehicle technology equipment, fitment- and other devices		-	5,244
Total of other receipts and balances receivable		-	116,139

Payments and balances due

Reimbursive expenses		-	(54,014)
Reimbursements for mobility solutions		-	(1,229)
Reimbursements for in-vehicle technology equipment and other devices		-	(2,657)
Reimbursements for in-vehicle technology licenses, maintenance and support		-	(33,115)
Reimbursements for settlement of tracking and related services		-	(17,013)
Balances due by GMT and excluded from the payments listed above:		-	(46,017)
Payables from exchange transactions - Accrued expenditure		-	(46,017)
^ Reimbursements for tracking and related services		-	(21,530)
^ Reimbursements for in-vehicle technology equipment, fitment and other devices		-	(14,392)
^ Reimbursements for in-vehicle technology licenses, maintenance and support		-	(9,903)
Reimbursements for alternative energy solutions		-	(191)

^ refer to note 3.1

Payables from non-exchange transactions - Payments received in advance	Note 4	-	(11,482)
Trade creditors		-	(4,626)
Opening balance on 1 April		-	(2,204)
New liability raised during the year		-	(4,626)
Allocation against liability during the financial year		-	2,204
Total of other payments and balances due		-	(116,139)

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
35	RELATED PARTY DISCLOSURES (continued)		
35.2.1.3	Settlements made on behalf of GMT for reimbursement - employee costs		
	Settlements for employee costs	-	51,437
	Total of other receipts and balances receivable	<u>-</u>	<u>51,437</u>
	Payments and balances due		
	Reimbursive expenses	-	(42,360)
	Reimbursements for employee costs	-	(42,360)
	Payables from exchange transactions – Accrued expenditure	-	(9,078)
	Note 3.1		
	Total of other payments and balances due	<u>-</u>	<u>(51,437)</u>
	Total other receipts and balances receivable due to mobility solutions and employee costs	<u>-</u>	<u>167,577</u>
	Total other payments and balances due to mobility solutions and employee costs	<u>-</u>	<u>167,577</u>
	Reimbursive income and reimbursive expenditure does not meet the definitions of revenue and expenses as stated in GRAP 1. These items are thus disclosed under other payments and other receipts.		
35.2.1.4	Balances included under assets as at the reporting date		
	Finance lease receivables	-	92,834
	Trade receivables from exchange transactions	-	4,731
	Receivables from non-exchange transactions	-	26,253
	Note 13		
		<u>-</u>	<u>123,818</u>
35.2.1.5	Balances included under liabilities as at the reporting date		
	Payables from non-exchange transactions	-	11,482
	*Unspent conditional grants and receipts	-	21,704
	Note 4		
	Note 5.1.6		
		<u>-</u>	<u>33,184</u>
	*Refer to note 5.1.6 for an analysis of the movements during the financial reporting period.		
35.3	The following related party transactions with the Western Cape Mobility Department were made on terms equivalent to those that prevail in arm's length transactions from 1 April 2023:		
35.3.1.1	Revenue and expenditure		
	Revenue		
	Transport claims	100,170	-
	Kilometre tariffs	51,323	-
	Daily tariffs	48,847	-
	Interest earned on finance lease receivables	35,859	-
		<u>136,029</u>	<u>-</u>
	Expenditure		
	License fees	6,508	-
	Note 22		
		<u>6,508</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
35	RELATED PARTY DISCLOSURES (continued)		
35.3.1.2	Other receipts, payments and balances receivable/due for mobility solutions		
	Receipts and balances receivable		
	Reimbursive income	97,088	-
	Reimbursements for mobility solutions	931	-
	Reimbursements for in-vehicle technology equipment, fitment- and other devices	40,781	-
	Reimbursements for in-vehicle technology licenses, maintenance and support	14,703	-
	Reimbursements for induction programme training	13	-
	Reimbursements for settlement of tracking and related services	40,661	-
	Balances due to GMT and excluded from the receipts listed above:		
	Receipts during prior reporting periods:	4,918	-
	Opening balance on 1 April	11,482	-
	Funds received not yet allocated against expenditure	10	-
	Allocation against receipts during the financial year	(6,574)	-
	Receivables from non-exchange transactions - Sundry Debtors	3,623	-
	Opening balance on 1 April	-	-
	Transfer liability to the Western Cape Mobility Department	26,253	-
	Receipt of debtor during the period	(26,253)	-
	Reimbursements for settlement of tracking and related services	2,984	-
	Reimbursements for in-vehicle technology licenses, maintenance and support	639	-
	Total of other receipts and balances receivable	105,629	-
	Payments and balances due		
	Reimbursive expenses	(83,276)	-
	Reimbursements for mobility solutions	(931)	-
	Reimbursements for in-vehicle technology equipment, fitment- and other services	(35,147)	-
	Reimbursements for in-vehicle technology licenses, maintenance and support	(4,510)	-
	Reimbursements for settlement of tracking and related services	(42,688)	-
	Balances due by GMT and excluded from the payments listed above:		
	Payables from exchange transactions - Accrued expenditure	(17,435)	-
	Opening balance on 1 April	-	-
	Transfer liability to the Western Cape Mobility Department	(46,017)	-
	Settlement of liability during the period	28,769	-
	Reallocation of liabilities to reimbursements by nature of the transactions	17,248	-
	^ Reimbursements for tracking and related services	(3,722)	-
	^ Reimbursements for in-vehicle technology equipment, fitment- and other devices	(2,868)	-
	Reimbursements for induction programme training	(13)	-
	^ Reimbursements for in-vehicle technology licenses, maintenance and support	(10,832)	-
	^ refer to note 3.1		
	Payables from non-exchange transactions:		
	Payments received in advance - funds held for accounts settlement	(4,908)	-
	Payables from non-exchange transactions - Refundable auction returns	(10)	-

GOVERNMENT MOTOR TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
35	RELATED PARTY DISCLOSURES (continued)		
	Trade creditors	-	-
	Opening balance on 1 April	-	-
	Transfer liability to the Western Cape Mobility Department	(4,626)	
	Settlement of liability during the period	4,626	
	Total of other payments and balances due	(105,629)	-
35.3.1.3	Settlements made on behalf of GMT for reimbursement - employee costs		
	Settlements for employee costs	56,076	-
	Total of other receipts and balances receivable	56,076	-
	Payments and balances due		
	Reimbursive expenses	(51,503)	-
	Reimbursements for employee costs	(51,503)	-
	Payables from exchange transactions – Accrued expenditure	(4,573)	-
		Note 3.1	
	Opening balance on 1 April	-	
	Transfer liability to the Western Cape Mobility Department	(9,078)	
	Settlement of liability during the period	9,078	
	Accrued liability at the reporting date	(4,573)	
	Total of other payments and balances due	(56,076)	-
	Total other receipts and balances receivable due to mobility solutions and employee costs	161,705	-
	Total other payments and balances due to mobility solutions and employee costs	(161,705)	-
	Reimbursive income and reimbursive expenditure does not meet the definitions of revenue and expenses as stated in GRAP 1. These items are thus disclosed under other payments and other receipts.		
35.3.1.4	Balances included under assets as at the reporting date		
	Finance lease receivables	135,415	-
	Trade receivables from exchange transactions	3,514	-
	Receivables from non-exchange transactions	3,623	-
		Note 13	
		142,552	-
35.3.1.5	Balances included under liabilities as at the reporting date		
	Payables from non-exchange transactions	4,908	-
	^Unspent conditional grants and receipts	13,089	-
		Note 4	
		Note 5.1.2	
		17,997	-
	^Refer to note 5.1.2 for an analysis of the movements during the financial reporting period.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

35 RELATED PARTY DISCLOSURES (continued)

35.4 Employee costs of Government Motor Transport

Employee costs of Government Motor Transport as per note 21 are paid by the Western Cape Mobility Department (2022/23: Department of Transport and Public Works) and refunded by GMT.

35.5 Related party relationships

The persons listed in notes 35.5.1 and 35.5.2 are considered management personnel of GMT and members of the governing body of the entity as stipulated in GRAP 20. These persons have the authority and responsibility for the planning, directing and controlling of financial and operating activities of GMT. During the year under review, a management arrangement was applicable for Programme 1 - Administration between members of the governing body and the newly created Western Cape Department of Infrastructure. This arrangement was effective from 1 April 2023 to 30 September 2023. The intent of the management arrangement was for the planning, directing and controlling of financial and operating activities during the initial stages of the newly formed Western Cape Mobility Department and the Western Cape Department of Infrastructure. Subsequently, these activities are performed by the related parties defined under the governing body and management personnel.

35.5.1 Members of the governing body (Western Cape Mobility Department)

Mr. Ricardo Mackenzie - Provincial Minister of Mobility (elected during February 2023, with effect from 1 April 2023)
 Ms. Marissa Moore - Head of Department (from 1 August 2023)
 Adv. Kyle Reinecke - Acting Head of Department (up to 31 July 2023)
 Mr. F de Wet - Chief Director: Management Support/CFO

Members of the governing body (2022/23: Department of Transport and Public Works)

Mr. Tertuis Simmers - Executive Authority - Department of Transport and Public Works
 Mr. Daylin Mitchell - Provincial Minister of Transport and Public Works (elected a Speaker of the Western Cape Provincial Parliament on 12 December 2022)
 Dr. Ivan Meyer - Provincial Minister of Transport and Public Works (acting)
 Mr. Ricardo Mackenzie - Provincial Minister of Mobility (elected during February 2023, with effect from 1 April 2023)
 Ms. Jacqueline Gooch - Head of Department
 Adv. Chantal Smith - Deputy Director General: Finance
 Adv. Kyle Reinecke - Deputy Director General: Transport

35.5.2 Personnel members appointed as SMS members (including on acting capacities)

Mr. Yasir Ahmed - Chief Director: Government Motor Transport
 Mr. Riaan Wiggill - Director: Fleet Finance
 * Mr. A Janse van Rensburg - Director: Fleet Services

Other members of management personnel (including on acting capacities)

* Mrs. Kathy Proctor Fourie - Deputy Director: Financial Accounting
 * Mr. Y Gqamlana - Acting Deputy Director: Financial
 * Mr. C Krieglger acted as Deputy Director: Management Support Services
 Mrs. Bianca Hendricks - Deputy Director: Management Accounting
 * Mr. P Williams acted as Deputy Director: Fleet Risk
 * Mr. S Tyman acted as Deputy Director: Fleet Repairs and Maintenance
 * Mrs. C Jacobs acted as Deputy Director: Fleet Risk Management
 * Mrs. Y Ismail - Deputy Director: Internal Control
 * Mr. JC Fourie acted as Deputy Director: Fleet Operations

* refer to note 21 for periods of appointment in management capacities (personnel not indicated with an asterisk were appointed for the entire period during 2023/24 and the comparative year in permanent capacities)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

35 RELATED PARTY DISCLOSURES (continued)

35.5.3 Remuneration of management personnel

Compensation of the management personnel remuneration for the officials listed in note 35.5.2 is disclosed in note 21 of the Annual Financial Statements. The remuneration of the Provincial Minister, Head of Department, Acting Head of Department and Chief Director: Management Support/CFO are not remunerated by Government Motor Transport.

35.5.4 Remuneration of close family members of personnel employed at GMT during the period. Refer to note 21 for the periods during which the officials were appointed as management members. The remuneration of family members is stated for periods during which officials served as management members.

	2023/24 R'000	2022/23 R'000
35.5.4.1 Remuneration of Mr. H. Janse van Rensburg (Administration Clerk: Fleet Administration)		
Basic salary	265	238
Other short-term benefits	64	55
Medical Aid Contribution	12	12
Pension Contribution	34	31
	376	336

Mr. A Janse van Rensburg is the Director: Fleet Services. Mr. H. Janse van Rensburg is the brother of Mr. A Janse van Rensburg.

35.5.4.2 Remuneration of Mr. JC Fourie (Assistant Director: Fleet planning and Acquisitions)

Basic salary	150	416
Other short-term benefits	44	123
Medical Aid Contribution	4	12
Pension Contribution	19	54
	217	605

^

Mrs. K Proctor Fourie was the Deputy Director: Financial Accounting (retired) as indicated on note 21. Mr. JC Fourie is the spouse of Mrs. K Proctor Fourie.

^ the period during which Mrs. K Proctor-Fourie was a management member during 2023/24 was shorter than 2022/23 as she retired on 31 July 2023, hence the decrease in the remuneration from 2022/23 to 2023/24.

35.5.4.3 Remuneration of Mrs. K Proctor Fourie (Deputy Director: Financial Accounting (retired))

Basic salary	248	698
Other short-term benefits	335	150
Pension Contribution	32	91
	615	939

^^

Mr. JC Fourie was appointed as Acting Deputy Director: Fleet Operations as indicated on note 21. Mrs. K Proctor Fourie is the spouse of Mr. JC Fourie.

^^ Mrs. K Proctor-Fourie retired on 31 July 2023, hence the decrease in the remuneration from 2022/23 to 2023/24.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
35 RELATED PARTY DISCLOSURES (continued)		
35.5.4.4 Remuneration of Mr. K Jacobs (Site Coordinator: Fleet Planning and Acquisitions)		
Basic salary	216	-
Other short-term benefits	38	-
Pension Contribution	28	-
	<u>282</u>	<u>-</u>

Mrs. C Jacobs was appointed as Acting Deputy Director: Fleet Risk Management as indicated on note 21. Mrs. C Jacobs is the spouse of Mr. K Jacobs.

35.6 Remuneration of a close family member of management personnel employed at GMT during the period. Refer to note 21 for the periods during which the official was appointed as a management member. The remuneration of family members are stated for periods during which the official served as a management member.

Fees for data capturing services	<u>354</u>	<u>345</u>
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Mr. S Tyman acted as Deputy Director: Fleet Repairs and Maintenance as indicated on note 21. Mr. J Tyman is the son of Mr. S Tyman is contracted through a resource contracting company as a data capturer. The company is appointed through supply chain management processes. The fees stated above were the fees paid to the resource contracting company for the services rendered by Mr. J Tyman during the period which contracted and Mr. S Tyman acted as Deputy Director: Fleet Repairs and Maintenance.

35.7 OTHER INTER-GOVERNMENTAL TRANSACTIONS NOT DEFINED AS RELATED PARTIES

35.7.1 Department of the Premier in the Western Cape

The Western Cape Mobility Department (2022/23: Department of Transport and Public Works) received corporate services from the Corporate Service Centre of the Department of the Premier in the Western Cape. The services consists of the following services:

- a) Information and Communication Technology
- b) Organisation Development
- c) Provincial Training and Empowerment (transversal)
- d) People Management Practices
- e) Enterprise Risk Management
- f) Internal Audit
- g) Forensic Services
- h) Legal Services
- i) Corporate Communication

35.7.2 Other Provincial Departments and Public Entities

All Western Cape Provincial Departments, Public Entities and GMT are considered to be related parties as they are under common control of the Provincial legislature.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

36 FINANCIAL INSTRUMENTS

36.1 Classification of financial instruments

Financial Assets:

In accordance with GRAP 104 the financial assets of the GMT are classified as follows:

<u>Financial Assets:</u>	<u>Classification</u>	2023/24 R'000	2022/23 R'000
Finance lease receivables (non-current portion)	Financial assets at amortised cost	1,068,776	879,743
Receivables from exchange transactions	Financial assets at amortised cost	45,753	47,129
Receivables from non-exchange transactions	Financial assets at amortised cost	4,010	26,540
Cash and cash equivalents	Financial assets at amortised cost	1,801,365	1,637,755
Finance lease receivables (current portion)	Financial assets at amortised cost	217,700	177,507
Total financial assets		3,137,605	2,768,674

Summary of financial assets:

Financial assets at amortised cost:

Finance lease receivables (non-current portion)	1,068,776	879,743
Finance lease receivables (current portion)	217,700	177,507
Receivables from exchange transactions	45,753	47,129
Receivables from non-exchange transactions	4,010	26,540
Cash and cash equivalents	1,801,365	1,637,755
Total financial assets	3,137,605	2,768,674

Financial Liabilities:

In accordance with GRAP 104 the financial liabilities of the entity are classified as follows (FLAC = financial liabilities at amortised cost):

<u>Financial Liabilities</u>	<u>Classification</u>	2023/24 R'000	[^]Restated 2022/23 R'000
<i>Payables from exchange transactions</i>			
Trade creditors	FLAC	5,248	16,155
Staff bonuses	FLAC	1,449	1,342
Overtime payable	FLAC	7	7
Accrued expenditure	FLAC	107,200	92,670
Sundry creditors	FLAC	92	27
Payments received in advance – clients with overpaid accounts	FLAC	1,772	2
<i>Payables from non-exchange transactions</i>			
Refundable auction returns	FLAC	57	-
Total financial liabilities		115,824	110,204

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
36 FINANCIAL INSTRUMENTS (continued)		
36.1 Classification of financial instruments		
<u>Summary of financial liabilities:</u>		
<i>Financial liabilities at amortised cost (FLAC):</i>		
Trade creditors	5,248	16,155
Accrued expenditure	107,200	92,670
Overtime payable	7	7
Sundry creditors	92	27
Payments received in advance – clients with overpaid accounts	1,772	2
Staff bonuses	1,449	1,342
Refundable auction returns	57	-
Total financial liabilities	115,824	110,204

^ refer to note 39

36.2 Capital Risk Management

GMT manages its capital to ensure that the entity will be able to continue as a going concern while delivering sustainable services to its clients through the optimisation of the debt and equity balance.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Debt	192,143	176,748
Equity	3,903,183	3,469,690
Debt to equity ratio	<u>5%</u>	<u>5%</u>

Debt is defined as current- and non-current liabilities.

Equity consists of reserves of GMT, disclosed as Net Assets in the Statement of Financial Position.

36.3 Financial risk management objectives

GMT monitors and manages the financial risks relating to their operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by internal and external auditors on a continuous basis. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

36.4 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenue and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
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36 FINANCIAL INSTRUMENTS (continued)

36.5 Interest rate management

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate, in amount, as a result in market interest changes.

GMT limits its counterparty exposures from its investment operations by only dealing with Nedbank which has an AA long-term SA National scale ratings through Standards and Poor's Ratings Services.

GMT is not exposed to interest rate risk on its consumer debtors as the rates applicable are fixed interest rates as determined by the Minister of Finance.

GMT limits its interest rate risk relating to finance lease receivables by ensuring that the costs (including extras) of the permanently allocated vehicles subject to finance lease is recovered through the daily tariffs and the residual values at the end of the useful lives.

36.6 Credit risk management

Credit risk refers to the risk that counterparties will default on contractual obligations resulting in financial loss to the entity. GMT does not have any significant credit risk exposure due to the fact that it only has government debtors and theoretically there should be no risk of non-recovery of these debtors.

Maximum credit risk exposure	2023/24 R'000	2022/23 R'000
Finance lease receivables (non-current portion)	1,068,776	879,743
Cash and cash equivalents	1,801,365	1,637,755
Receivables from exchange transactions	45,753	47,129
Receivables from non-exchange transactions	4,010	26,540
Finance lease receivables (current portion)	217,700	177,507
	<u>3,137,605</u>	<u>2,768,674</u>

The following is an analysis of the age of accounts receivable that are past due as at the reporting date but not impaired.

Financial assets past due

Receivables from Exchange Transactions:

More than 30 days and not more than 60 days	91	239
More than 60 days and not more than 90 days	(236)	99
More than 90 days and not more than 120 days	109	2,873
Total	<u>(35)</u>	<u>3,210</u>

Financial assets past due

Receivables from Non-exchange Transactions:

More than 30 days and not more than 60 days	2	-
More than 60 days and not more than 90 days	-	4
More than 90 days and not more than 120 days	283	261
Total	<u>285</u>	<u>264</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

36 FINANCIAL INSTRUMENTS (continued)

36.7 Liquidity risk management

The entity manages liquidity risk through Provincial Treasury by reviewing its tariff structure on an annual basis.

The entity manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses.

The following tables detail the entity's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay. The table includes both interest and principal cash flows.

	Within 1 year	Between 2 - 5 years	More than 5 years
2023/24			
<i>Non-interest bearing:</i>			
Payables from non-exchange transactions	4,965	-	-
<i>Variable interest rate instruments:</i>			
Payables from exchange transactions	118,895	-	-
	123,860	-	-
	Within 1 year	Between 2 - 5 years	More than 5 years
2022/23			
<i>Non-interest bearing:</i>			
Payables from non-exchange transactions	11,482	-	-
<i>Variable interest rate instruments:</i>			
Payables from exchange transactions	112,800	-	-
	124,282	-	-

36.8 Fair value

The estimated net fair values of financial instruments have been determined as at the reporting date using available market information and appropriate valuation methodologies and are not necessarily indicative of the amounts that the institution could realise in the normal course of business.

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
37 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
37.1 Fruitless and Wasteful expenditure		
* To the best of management's knowledge, the following are details of Fruitless and Wasteful expenditure under assessment and for the previous reporting year is disclosed in the narrative below.	-	-
Suspected fraud due to multiple instances of apparent cloned fuel cards	-	-
37.2 Irregular expenditure		
** To the best of management's knowledge, no Irregular Expenditure was incurred during the year under review (2022/23: R nil).	-	-

Additional narratives:

The National Treasury issued the PFMA Compliance and Reporting Framework update during 2022/23. This requires that the movements in IFW&U are disclosed in the Financial Statements, with reconciliations of the movements in the amounts disclosed in the Annual Report of the Entity.

* Refer to note 22 for the narrative on losses under investigation for alleged fuel fraud.

** The opening balance of the 2022/23 financial year contains a balance amounting to R196,724 of confirmed Irregular Expenditure and was condoned by Provincial Treasury on 26 May 2023. The Irregular Expenditure originates from VAT which was removed from quotations to make it more comparative with non-VAT vendors.

38 GOING CONCERN

A going concern is the assumption that GMT will continue to operate for the foreseeable future, which is usually regarded as at least the next 18 months from the reporting date, however not limited to this timeframe. This assumption implies that the GMT will meet its financial obligations and that there are no material uncertainties related to events or conditions that may cast significant doubt upon GMT's ability to continue as a going concern. Thus, some references are made to documentation, plans and reports for periods which extend past the reporting period. GMT as a trading entity is self-funded, thus does not receive any funding allocations.

38.1.1 GOING CONCERN ASSESSMENT

The following factors are considered by management to determine the relevance of the going concern assumptions for which the financial statements were prepared on the 31 March 2024 reporting date:

38.1.2 Stable and expanding client base

GMT has a well-established client base with a footprint in the National and Provincial government sphere. The demand for the service offering of GMT remained stable from 31 March 2024 to subsequent periods up to the submission date of the financial statements. GMT is experiencing an increase in the number of vehicles allocated to a national client institution and tariffs are generated from these vehicle allocations.

All active client institutions as at 31 March 2024, remained in the service offering of GMT for the subsequent period. This situation is expected to remain unchanged in the foreseeable future to management's best knowledge.

38.1.3 Sound financial standing

GMT is a trading entity under the administration of the Western Cape Mobility Department (up to 31 March 2023: Department of Transport and Public Works). The entity must recover the costs associated to offering mobility solutions in the forms of services and goods through tariff charges. It is imperative that the entity maintains a position of sound financial standing to ensure that it is able to meet its operational and capital obligations during the foreseeable future.

GMT is an asset orientated organisation, with its primary value chain activities focused on the provision of mobility solutions in vehicle fleet management. Management determined that liquidity, solvency and ratios indicative of its working capital management are pivotal in the assessment of the entity continuing as a going concern. On 31 March 2024, the liquidity (cash to total liabilities) and solvency (total assets to total liabilities) ratios are multiples of that of industry standards. The entity has sufficient funding to settle its liabilities and commitments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

38 GOING CONCERN (continued)

Strict daily cash management processes are embedded in the entity's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes is complemented with monthly reporting completed in terms of s40 of the PFMA, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

38.1.4 Budget

The budget for 2023/24 was tabled and accepted. This three-year Medium-Term Revenue and Expenditure Framework is to support the on-going delivery of services to clients. The entity's budget is subjected to an assessment process. The budget is cash backed.

38.1.5 Revenue, cost base, and working capital management

GMT was able to realise a surplus for the year ended 31 March 2024 as reflected on the Statement of Financial Performance. The annual tariff adjustment for the 2024/25 financial year was approved by Provincial Treasury on 24 February 2024. The kilometre tariffs are adjusted on a monthly basis with the fluctuations in the fuel price. This allows GMT to align the funding requirements for operating expenditure to its revenue earnings. The settlement of the tariffs is contained in the Services Levels Agreements which GMT entered with its various client institutions.

GMT applies working capital management to ensure that liquidity levels are maintained to meet funding requirements, while collecting debts from client institutions. It is imperative for GMT to ensure that receivables due to the Entity are converted to cash funds with the shortest possible timeframes. Internal control procedures exist and will continue to be applied to ensure that client debts are collected in the shortest possible timeframe. In addition, those liabilities are settled within the agreed timeframes. Further, GMT's exposure to liabilities is limited to amounts payable arising from the acquisition of goods and services as well as those which arise from staff employment.

38.1.6 Alignment to the GMT Strategic Plan 2020/21 to 2024/25

The GMT Strategic Plan for the period 1 April 2020 to 31 March 2025 was signed off by the Executive Authority during March 2020. The Strategy contains various themes across focus areas to support the entity's core mandate to deliver effective fleet management services to its client institutions.

Various initiatives are planned for the Strategic Plan period which includes the development of technology, development of regional hubs, reviewing financial and governance frameworks and other aspects for the development of mobility solutions. Management's intent with these initiatives remained unchanged since the reporting date, reflecting that the entity intends to continue its operating activities. These activities are further detailed in the entity's Annual Performance Plan for 2024/25 and resource allocation to achieve these initiatives.

38.1.7 Tariff structures

GMT has the power to charge daily and kilometre tariffs for goods and services rendered. These tariffs are known and accepted.

38.1.8 Alternative revenue sources

GMT has various revenue streams consisting from Revenue, Profit on the sale of vehicles and PPE, Interest earned and Grants and Subsidies Received. These are disclosed on the Statement of Financial Performance and the disclosure notes. The entity does not have an over dependency on the maximising a specific (or combination) of revenue streams. In the context of the above, GMT has an extensive client base which has been trading with the entity for an extensive period of time. GMT generated daily and kilometre tariffs from these client institutions, reflected in the Revenue earned on the Statement of Financial Performance.

Summary:

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the going concern basis. The entity has the intention, positioning and financial standing to continue its operations in providing goods and services to National and Provincial government clients institutions to meet their mobility requirements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

39 CORRECTION OF ERROR

2022/23
R'000

39.1 DISCLOSURE NOTE

39.1.1 During 2022/23 the Payments received in advance were not disclosed as Financial Liabilities under the Financial Instruments note. Payments received in advance are Financial Liabilities as per GRAP 104.13.

Balance previously reported as at 31 March 2023:

-

Add:

Component	Detail	
Payments received in advance (note 3)	Disclose Payments received in advance as a Financial Liability under Financial Instruments in terms of GRAP 104.13 in note 36.1	2
Restated total as at 31 March 2023		2

40 CHANGE IN ESTIMATES

40.1 Reassessment of residual values and useful lives of vehicles

Residual values and useful lives of vehicles are annually reassessed and the impact on the depreciation expense in the current- and future periods, on all vehicles purchased in prior years which were available for use as at 31 March 2023 and 31 March 2024, are as follows:

Depreciation expense

Decrease in the depreciation expense for the year ended 31 March 2024. (758)

Increase in the depreciation expense for future periods after 31 March 2024. 493

(265)

Residual values and useful lives of vehicles are annually reassessed and future lease instalments are annually increased according to tariff increases as recorded in the Medium-Term Expenditure Framework (MTEF guidelines). The impact on interest earned on finance lease receivables and amounts receivable under finance leases in the current year and future periods, on vehicles purchased in prior years which were still permanently allocated to client departments as at 31 March 2024, is as follows:

Revenue

Increase in interest earned on finance lease receivables for the year ended 31 March 2024. 12,669

Increase in interest earned on finance lease receivables after 31 March 2024. 103,307

115,976

Amounts receivable under finance leases

Decrease in the present value of finance lease receivables for the year ended 31 March 2024. (28,914)

Increase in the present value of finance lease receivables for future periods, after 31 March 2024. 28,914

-

40.2 Reassessment of useful lives of Intangible Assets

The useful lives of Intangibles assets are annually reassessed and the impact on the amortisation expense in the current period and future periods is as follows:

Depreciation expense

Decrease in the amortisation expense for the period ended 31 March 2024 (546)

Increase in the amortisation expense for future periods 546

-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

41 CHANGE IN ACCOUNTING POLICY

The Accounting Standards Board determines the accounting reporting framework for Trading Entities such as GMT. The application of accounting standards is outlined in Directive 9 of the accounting reporting framework, with reference to Directive 5 in determining the GRAP reporting framework.

GMT adopted the following Accounting Standards and Interpretations of Accounting Standards for the first time during the year under review in order to comply with the basis of preparation of the Annual Financial Statements as disclosed in accounting policy 1.1:

GRAP 1 on the Presentation of financial statements (revised);

GRAP 25 on Employee Benefits (revised);

IGRAP 7 on the limit on a defined benefit asset, minimum funding requirements and their interaction (revised); and

IGRAP 21 on the effect of past decisions on materiality.

41.1 GRAP 1 on the Presentation of financial statements (revised)

The revised accounting standard for Presentation of Financial Statements was recognised in the Annual Financial Statements of GMT as at 31 March 2024 in terms of GRAP 1.

The objective of GRAP 1 is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The standard sets the overall considerations, guidelines and minimum requirements for the content.

The amendments included in the revised version of GRAP 1, has the focus on the following areas:

- materiality and aggregation;
- presentation of items in the Statement of Financial Position and Statement of Financial Performance; and
- disclosure of accounting policies.

Management evaluated the requirements of the amendments in GRAP 1 and found that these are relevant to GMT. GMT however consistently applied the requirements since previous reporting periods as material items with different natures are not aggregated, the requirements of other accounting standards are transversally applied during the preparation of financial statements, line items are separately disclosed on the Statement of Financial Position and Statement of Financial Performance and notes are presented in a systematic manner to enhance user understandability of the financial statements. Therefore, no adjustments need to be made and no accounting policies must be further developed to fully comply with GRAP 1 on the Presentation of financial statements (revised) with effect from 1 April 2023.

41.2 GRAP 25 on Employee Benefits (revised)

The revised accounting standard for Employee Benefits was recognised in the Annual Financial Statements of GMT as at 31 March 2024 in terms of GRAP 25.

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. This standard requires an entity to recognised:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The amendments included in the revised version of GRAP 25, has the focus on the following areas:

- reclassification of short-term employee benefits;
- disclosure on other long-term benefits;
- termination benefits; and
- defined benefit plans.

A summary of management's assessments of the amendments are detailed below.

Reclassification of short-term employee benefits -

An entity need not reclassify a short-term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change (such as a change from a non-accumulating benefit to an accumulating benefit) or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short-term employee benefits (GRAP 25.11). Management evaluated this requirement and found it to be irrelevant to GMT as short-term employee benefits are expected to be settled within 12 months, with that of other employee benefits being classified as long-term which are not expected to be settled during this timeframe.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

41 CHANGE IN ACCOUNTING POLICY (continued)

Disclosure of other long-term benefits -

In terms of GRAP 25.166 an entity shall disclose information that:

- (a) explains the characteristics of its other long-term employee benefits and risks associated with them;
- (b) identifies and explains the amounts in its financial statements arising from its other long-term employee benefits; and
- (c) describes how its other long-term employee benefits may affect the amount, timing and uncertainty of the entity's future cash flows.

These requirements are disclosed in the long-term employee benefits notes.

Termination benefits -

GRAP 25.168 – 169 states that this standard deals with termination benefits separately from other employee benefits because the event that gives rise to an obligation is the termination of employment rather than employee service. Termination benefits result from either an entity's decision to terminate the employment or an employee's decision to accept an entity's offer of benefits in exchange for termination of employment. Termination benefits do not include employee benefits resulting from termination of employment at the request of the employee without an entity's offer, or as a result of mandatory retirement requirements, because those benefits are post-employment benefits. Some entities provide a lower level of benefit for termination of employment at the request of the employee (in substance, a post-employment benefit) than for termination of employment at the request of the entity. The difference between the benefit provided for termination of employment at the request of the employee and a higher benefit provided at the request of the entity is a termination benefit.

Management evaluated this requirement and found it to be irrelevant to GMT as no such instances exists as at the reporting date thus no further recognition and disclosure is required as stated in GRAP 25.174 – 176.

Defined benefit plans -

GRAP 25.8 contains the following definitions -

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Management evaluated this requirement and found it to be irrelevant to GMT as the entity does not have any obligations to employees after they left GMT's service.

Based on the summary above, management evaluated the requirements of the standard and it was found that no retrospective adjustments affecting Financial Position, Financial Performance, Net Assets or Cash Flows must be made or prior year comparatives. All the disclosure requirements in terms of GRAP 25 are met.

41.3 IGRAP 7 on The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)

The interpretation on the limit on a defined benefit asset, minimum funding requirements and their interaction (revised) where a grantor controls significant residual interest in an asset was not recognised under previous basis of accounting, has been considered for inclusion in the Annual Financial Statements of GMT as at 31 March 2024 in terms of IGRAP 7.

Management has evaluated the requirements of the standard and it was found that it is not applicable to GMT at this stage. Therefore, no adjustments need to be made and no accounting policies need to be developed to fully comply with IGRAP 7.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

41 CHANGE IN ACCOUNTING POLICY (continued)

41.4 IGRAP 21 on The effect of past decisions on materiality

The interpretation on the effect of past decisions on materiality was not recognised under previous basis of accounting, has been considered for inclusion in the Annual Financial Statements of GMT as at 31 March 2024 in terms of IGRAP 21.

This Interpretation addresses the following issues -

- Whether past decisions about materiality affect subsequent reporting periods; and
- Whether applying alternative accounting treatments based on materiality is a departure from the Standards of GRAP or an error.

Management has evaluated the requirements of this interpretation and it was found that no retrospective adjustments affecting Financial Position, Financial Performance, Net Assets or Cash Flows need to be made or prior year comparatives have to be restated, as GMT consistently applied the accounting requirements as determined in the financial reporting framework for all items, including immaterial items. No alternative accounting treatments were applied in the past.

42 ACCOUNTING BY PRINCIPALS AND AGENTS

GMT is a party to principal-agent arrangements.

Details of arrangements are as follows:

42.1 Management of repairs and maintenance

GMT is the Principal.

GMT utilizes the services of a service provider to manage fleet repairs and maintenance services in conjunction with GMT. The following categories of work for which administration and transaction fees are charged to GMT:

- Service Provider Call Centre operations;
- To have a 24/7 0800 toll free number;
- Service providers and/or contractors to have a Call Centre based in and around the City of Cape Town;
- Mechanical and maintenance repairs – authorisation procedures;
- Crash and/or vehicle body repairs – authorisation procedures;
- Tow-in services for mechanical or crash repairs;
- Maintain detailed electronic records of all vehicle and merchant inspections and provide a weekly report via the platform and/or topology to GMT with summary of findings;
- Repair and maintenance Inspections, with digital photos and reports; and
- Provide and maintain a merchant database of registered and compliant subcontractors and/or merchants, with proof of agreements being in place between the service provider and their subcontractors and/or merchants

The services described above are entered with third parties, which are classified in various categories (depending on the nature of the service).

An agent on behalf of or to the benefit of the principal (GRAP 109.25). Evaluation of the criteria of an agent:

- Does not have power to determine the significant terms and conditions of the transactions (including the purpose and benefits of the arrangement)

GMT drafted the specifications of how fleet repairs and maintenance services must be conducted. These services referred to above were specified by GMT prior to appointing the service provider. The service provider acts upon these specifications and in certain cases after consultation with GMT and must execute the transactions in line the specification as determined by GMT (GRAP 109.30).

- Does not have the ability to use all, or substantially all, of the resources that result from the transactions for its own benefit

The fleet repairs and maintenance services are done for the GMT vehicle fleet. Thus, GMT obtains the service benefit of these transactions as the fleet is repairs and maintained, along with the other specified services.

- It is not exposed to the variability in the results of the transaction

GMT carries the exposure of fluctuations of services associated to the transactions. It may mean that vehicles are serviced and/or maintained (GRAP 109.40)

The contracts entered into by the service provider with parties for the fleet repairs, maintenance and running costs bind GMT towards those parties, thus GMT has a liability to those parties rather than the service provider.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

42 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)**42.1 Management of repairs and maintenance (continued)**

Management evaluated all the aspects above and view that all the requirements of GRAP 109 are met for the service provider being an agent acting on behalf of GMT as the principal during the repairs and maintenance services. No assets were recognised by the service provider. Transaction- and administration fees are being charged by the service provider during the execution of the tasks stipulated in this arrangement. The total fees incurred by GMT are:

Transaction fees:

2023/24: R192,130 (2022/23: R 728,704)

Administration fees:

2023/24: R9,630 (2022/23: R 2,070,677)

These fees are included under Administrative expenses. The contract was extended for a further 21 months from 1 October 2022 to 30 June 2024. The service provider did not approach GMT for annual price increases since the inception of the contract on 1 October 2019, even though the contract made provision for increases in pricing. From 6 May 2022 the running costs of fuel, oil and toll was managed through a separate arrangement as detailed in note 42.4.

Based on above, all three criteria are met for the service provider being an Agent in terms of the repairs and maintenance services. GMT is by default deemed to be the principal (GRAP 109.27).

GMT recognises the repairs and maintenance costs in its chart of accounts. Refer to note 22 on Operating expenditure for resources remitted and included in these line items.

42.2 Auctioneering services

GMT is the Principal.

GMT utilizes the services of a service provider to render auctioneering services of vehicles and other goods. The vehicles and other goods are disposed to third parties who bid for these items. The auctioneer charges a buyers commission based on the sales prices. The services of the service provider are contracted by GMT through SCM practices and documentation to govern the arrangement are in place.

An agent on behalf of or to the benefit of the principal (GRAP 109.25). Evaluation of the criteria of an agent:

- i. Does not have power to determine the significant terms and conditions of the transactions (including the purpose and benefits of the arrangement)

GMT drafted the specifications of how auctioneering services must be conducted, also which vehicles are prepared for auctioning. In addition, GMT reserves the right to determine the reserve prices and may take a final decision on bidder's prices during auctions. The auctioneer acts upon these specifications and decisions after consultation with GMT and must execute the transactions in line the specification as determined by GMT (GRAP 109.30). GMT drafted the specifications of how fleet repairs and maintenance services must be conducted. These services referred to above were specified by GMT prior to appointing the service provider. The service provider acts upon these specifications and in certain cases after consultation with GMT and must execute the transactions in line the specification as determined by GMT (GRAP 109.30).

- ii. Does not have the ability to use all, or substantially all, of the resources that result from the transactions for its own benefit

The auctioneer is entitled to retain a buyer's commission which is an insignificant percentage of the total sales prices obtained during the auctions of vehicles and goods. GMT recognises the significant balance of these auction returns on its chart of accounts. These returns can then be used during the continued business operations of GMT. The service potential benefit is thus obtained by GMT, given the disposals are for its vehicles and goods, rather than that of the auctioneer. The disposal of vehicles and goods is a pivotal component of GMT operations, and management within the asset life cycle management (GRAP 109.30).

- iii. It is not exposed to the variability in the results of the transaction

GMT carries the exposure of fluctuations of the auction returns. These may be in the form fluctuations in the returns generated during auction processes, and exposure to the end result during auction processes – i.e. the vehicles and goods would have to be returned to the GMT's operations if the items are not disposed during auction processes. The auctioneer also has exposure to varying auction returns as their commission is based on the sales prices obtained, however this is considered to be limited to that of the exposure carried by GMT during these transactions (GRAP 109.40).

'Transactions with third parties' as stated in GRAP 109.10 are vehicles and goods are offered to willing buyers in the market which constitute third parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

42 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)

Management evaluated all the aspects above and view that all the requirements of GRAP 109 are met for the auctioneer being an agent acting on behalf of GMT as the principal during the disposal process. No assets were recognised by the auctioneer. Buyers commission is charged by the auctioneer based on the disposal price of the vehicles.

No changes occurred during the reporting period and comparative year on any significant terms and conditions contained in the arrangement, apart from the extension period of the original contract was effected during 2022/23. The original 36-month contract ended on 14 April 2022, with a 36-month extension effected from 15 April 2022. Total buyers commission is estimated to be R1,071,225 during the three-year extension period.

Based on above, all three criteria are met for the auctioneer being an Agent in terms of the auctioneering services. GMT is by default deemed to be the principal (GRAP 109.27).

GMT recognises the profits and losses generated during auction processes in its chart of accounts, after the buyers commission of 4.5% due to the auctioneer was deducted. The profits on disposal of vehicles are disclosed under Other Income in note 16, with losses on disposal disclosed under Operating Expenditure (note 22).

The arrangement is entered to expand the footprint for vehicle auctions as part of the services rendered by GMT.

42.3 Investments of behalf of GMT

GMT invests cash funds not immediately required through the Provincial Treasury with approved financial institutions. The investments are done in accordance with the Investment Policy held by Provincial Treasury. The Investment Policy governs the parameters within which the investments are done. These include the type of institutions which may be invested in, the maximum investment period and other risk parameters which must be met by the financial institution before investment in these institutions can be considered. The Provincial Treasury acts on behalf of GMT by managing the investment with financial institutions.

GMT recognises the interest earned on the investment and discloses this in note 17, with no administration fees or any other fees payable to Provincial Treasury. The investment is disclosed on the GMT chart of accounts under Cash and Cash Equivalents (note 14).

An agent on behalf of or to the benefit of the principal (GRAP 109.25). Evaluation of the criteria of an agent:

- i. Does not have power to determine the significant terms and conditions of the transactions (including the purpose and benefits of the arrangement)

Even though the investment is done in terms of the Provincial Treasury Investment Policy, significant terms are determined by the Accounting Officer of the Western Cape Mobility Department – which constitutes the power to affect the result of the transaction (GRAP 109.30).

- ii. Does not have the ability to use all, or substantially all, of the resources that result from the transactions for its own benefit

GMT recognises all the interest yield along with the investment amount on its chart of accounts (note 17). No administration fees or any other fees are payable to Provincial Treasury.

- iii. It is not exposed to the variability in the results of the transaction

GMT carries the exposure of fluctuations in the interest yield of the investment. In addition, GMT is exposed to risk elements such as credit risk of the financial institutions through which the investment is done. Based on above, all three criteria are met for Provincial Treasury being an Agent in terms of the investment. GMT is by default deemed to be the principal (GRAP 109.27).

The request to invest funds on behalf of GMT serves as a binding arrangement between GMT and Provincial Treasury (GRAP 109.05A, GRAP 109.17 - .18). In addition, investments have been made over several years and all of the actions performed by parties indicate a binding arrangement during the period of investment (GRAP 109.20).

'Transactions with third parties' as stated in GRAP 109.10 are the cash funds not immediately required are invested with approved financial institutions. The 'transaction' is deemed to be the investment of the cash funds, also the interactions by Provincial Treasury with the financial institutions.

Management evaluated all the aspects above and view that all the requirements of GRAP 109 are met for Provincial Treasury being an agent acting on behalf of GMT as the principal during investments done on behalf of GMT. No assets were recognised by Provincial Treasury. Termination fees for early withdrawal or termination of the investment from financial institutions may be charged by the applicable financial institution where the investment is held, the fees are unknown. No fees will be charged by Provincial Treasury in the case of early withdrawal or termination of the investment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

42 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)

Investment details during 2023/24:

R445 519 999 invested in the Corporation of Public Deposits from 1 April 2023. The interest yields varied between 4.34% to 8.72% during the year.

Investment details during 2022/23:

R420 993 043 invested in the Corporation of Public Deposits from 1 April 2022. The interest yields varied between 4.27% to 7.34% during the year.

The arrangement is entered to optimise the yields on cash funds which are not immediately required in business operations.

No changes occurred during the reporting period and comparative year on any significant terms and conditions contained in the arrangement.

42.4 Management of fuel, oil and toll fees

GMT is the Principal.

GMT utilizes the services of a service provider for fuel management services in conjunction with GMT. The following categories of work are:

- Operational capabilities;
- Electronic systems;
- Electronic fuel, oil and toll card management;
- e-Toll management;
- Diesel rebates;
- Financial responsibility; and
- Sharing of best practices and training

The services described above are entered with third parties, which are classified in various categories (depending on the nature of the service).

GMT recognises the interest earned on the investment and discloses this in note 17, with no administration fees or any other fees payable to Provincial Treasury. The investment is disclosed on the GMT chart of accounts under Cash and Cash Equivalents (note 14).

An agent on behalf of or to the benefit of the principal (GRAP 109.25). Evaluation of the criteria of an agent:

- i. Does not have power to determine the significant terms and conditions of the transactions (including the purpose and benefits of the arrangement)

GMT drafted the specifications of how fuel, oil and toll fee management services must be conducted. These services referred to above were specified by GMT prior to appointing the service provider. The service provider acts upon these specifications and in certain cases after consultation with GMT and must execute the transactions in line the specification as determined by GMT (GRAP 109.30).

- ii. Does not have the ability to use all, or substantially all, of the resources that result from the transactions for its own benefit

The fuel, oil and toll fee services are done for the GMT vehicle fleet. Thus, GMT obtains the service benefit of these transactions, along with the other specified services.

- iii. It is not exposed to the variability in the results of the transaction

GMT carries the exposure of fluctuations of services associated to the transactions. It may mean that vehicles are adequately fuelled, along with oil and toll transactions (GRAP 109.40).

The contracts entered into by the service provider with parties for fuel, oil and toll bind GMT towards those parties, thus GMT has a liability to those parties rather than the service provider.

Management evaluated all the aspects above and view that all the requirements of GRAP 109 are met for the service provider being an agent acting on behalf of GMT as the principal during the repairs, maintenance and running costs services. No assets were recognised by the service provider. Transaction- and administration fees are being charged by the service provider during the execution of the tasks stipulated in this arrangement. The total fees incurred by GMT are:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

42 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)

Transaction fees:

2023/24: R1,182,964 (2022/23: R610,458)

Administration fees:

2023/24: R1,731,231 (2022/23: R923,714)

These fees are included under Administrative expenses. The period of the arrangement is for 36 months from 6 May 2022 to 5 May 2025 with a total estimated cost of R7,368,866 during the 36-month arrangement.

Based on above, all three criteria are met for the service provider being an Agent in terms of the fuel, oil and toll fee services. GMT is by default deemed to be the principal (GRAP 109.27).

GMT recognises the expenditure according to the nature of the items on its chart of accounts. Refer to notes 20 and 22 on Administration and Operating expenditure for resources remitted which are included in these line items.

42.5 Procurement of mobility assets

GMT is the agent.

An agent on behalf of or to the benefit of the principal (GRAP 109.25). Evaluation of the criteria of an agent:

- i. Does not have power to determine the significant terms and conditions of the transactions (including the purpose and benefits of the arrangement)

A Memorandum of Agreement ('MOA') is entered between GMT and a client institution for procuring assets. This is done based on the contractual reach which GMT has – GMT very often being the contract holder or participant in contracts on which items are offered. Funds are transferred by the client institution to GMT based on the details contained in the MOA. GMT procures these assets and alienates the items to client institution (thus no further involvement by GMT in managing the assets on behalf of the client institution).

- ii. Does not have the ability to use all, or substantially all, of the resources that result from the transactions for its own benefit

The specified items as contained in the MOA are alienated to the client institution for use in its service delivery objectives, rather than being used by GMT for its own service delivery or to obtain economic benefits (GRAP 109.35). Further, GMT derecognises all transactions associated to this transaction from its chart of accounts.

GMT does not charge fees for these services; thus, no revenue is recognised by GMT for this arrangement. In addition, GMT does not incur expenses, liabilities and/or assets for this arrangement.

- iii. It is not exposed to the variability in the results of the transaction

The client institution carries the exposure of the results in the transaction. This may be in the form of unavailability of assets, delays in procurement and other factors which may result in the fulfilment of the conditions as contained in the MOA giving the client institution exposure rather than GMT (GRAP 109.40). Based on above, all three criteria are met for GMT being an Agent in terms of the procurement of mobility assets.

Funds are held on behalf of the Principals as detailed in the following notes:

42.5.1 Procurement of mobility assets

		2023/24 R'000	2022/23 R'000
Department of Agriculture	Note 5.1.1		
Balance at the beginning of the year		-	644
Assets procured as procuring agent		-	(644)
		<u>-</u>	<u>-</u>
The amount of R644,000 incurred during 2022/23 as part of a Principal-Agent arrangement for the procurement of two trailers.			
Department of Social Development	Note 5.1.5		
Balance at the beginning of the year		-	1,930
Unspent grants refunded to the department		-	(1,161)
Vehicles procured as procuring agent		-	(768)
		<u>-</u>	<u>-</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

42 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)

The amount of R768,000 incurred during 2022/23 as part of a Principal-Agent arrangement was for the procurement of a Volkswagen Crafter.

No risks are transferred from the Departments of Agriculture and/or the Department of Social Development (both deemed as 'Principals' in these arrangements) to GMT ('the Agent'). This confirms the details as contained under the exposure to the variability in the results of the transaction and the funds will be transferred from GMT to the client, should the procurement of the assets not occur.

No changes occurred during the reporting periods on any significant terms and conditions contained in the arrangements.

43 MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

GMT makes provision for post-retirement benefits to eligible employees who belong to the Government Employees Pension Fund.

This fund does not fall under the ambit of the Pension Funds Act (1956) since it is governed by its own statute.

The Government Employee Pension Fund is a multi-employer plan with the latest available actuarial valuation as at 31 March 2021, showing the financial progress of the fund since the previous valuation as at 31 March 2018. Although the practice of the fund is to have statutory actuarial valuations performed biennially, the abnormal events that occurred in March 2020 resulted in the fund deciding to perform an interim valuation as at 31 March 2020.

Sufficient information is not available to use defined benefit accounting for the pension fund due to the following reasons:

- (i) The assets of the fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for the fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that the fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of GMT with respect to the pension fund is to make the specified contributions. Where employees leave the fund prior to full vesting of the contributions, the contributions payable by GMT are reduced by the amount of forfeited contributions.

The Pension Fund has been valued by making use of the Discounted Cash Flow method of valuation.

The fund is subject to an actuarial valuation. The last statutory valuation was performed as at 31 March 2018 and revealed that the Fund was 100% funded. There were sufficient assets to cover the actuarial liabilities in full. The contribution rate paid by the members (7.5% of pensionable salary) and GMT (13%) is sufficient to fund the benefits accruing from the fund in the future.

The net assets available for benefits amounted to R2,041,346 million as at 31 March 2021 (31 March 2018: R1,800,068 million).

As reported by the Actuaries, in terms of the fund's own Funding Level Policy, the fund was considered to be financially sound as at 31 March 2021. The actuarial results of the March 2021 valuation show that the fund is 110.1% funded (31 March 2018: 108.3%), i.e. there are sufficient assets to cover the actuarial liabilities in full.

44 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND ADOPTED

The following GRAP standard and Interpretation were issued but are not yet effective at the reporting date for trading entities and has therefore not been early adopted by GMT:

GRAP 104 on Financial Instruments (revised) - effective from 1 April 2025

IGRAP 22 on Foreign Currency Transactions and Advance Consideration - effective from 1 April 2025

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

44 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND ADOPTED (continued)

Standard or Interpretation	Nature of Impending Changes	Annual period beginning on or after
GRAP 104 on Financial Instruments (revised)	<p>The revision of GRAP 104 was motivated by the need to address shortcomings identified in the classification and measurement of financial instruments, especially those highlighted during the financial crisis.</p> <p>The changes align with updates in IFRS 9 and IPSAS 41, aiming to improve the robustness and relevance of financial instrument reporting. Significant changes introduced in the revision include revising classification principles even though the number of categories remains the same and adopting a new impairment model based on expected credit losses.</p> <p>This revision aims to enhance the financial reporting of financial instruments by introducing more relevant and timely recognition and measurement practices.</p> <p>Classification and measurement:</p> <p>Entities will need to reassess how they classify and measure financial instruments, which could lead to changes in the recognition of financial assets and liabilities on the balance sheet.</p>	1 April 2025
	<p>This may affect entities' financial ratios and metrics that stakeholders use to assess financial health.</p> <p>Impairment model:</p> <p>The shift to an expected credit loss model for impairment will require entities to make forward-looking assessments of credit risk, potentially leading to earlier recognition of credit losses.</p> <p>This could have implications for entities' profit and loss statements and may require the development of new models and assumptions for estimating expected credit losses.</p>	
	<p>GMT is planning on adopting this accounting standard retrospectively from 1 April 2025. The adoption of this standard is likely to have an effect on the classification, measurement and impairment of financial instruments.</p>	
IGRAP 22 on Foreign Currency Transactions and Advance Consideration	<p>IGRAP 22 was developed from IFRIC 22 on IAS 21 – 'The Effects of Changes in Foreign Exchange Rates.'</p> <p>It addresses the treatment of foreign currency transactions and how advance consideration impacts the determination of the transaction date for currency conversion.</p> <p>The interpretation aims to clarify how to determine the date of the transaction for the purpose of converting the foreign currency amount into the entity's functional currency, especially when payment is made or received in advance.</p>	1 April 2025
	<p>GMT does not have any foreign currency transactions and advance considerations. This Interpretation is thus not expected to be relevant to GMT, however it will be assessed following its effective date should any changes in the business necessitate the adoption of elements contained in this Interpretation.</p>	



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2023/24
R'000

45 RECONCILIATION BETWEEN BUDGET AND THE STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation between budget surplus with the surplus in the Statement of Financial Performance

Surplus per the Statement of Financial Performance **433,493**

Over budgeted income and expenses

Financing through own funds 692,519

Over / (under) spending of approved budget:

Revenue

Under budgeted Revenue from daily tariffs for permanently allocated vehicles subject to finance leases (80,020)

Under budgeted Interest income from bank accounts and accounts receivable (70,643)

Over budgeted on Government grants and subsidies received 12

Under budgeted Other income (2,007)

Expenditure

Over budgeted Administrative expenditure (2,667)

Over budgeted Employee costs (14,036)

Over budgeted Operating expenditure (63,684)

Over budgeted Depreciation (235)

Over budgeted Amortization (586)

Over budgeted Accident and impairment losses (230)

Over budgeted Operating lease expenditure (55)

Surplus per approved budget **891,861**

Refer to the Statement of Comparison between Budget and Actual amounts for explanations of variances between budget and actual amounts.

46 BROAD BASED BLACK ECONOMIC EMPOWERMENT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Accounting Policies for the year ended 31 March 2024

1. Basis of preparation

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Public Finance Management Act 1 of 1999, as amended.

The following are the principle accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except where otherwise indicated:

1.1. Changes in the accounting policy and comparability

Accounting policies have been consistently applied, with accounting policy 25 added during 2023/24:

For the period commencing 1 April 2013 GMT has adopted the accounting framework as set out in point 1 above. The details of any resulting changes in accounting policy and comparative restatements are set out below.

GMT changes an accounting policy only in the following instances:

- a) is required by a Standard of GRAP; or
- b) results in the financial statements providing more relevant information about the effects of transactions, other events or conditions on the entity's Statement of Financial Position, financial performance, cash flow, changes in net assets, notes and accounting policies.

Refer to note 41 for new accounting standards and interpretations adopted during 2023/24.

1.2. Critical judgements, estimations and assumptions

In the application of GMT's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

- **Useful lives and residual values of property, plant and equipment (PPE)**

In assessing the remaining useful lives and residual values of PPE, management have made judgements based on historical evidence as well as the current condition of PPE under its control.

Part
A

GENERAL
INFORMATION

Part
B

PERFORMANCE
INFORMATION

Part
C

GOVERNANCE

Part
D

HUMAN
RESOURCE
MANAGEMENT

Part
E

PFMA
COMPLIANCE
REPORT

Part
F

FINANCIAL
MANAGEMENT

Accounting Policies for the year ended 31 March 2024

- **Impairment of property, plant and equipment, intangible assets and heritage assets**

Accounting policy 11.1 and 11.2 on PPE – Impairment of cash generating and non-cash generating assets, 9.2 and 25.3 on Intangible assets – Subsequent measurement, amortisation and impairment and 13.2 on Inventory – Subsequent measurement and 10 on Heritage assets – Impairment of non-cash generating assets describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the entity. Significant estimates and judgements are made relating to PPE impairment testing, intangible assets impairment testing, and write down of inventories to the lowest of cost.

- **Impairment of financial assets**

Accounting policy 14.6 on Impairment of financial assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the entity considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of GMT is satisfied that the impairment of financial assets recorded during the period is appropriate.

- **Revenue recognition**

Accounting policy 5.2 on Revenue from exchange transactions and 5.3 on Revenue from non-exchange transactions describes the conditions under which revenue will be recorded by the management of the entity.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from exchange transactions and GRAP 23: Revenue from non-exchange transactions. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the entity is satisfied that recognition of the revenue in the current period is appropriate.

- **Financial assets and liabilities**

The classification of financial assets and liabilities into categories is based on judgement by management. Accounting policy 14.2 on Financial assets classification and financial liabilities classification describes the factors and criteria considered by the management of the entity in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial instruments.

- **Provisions and contingent liabilities**

Provisions for capped leave

GMT has an obligation to pay capped leave in terms of instructions of the Provincial Bargaining Council's Resolution 7 of 2000. Provision is made for this obligation based on the cost.

Contingent liabilities

Claims are instituted against GMT by third parties who are party to a motor vehicle accident involving a government vehicle. The existence of this obligation will only be acknowledged by the future payment of these claims.

- **Budget information**

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the budget vs. actual statement which is included in the financial statements.

Accounting Policies for the year ended 31 March 2024

• **Defined benefit plan liabilities**

As described in Accounting Policy 6.3, the entity obtains an actuarial valuation of its defined benefit plan liability. The defined benefit obligation of GMT which is identified as Long Service Allowances. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liability and the key assumptions made by the actuaries in estimating the liability are provided in note 1 to the Annual Financial Statements.

2. **Currency**

These financial statements are presented in South African Rand, as that is the currency in which the entity's transactions are denominated.

3. **Going concern**

The Annual Financial Statements have been prepared on a going concern basis.

4. **Offsetting**

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

5. **Revenue recognition**

5.1. **General**

Revenue is derived from a variety of sources which include daily and kilometre tariffs, interest earned on finance lease receivables, bank accounts and accounts receivable; grants received, profit on sale of vehicles and other income. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity's activities. Revenue is shown net of returns, rebates and discounts.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to GMT and when specific criteria have been met for each of the entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to GMT directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Accounting Policies for the year ended 31 March 2024

5.2. Revenue from exchange transactions

5.2.1 Daily and kilometre tariffs

Revenue arising from the rendering of services, as well as related expenses is recognised according to the stage of completion of the transaction at the reporting date. Revenue from daily tariffs is calculated and charged against user departments over the estimated useful life cycle of vehicles to enable GMT to replace the vehicle at the end of its life cycle and to cover GMT overheads. Revenue is also charged against user departments for all kilometres covered in GMT vehicles according to a tariff per classification code of the vehicle to cover the maintenance and running costs of the fleet.

5.2.2 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is recognised in the statement of financial performance:

- interest earned on finance lease receivables;
- interest earned on bank accounts; and
- interest earned on accounts receivable.

5.2.3 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

5.2.4 Government grants and subsidies received

Income received from conditional grants and funding is recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Accounting Policies for the year ended 31 March 2024

5.3. Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

5.3.1 Government grants and subsidies received

Government grants and subsidies from non-exchange transactions comprise of vehicles donated to the entity and stolen vehicles recovered.

Income received from donations (take-in vehicles) is recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement.

5.3.2 Services in-kind

The entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

6. Employee benefits

6.1 Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The entity treats its balance for leave pay as a payable.

The costs of all short-term employee benefits such as leave pay are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at the end of the period. The entity recognises the expected cost of performance bonuses only when the entity has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

GMT offers post-employment benefits to its employees in the form of retirement benefits. These benefits represent pension payments.

Accounting Policies for the year ended 31 March 2024

6.2 Defined contribution plan

A defined contribution plan is a plan under which the entity pays fixed contributions into a separate fund. The entity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The entity's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions made on behalf of the employees to the fund are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The entity has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The entity contributes to a multi-employer pension fund on behalf of its employees. The fund has a defined benefit plan but is accounted for as a defined contribution plan due to insufficient information being available to apply the rules of the defined benefit plan. The assets generated by this plan consists of contributions made by both GMT and the employees and are generally held in a separate administered fund, namely the Government Employees' Pension Fund. This fund is administered on behalf of GMT by pension fund administrators and is governed by the Pensions Fund Act, 1956, as amended. The following rates of contribution are applied: employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and GMT contributes 13% on the same basis.

The contributions to the above-mentioned fund obligation for the payment of the retirement benefit are charged against revenue in the period they become payable. This defined benefit fund is actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating entities and parties.

6.3 Long-service allowance

The entity has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the entity instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 20, 30 and 40 years of continuous service. The entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

7. Irregular, fruitless and wasteful expenditure

7.1. Irregular expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA;
- Any regulation made in terms of the PFMA; or
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is accounted for as an expense in the Statement of Financial Performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Accounting Policies for the year ended 31 March 2024

Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impractical to determine, in which case reasons therefore are provided in the notes. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, or is written off.

7.2. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and, where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8. Property, plant and equipment

Property, plant and equipment (excluding motor vehicles and finance lease assets)

8.1. Initial recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used for more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the entity, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at its historical cost on their acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired by the entity for no or nominal consideration (i.e., a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

8.2. Subsequent measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. The cost model is used for subsequent measurement.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Accounting Policies for the year ended 31 March 2024

8.3. Depreciation

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

Plant and equipment are originally measured at cost and are depreciated on a basis considered appropriate to reduce the carrying amount over the expected lifespan of the assets.

Estimated useful lives:

- Office and workshop equipment: Straight-line (6 years)
- Office furniture and fittings: Straight-line (6 years)
- Domestic equipment: Straight-line (6 years)
- Photographic equipment: Straight-line (6 years)
- Computer equipment: Straight-line (3 years)
- Audio visual equipment: Straight-line (6 years)
- Telephones: Straight-line (3 years)
- Security equipment and systems: Straight-line (3 years)
- Crockery and cutlery: Straight-line (3 years)
- Domestic furniture and fittings: Straight-line (6 years)
- Gardening equipment: Straight-line (5 years)
- Kitchen appliances: Straight-line (6 years)
- Containers: Straight-line (20 years)
- Alternative energy solutions (Batteries) Straight-line (7 years)
- Alternative energy solutions (Inverter) Straight-line (5 years)
- Emergency equipment: Straight-line (10 years)
- Handheld devices: Straight-line (5 years)
- Office pods: Straight-line (15 years)

Gains and losses on the disposal of plant and equipment are recognised in the Statement of Financial Performance once they accrue to the entity.

The estimated useful lives are reviewed monthly. The assets' residual values estimated useful lives and depreciation are adjusted prospectively, if appropriate, at each reporting date.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Accounting Policies for the year ended 31 March 2024

Motor vehicles

Motor vehicles are tangible assets held by the entity for use in the supply of fleet management services, which are expected to be used for more than one year. Motor vehicles are originally measured at cost and are depreciated on a basis considered appropriate to reduce the carrying amount over the useful life of the assets. Depreciation is calculated after taking residual values into account.

The actual useful lives of motor vehicles are assessed monthly based on the condition of vehicles and the replacement policy of GMT. The change in useful life will be accounted for as a change in accounting estimate, thus the depreciation for the current and future periods will be restated.

Estimated useful lives:

- Vehicles: Straight-line (2–19 years)

Gains and losses on the disposal of motor vehicles are recognised in the Statement of Financial Performance once they accrue to the entity.

Finance lease assets

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the entity or, where shorter, the term of the relevant lease if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term.

8.4. Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or losses arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

8.5. Impairment

The impairment of cash generating and non-cash generating assets is dealt with in paragraphs 11.1 and 11.2.

Accounting Policies for the year ended 31 March 2024

9. Intangible assets (excluding Vehicle Maintenance Plans – refer to accounting policy 25)

9.1. Initial recognition

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

9.2. Subsequent measurement, amortisation and impairment

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Expenditure on the development of the intangible assets are capitalised by GMT and amortised using the straight-line basis over their useful lives. Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date.

FleetMan system:

Amortisation commenced from 1 April 2004 which is considered to be the date when the asset was available for use. Intangible assets are not revalued. The carrying amount of the FleetMan system is reviewed and adjusted for impairment, where it is considered necessary.

Accounting Policies for the year ended 31 March 2024

Oracle financial system:

Amortisation commenced on the date when the asset was available for use which was 1 April 2011. Intangible assets are not revalued. The carrying amount of the Oracle Financial system will be reviewed and adjusted for impairment, where it is considered necessary.

Intelligent Transport Platform:

Part of the system applications were procured by the reporting date. The system configuration is in progress and not available for use as intended by management at the reporting date.

GMT Website:

Part of the website is in the process of being developed as at the reporting date. The website configuration is in progress and not available for use as intended by management at the reporting date.

Employee Wellness System:

During the 2022/23 financial year there was a transfer of an instance of the Employee Wellness System from Traffic Law Enforcement to GMT at no cost with no acquisition cost implications. GMT will further develop Employee Wellness System based on its own business requirements and will have exclusive usage of the revised version of the software. The system configuration commenced and is still in progress of having Employee Wellness System developed. The system is not yet ready for use as intended by management at the reporting date.

In terms of GRAP 31, intangible assets are distinguished between internally generated intangible assets and other intangible assets. Amortisation is charged on a straight-line basis over the intangible assets' useful lives (when the intangible asset is available for use), which are estimated as detailed below, the residual value of assets with finite useful lives is zero, unless an active market exists. Intangible assets (including intangible assets not yet available for use), are subject to impairment testing. The useful lives per category of intangible assets are detailed below:

Estimated useful lives:

- FleetMan system: Straight-line (26.5 years)
- Oracle financial system: Straight-line (25.5 years)
- Intelligent Transport Platform: Straight-line (11 years)
- GMT Website: Straight-line (4 years)
- Employee Wellness System: Straight-line (11 years)

Impairment on intangible assets listed under accounting policy 9.2 was assessed in terms of GRAP 21 – Impairment of Non-cash Generating Assets. The carrying value is adjusted by the impairment loss if impairment losses should be recognised. This is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

Part
A

GENERAL
INFORMATION

Part
B

PERFORMANCE
INFORMATION

Part
C

GOVERNANCE

Part
D

HUMAN
RESOURCE
MANAGEMENT

Part
E

PFMA
COMPLIANCE
REPORT

Part
F

FINANCIAL
MANAGEMENT

Accounting Policies

for the year ended 31 March 2024

9.3. Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

10. Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

10.1. Initial recognition

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and if the cost or fair value of the item can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

10.2. Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

10.3. Derecognition of heritage assets

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of heritage assets is included in the Statement of Financial Performance when the item is derecognised.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of heritage assets.

Accounting Policies for the year ended 31 March 2024

11.1. Impairment of cash generating assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

11.2. Impairment of non-cash generating assets

An impairment loss of a non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

When the asset is disposed of, irrespective of manner thereof, the accumulated depreciation together with the accumulated impairment losses will be deducted from the cost price of the asset to obtain the net book value of the asset which will either generate a profit or loss on the disposal of the asset against any proceeds received, or will create a greater loss if there are costs attributable to the removal of the asset from GMT's premises.

Accounting Policies for the year ended 31 March 2024

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata based on the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

12. Leasing

Classification

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity. The classification of a lease depends on the substance of the transaction rather than the form of the contract. The following are situations where the lease would normally be classified as a finance lease:

- the lease term is for the major part of the economic life of the asset even if title is not transferred;
- at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of a such a specialised nature that only the lessee can use them without major modifications;
- the leased assets cannot easily be replaced by another asset;
- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee; and
- gains or losses from the fluctuation in the fair value of the residual value accrue to the lessee.

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases.

12.1. GMT as lessee

Operating leases

GMT recognises operating lease rentals as an expense in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

If lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

12.2. GMT as lessor

Finance leases

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of GMT's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on GMT's net investment outstanding in respect of the leases or instalment sale agreements.

Operating leases

Operating lease rental income is recognised in the statement of Financial Performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

Accounting Policies for the year ended 31 March 2024

Determining whether an arrangement contains a lease

At inception of an arrangement, the GMT determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to GMT the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, GMT separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If GMT concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using GMT's incremental borrowing rate.

13. Inventories

13.1. Initial recognition

Inventories comprise of stationery and decals. These are current assets to be consumed during the rendering of vehicle fleet services. Inventories are initially recognised at cost. Cost generally refers to the purchase price and other costs incurred in bringing the inventories to their present location and condition.

The historical cost of inventory includes:

- Purchasing costs (which include all costs directly attributable to the acquisition of the inventories);
- Other costs incurred in bringing inventories to their current location and condition; and
- From these costs, trade discounts and rebates are deducted if included.

13.2. Subsequent measurement

Consumable stores are valued at the lower of cost and current replacement cost (the cost the entity would incur to acquire the asset on the reporting date). In general, the basis of determining cost is the weighted average cost of commodities.

13.3. Derecognition

Inventories are derecognised when the inventory is used in the rendering of vehicle fleet services. The expenditure is recognised in the Statement of Financial Performance when the stationery and decals are consumed during the rendering of these services.

Accounting Policies for the year ended 31 March 2024

14. Financial instruments

The entity has various types of financial instruments and these can be broadly categorised as financial assets, financial liabilities or residual interests in accordance with the substance of the contractual agreement. The entity only recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

14.1. Initial recognition

Financial assets and financial liabilities are recognised on the entity's Statement of Financial Position when the entity becomes party to the contractual provisions of the instrument.

The entity does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exists; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

14.2. Classification

GMT has various types of financial instruments and these can be broadly categorised as either Financial assets or Financial liabilities.

Financial assets

In accordance with GRAP 104 the financial assets of the entity are classified into the following category allowed by this standard:

Financial asset at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial asset at amortised cost is initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

A financial asset is any asset that is a cash or contractual right to receive cash. GMT has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Finance lease receivables;
- Trade receivables from exchange transactions;
- Trade receivables from non-exchange transactions;
- Cash and cash equivalents; and
- Current portion of finance lease receivables.

Accounting Policies for the year ended 31 March 2024

In accordance with GRAP 104 the financial assets of GMT are classified as follows into the following category allowed by this standard:

TYPE OF FINANCIAL ASSET	CLASSIFICATION IN TERMS OF GRAP 104
Finance lease receivables	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost
Trade receivables from exchange transactions	Financial assets at amortised cost
Trade receivables from non-exchange transactions	Financial assets at amortised cost
Current portion of finance lease receivables	Financial assets at amortised cost

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held with banks. The entity categorises cash and cash equivalents as financial assets: Financial asset at amortised cost.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. GMT has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Payables from exchange transactions; and
- Payables from non-exchange transactions.

TYPE OF FINANCIAL LIABILITIES	CLASSIFICATION IN TERMS OF GRAP 104
Payables from exchange transactions	Financial liability at amortised cost
Payables from non-exchange transactions	Financial liability at amortised cost

14.3. Recognition

Financial assets measured at amortised cost:

Financial assets and financial liabilities are recognised on the entity's Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade receivables from exchange transactions, trade receivables from non-exchange transactions and finance lease receivables that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Accounting Policies for the year ended 31 March 2024

Financial liabilities measured at amortised cost:

Financial liabilities measured at amortised cost are initially measured at fair value, net of transaction costs. Payables from exchange transactions and payables from non-exchange transactions are subsequently measured at amortised cost using the effective interest rate method.

14.4. Derecognition

Financial assets:

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when management approves the write-off of financial assets due to non-recoverability.

Financial liabilities:

Financial liabilities are derecognised when, and only when, the entity's obligations are discharged, cancelled or they expire.

14.5. Measurement

When a financial asset or financial liability is recognised initially, it is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Loans and receivables are subsequently measured at amortised cost. The subsequent measurement of cash and cash equivalents is at amortised cost.

14.6. Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets. If there is such evidence the recoverable amount is estimated, and an impairment loss is recognised in accordance with GRAP 104.

Accounts receivable is stated at cost less a provision for bad debts. The provision is made in accordance with GRAP 104 in terms of which the recoverability of consumer debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics. Government accounts are not provided for as such accounts are regarded as payable.

15. Provisions

Provisions are recognised when the entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Accounting Policies for the year ended 31 March 2024

16. Comparative information

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

16.1. Prior period comparatives

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

16.2. Budget information

The budget figures have been included in the Statement of Comparison of Budget and Actual Amounts. Explanatory comments are provided in the statement giving explanations for variances exceeding 10% between the adjusted budget and the actual amounts. Refer to the note on the reconciliation of budget and actual figures.

17. Contingent assets and contingent liabilities

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the Annual Financial Statements. A contingent liability is defined as a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because:

- a) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- b) the amount of the obligation cannot be measured with sufficient reliability.

The entity discloses for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect,
- b) an indication of the uncertainties relating to the amount or timing of any outflow, and
- c) the possibility of any reimbursement.

Accounting Policies for the year ended 31 March 2024

18. Events after the reporting date

The entity considers events that occur after the reporting date for inclusion in the financial statements. Events that occur between the reporting date and the date on which the financial statements were authorised for issue are considered for inclusion in the financial statements.

The entity considers two types of events that can occur after the reporting date, namely those that:

- a) provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- b) were indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. Where non-adjusting events after the reporting date are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions, the entity discloses the following information for each significant category of non-adjusting event after the reporting date:

- c) The nature of the event, and
- d) An estimate of its financial effect or a statement that such an estimate cannot be made.

19. Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank and short-term deposits, and other short-term investments that are highly liquid and can readily be converted into cash.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks and investments in financial instruments.

20. Related party disclosures

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. The following related parties exist at GMT and the associated disclosures as required in GRAP 20 are disclosed for the transactions, balances and additional narratives to enable users to understand the effect of these on the financial statements:

- The Western Cape Mobility Department (2022/23: The Western Cape Department of Transport and Public Works) is the governing body of GMT. The relationship to GMT is detailed in note 35;
- Management personnel are linked to salary levels on the staff structure as the substance of the planning, directing and controlling activities these staff fulfil will govern the input provided by officials appointed on lower salary levels. Staff appointed at GMT on Salary Level 11 and above are considered to meet the definition of management personnel apart from those appointed during annual leave, study leave and/or other periods of leave (depending on the substance of the arrangement). Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions;

Accounting Policies for the year ended 31 March 2024

- Close family members of management personnel are those family members who may be expected to influence, or be influenced, by that person in their dealings with GMT. In the GMT environment a close family member is deemed to be a spouse, brother, sister or child of management personnel; and
- Certain members of the governing body are detailed in note 35. These members may fulfil the roles of planning, directing and controlling activities within GMT.

21. Capital commitments

Capital commitments are not recognised in the Statement of Financial Position as a liability but are included in the disclosure notes.

Capital commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date;
- Items are classified as commitments where GMT commits itself to future transactions that will normally result in the outflow of resources; and
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

22. Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to the note on the changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note of corrections of errors recorded during the period under review.

23. Grants and subsidies paid

GMT transfers surplus funds and alienate vehicles to other sectors of government from time to time. When making these transfers, GMT does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

24. Accounting by principals and agents

24.1. Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

24.2. Identifying whether an entity is a principal or an agent

When GMT is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether GMT is a principal or an agent requires GMT to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

24.3. Binding arrangement

GMT assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

24.4. Assessing which entity benefits from the transactions with third parties

When GMT in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If GMT concludes that it is not the agent, then it is the principal in the transactions.

GMT is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction;
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit; and
- It is not exposed to variability in the results of the transaction.

Where GMT has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction to conclude that it is an agent. GMT applies judgement in determining whether such powers exist and whether they are relevant in assessing whether GMT is an agent.

Accounting Policies for the year ended 31 March 2024

24.5. Recognition

GMT, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

GMT, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

GMT recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

25. Intangible Assets (Vehicle Maintenance Plans)

25.1. Initial recognition – as an asset

Vehicle maintenance plans are plans which cover the maintenance and service costs of individual vehicles during a period. It meets the definition of assets as required in GRAP 1.05 –

- Probable future economic benefits or service potential.
- Control over the resource.
- Cost or value can be measured reliably.

Maintenance plans reduce future maintenance outlays and enhance vehicles' service potential by keeping them in optimal condition, thus extending their useful lives and ensuring availability for operations. Control is established through payment and contractual agreement, granting GMT the right to receive maintenance and associated services. The past event, the payment for the plan, secures legal rights to future economic benefits. The cost of the maintenance plans is identifiable and measurable as the amount paid for the plan. It is documented in the contract and recognized financially at the point of purchase, with no ambiguity in its measurement.

25.2. Initial recognition – as an intangible asset

Intangible assets are identifiable non-monetary assets without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

The maintenance plans are distinct contractual agreements between GMT and the Original Equipment Manufacturers ('OEMs'), providing specific maintenance and associated services separate from other assets (i.e. the vehicles to which they are linked). The maintenance plans represent a right to receive maintenance and associated services, not cash or a cash equivalent, making it a non-monetary asset. The plan's value is encapsulated in the contractual rights to services, not in any physical form, fulfilling the criteria for being without physical substance. Control is secured through a contractual right with the OEMs, ensuring the entity's exclusive right to receive maintenance and associated services. The plan ensures regular maintenance and associated services without additional charges, enhancing asset longevity and performance, and reducing expenses with a similar nature.

The maintenance plans are initially recognised at cost. The cost of the maintenance plans are the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost.

Accounting Policies for the year ended 31 March 2024

25.3. Subsequent Measurement, Amortisation and Impairment

Intangible assets are shown at cost less accumulated amortisation and impairment losses. The maintenance plans are amortised using the straight-line basis over their useful lives or kilometres driven during the year for vehicles exceeding plan limits, whichever is the highest. The residual values of the plans are assumed as Rnil. Amortisation commences when the plans are available for use as intended by management. At GMT, the availability for use is the date of receipt of the delivery of the vehicle linked to the maintenance plan. Amortisation ends when either:

- The end of the plan term is reached.
- The plan is forfeited.
- The useful life of the vehicle linked to the plan ends.

The estimated useful lives of the maintenance plans are detailed below and vary between plan options and vehicle make and models:

- Vehicle Maintenance Plans: Straight-line (2 - 6 years)

Impairment on the maintenance plans is accounted for in terms of GRAP 26 on Impairment of Cash Generating Assets. Vehicles linked to the maintenance plans are classified as cash-generating assets due to their direct contribution to revenue generation, the treatment of related maintenance plans is considered in the context of the overall impairment of cash-generating units. The impairment of related maintenance plans due to the write-off or significant impairment of the vehicles is treated in accordance with GRAP 26 Impairment of Cash-generating Assets. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential. The impairment loss is the difference between the carrying amount and the recoverable amount.

Where the maintenance plans have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life, residual values and amortisation method are reviewed annually. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

25.4. Derecognition

Maintenance plans are derecognised when there are no further economic benefits or service potential expected from the use of the plan. This may arise from:

- The end of the plan term is reached.
- The plan is forfeited.
- The useful life of the vehicle linked to the plan ends.

The loss arising on the derecognition of the maintenance plan is determined as the difference between the carrying value and the residual value. This is recognised in the Statement of Financial Performance.

Annexure A: Legislative mandates

In the main, the following national and provincial legislation guides the Department, including GMT, in the discharge of its responsibilities.

Table 19: National and provincial legislation

FUNCTION	LEGISLATION
TRANSPORT	<p>Road Safety Act, 1972 (Act 9 of 1972)</p> <p>Aims to promote road safety through determining the powers and functions of the Minister and Director-General.</p>
	<p>Roads Ordinance, 1976 (Ordinance 19 of 1976)</p> <p>Provides that the province has sole authority over relaxations of the statutory 5.0 metre and 95 metre building lines pertaining to various classes of provincially proclaimed roads and provides for the alteration/change of a road's classification (section 4). Such applications are usually received from the district municipality with jurisdiction over the area in question via the District Roads Engineer, but they can also originate from the Department's head office.</p>
	<p>Road Transportation Act, 1977 (Act 74 of 1977)</p> <p>Provides for the control of certain forms of road transportation and related matters.</p>
	<p>Criminal Procedure Act, 1977 (Act 51 of 1977)</p> <p>Makes provision for procedures and related matters in criminal proceedings.</p>
	<p>Control of Access to Public Premises and Vehicles Act, 1985 (Act 53 of 1985)</p> <p>Provides for the safeguarding of certain public premises and vehicles and for the protection of the people therein or thereon, and for related matters.</p>
	<p>Road Traffic Act, 1989 (Act 29 of 1989)</p> <p>Promotes and regulates road safety.</p>
	<p>Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)</p> <p>Provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation, and law enforcement in respect of road traffic matters by the national, provincial, and local spheres of government; regulates the contracting out of road traffic services; provides for the phasing in of private investment in road traffic and, to that end, provides for the establishment of the Road Traffic Management Corporation and related matters.</p>
	<p>Western Cape Toll Road Act, 1999 (Act 11 of 1999)</p> <p>Provides for the tolling of provincial public roads in the Western Cape and for the planning, design, declaration, construction, operation, management, control, maintenance, and rehabilitation of provincial toll roads.</p>
	<p>Occupational Health and Safety Act, 1993 (Act 85 of 1993)</p> <p>Requires the Department, as custodian and regulator of the built environment, to ensure that all building and construction work on government property, irrespective of whom it is undertaken by, complies with this legislation and that the structures remain compliant throughout their life cycle.</p>
	<p>Labour Relations Act, 1995 (Act 66 of 1995)</p> <p>Enables the department to advance economic development, social justice, labour peace, and the democratisation of the workplace through giving effect to the purpose of the Act which includes providing a framework within which employees and their trade unions, employers and employers' organisations can: collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest; effectively resolve labour disputes; and provide for employee participation in decision-making in the workplace.</p>

FUNCTION	LEGISLATION
	<p>National Road Traffic Act, 1996 (Act 93 of 1996)</p> <p>The Department, with the Member of the Executive Council (MEC) [Provincial Minister] as designated authority, must ensure that all functions relating to the registration and licensing of motor vehicles, driver fitness testing and vehicle fitness testing are performed. In addition, the Department is responsible for the management of events that take place on public roads.</p> <ul style="list-style-type: none"> The Act regulates registration and licensing of motor vehicles, manufacturers, importers and builders; fitness of drivers; operator fitness; road safety; road traffic signs; speed limits; accidents and accident reports; reckless or negligent driving; inconsiderate driving; driving while under the influence of intoxicating liquor or a drug having a narcotic effect; and miscellaneous road traffic offences.
	<p>Western Cape Road Transportation Act Amendment Law (Law 8 of 1996)</p> <p>Makes provision for the establishment of a provincial transport registrar and the registration of minibus taxi associations, operators, and vehicles</p>
	<p>Basic Conditions of Employment Act, 1997 (Act 75 of 1997)</p> <p>Gives effect to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment, and thereby to comply with the obligations of the Republic as a member state of the International Labour Organization.</p>
	<p>Basic Conditions of Employment Act, 1997 (Act of 1997): Ministerial Determination 4: EPWP, gazetted 4 May 2012</p> <p>Contains the standard terms and conditions for workers employed in elementary occupations in an Expanded Public Works Programme (EPWP) project.</p>
	<p>Administrative Adjudication of Road Traffic Offences Act, 1998 (Act 46 of 1998)</p> <p>Promotes road traffic safety by providing a scheme to discourage road traffic contraventions; facilitates the adjudication of road traffic infringements; supports the prosecution of offenders in terms of national and provincial laws relating to road traffic; implements a demerit points system; provides for the establishment of an agency to administer the scheme; provides for the establishment of a board to represent the agency; and provides for related matters.</p>
	<p>Competition Act, 1998 (Act 89 of 1998)</p> <p>Provides for the establishment of a Competition Commission responsible for the investigation, control and evaluation of restrictive practices, abuse of dominant position, and mergers; for the establishment of a Competition Tribunal responsible for adjudicating such matters; for the establishment of a Competition Appeal Court; and for related matters.</p>
	<p>Employment Equity Act, 1998 (Act 55 of 1998)</p> <p>Aims to achieve equity in the workplace by: 1) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and 2) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.</p>
	<p>National Environmental Management Act, 1998 (Act 107 of 1998)</p> <p>Provides for cooperative environmental governance by establishing principles for decision making on matters affecting the environment; institutions that promote cooperative governance; and procedures for coordinating environmental functions exercised by organs of state; and related matters.</p>
	<p>Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)</p> <ul style="list-style-type: none"> Provides that an organ of state must determine its preferential procurement policy and implement a preference points system whose aims may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.

FUNCTION	LEGISLATION
	<p>Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>Provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all; defines the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; provides for the manner in which municipal powers and functions are exercised and performed; provides for community participation; establishes a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government; provides a framework for local public administration and human resource development; empowers the poor and ensures that municipalities put in place service tariffs and credit control policies that take their needs into account by establishing a framework for the provision of services, service delivery agreements and municipal service districts; provides for credit control and debt collection; and establishes a framework for support, monitoring and standard-setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of progressively integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment.</p>
	<p>Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)</p> <p>Establishes a legislative framework for the promotion of B-BBEE; empowers the Minister to issue codes of good practice and to publish transformation charters; and establishes the Black Economic Empowerment Advisory Council.</p>
	<p>Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004)</p> <p>Provides for the strengthening of measures to prevent and combat corruption and corrupt activities.</p>
	<p>Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)</p> <p>Provides for the establishment of a framework for national government, provincial governments, and local governments to promote intergovernmental relations; provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and provides for related matters.</p>
	<p>Consumer Protection Act, 2008 (Act 68 of 2008)</p> <p>Constitutes an overarching framework for consumer protection. All other laws which provide for consumer protection (usually within a particular sector) must be read together with the Act to ensure a common standard of protection. The Act applies to all suppliers of goods and services.</p>
	<p>National Land Transport Act, 2009 (Act 5 of 2009)</p> <p>Provides for the process of transformation and restructuring of the National Land Transport System initiated by the National Land Transport Transition Act, 2000 (Act 22 of 2000), through:</p> <ul style="list-style-type: none"> • the formulation and implementation of provincial land transport policy and strategy; • the planning, coordination, and facilitation of land transport functions; • collaboration between municipalities; and • liaison with other government departments.
	<p>Western Cape Provincial Road Traffic Administration Act, 2012 (Act 6 of 2012)</p> <p>Regulates certain road traffic matters in the province and the determination and review of motor vehicle registration and licence fees.</p>
	<p>Administrative Adjudication of the Road Traffic Offences Amendment (Act 4 of 2019)</p> <p>The amendment act amongst others added to the Administrative Adjudication of Road Traffic Offences Act 1998:</p> <ul style="list-style-type: none"> • to add to the functions of the Road Traffic Infringement Authority; • to establish and administer rehabilitation programmes; • to provide for the appointment of penalties; and • to provide for the establishment of the Appeals Tribunal.

FUNCTION	LEGISLATION
Transversal	<p>Division of Revenue Act (DORA)</p> <p>An annual Act of Parliament which provides, inter alia, for the equitable division of revenue anticipated to be raised nationally among the national, provincial, and local spheres of government and for Conditional Grants to provinces to achieve government's policy objectives. It further promotes predictability and certainty in respect of all allocations to provinces and municipalities so that such administrations can plan their budgets over a multi-year period.</p>
	<p>Radio Act, 1952 (Act 3 of 1952)</p> <p>Controls radio activities and related matters.</p>
	<p>Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994)</p> <p>This is the principal Act governing public administration. It provides the administrative and operational framework for government departments by providing guidelines on employment and human resource practices, i.e., conditions of employment, terms of office, discipline, retirement, and discharge of members of the public service, and related matters.</p>
	<p>Skills Development Act, 1998 (Act 97 of 1998)</p> <p>Provides an institutional framework to devise and implement national, sector and workplace strategies to development and improve the skills in the workplace, and to integrate those strategies in the NQF. As the lead employer, the Department was required to ensure compliance with the employer's duties in terms of the workplace agreement and to ensure the implementation of the agreement in the workplace. Through the EPWP, the Department implemented learnership and skills development programmes to participants in artisan-related fields.</p>
	<p>Public Finance Management Act, 1999 (Act 1 of 1999)</p> <p>Supports transparency, accountability, and sound management of the revenue, expenditure, assets, and liabilities.</p>
	<p>Promotion of Access to Information Act, 2000 (Act 2 of 2000) (PAIA)</p> <p>Fosters a culture of transparency and accountability in public and private bodies by giving effect to the right of access to information (provided by section 32 of the Constitution), and actively promoting a society in which people have effective access to information to enable them to more fully exercise and protect all their rights.</p>
	<p>Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) (PAJA)</p> <p>Gives effect to section 33 of the Constitution which provides that everyone has the right to administrative action that is lawful, reasonable, and procedurally fair. Anyone whose rights have been adversely affected by administrative action has the right to be given reasons. PAJA deals with general administrative law and therefore binds the entire administration at all levels of government.</p>
	<p>Western Cape Land Use Planning Ordinance Amendment Act, 2009 (Act 1 of 2009)</p> <p>Regulates land use planning in the Western Cape and related matters.</p>
	<p>Provincial Archives and Records Service of the Western Cape Act, 2005 (Act 3 of 2005)</p> <p>Preserves archival heritage for use by the government and people of South Africa, and promotes efficient, accountable, transparent government through the proper management and care of government records.</p>
<p>Protection of Personal Information Act, 2013 (Act 4 of 2013)</p> <p>Promotes the protection of personal information processed by public and private bodies; introduces certain conditions so as to establish minimum requirements for the processing of personal information; provides for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act; provides for the issuing of codes of conduct; provides for the rights of persons regarding unsolicited electronic communications and automated decision making; regulates the flow of personal information across the borders of the Republic; and provides for related matters.</p>	

FUNCTION	LEGISLATION
	<p>Public Administration Management Act, 2014 (Act 11 of 2014)</p> <p>Promotes the basic values and principles governing the public administration referred to in section 195(1) of the Constitution; provides for the transfer and secondment of employees in the public administration; regulates conducting business with the State; provides for capacity development and training; provides for the establishment of the National School of Government; provides for the use of information and communication technologies in the public administration; and provides for the Minister to set minimum norms and standards for public administration.</p> <hr/> <p>Western Cape Monitoring and Support of Municipalities Act, 2014 (Act 4 of 2014)</p> <p>Gives effect to sections 154(1) and 155(6) of the Constitution by making further provision for measures to support municipalities, to develop and strengthen the capacity of municipalities, and to improve their performance. Also gives effect to section 106(1) of the Local Government: Municipal Systems Act by providing for the monitoring of suspected non-performance and maladministration in municipalities, and for related matters.</p>

Annexure B: Policy mandates

In the main, the national and provincial policies and strategies described below guided the WCMD (including GMT) in the discharging of their responsibilities.

FUNCTION	LEGISLATION
TRANSPORT	<p>White Paper on National Transport Policy, 1996</p> <p>Deals with safe, reliable, effective, efficient, fully integrated transport operations and infrastructure. These should meet the needs of freight and passenger customers in a way that supports government strategies for economic and social development while also being environmentally and economically sustainable.</p>
	<p>White Paper on National Transport Policy, 2021</p> <p>The policy aims to achieve the vision to provide safe, reliable, effective, efficient, environmentally benign and fully integrated transport operations and infrastructure that will best meet the needs of freight and passenger customers, improving levels of service and cost in a fashion that supports government strategies for economic and social development whilst being environmentally and economically sustainable.</p>
	<p>White Paper on Provincial Transport Policy, 1997</p> <p>Builds on the foundation created by the White Paper on National Transport Policy by providing details of specific interventions responsive to the needs and opportunities in the Western Cape; and recognises current and future competencies assigned to provinces and other spheres of government under the Constitution.</p>
	<p>White Paper on Human Resource Management, 1997</p> <p>Focuses on the essential role of developing and transforming human resource capacity in order to meet the goals of efficient service delivery and transforming the public service.</p>
	<p>National Freight Logistics Strategy, 2005</p> <p>Reduces inland freight costs through lower system costs that result from increased efficiency, reliability, and lower transit times, thus offering the customer viable modal choices between road and rail.</p>
	<p>Broad-based Black Economic Empowerment Act 53 of 2003</p> <p>The Broad-based Black Economic Empowerment Act 53 of 2003 intends:</p> <ul style="list-style-type: none"> • to establish a legislative framework for the promotion of black economic empowerment; • to empower the Minister to issue codes of good practice and to publish transformation charters; • to establish the Black Economic Empowerment Advisory Council; and • to provide for matters connected therewith.
	<p>Preferential Procurement Policy Framework Act 2003</p> <p>To enhance the participation of Historically Disadvantaged Individuals (HDIs) and small, medium and micro enterprises (SMMEs) in the public-sector procurement system.</p>
	<p>National Treasury Asset Management Framework v3.3, 2003</p> <p>Provides broad guidelines for asset management.</p>
	<p>Road Safety Strategy for the Western Cape Province, 2005</p> <p>Encourages a safer road environment by promoting road safety throughout the province focusing on national and provincial routes; and is responsible for the basic training of all traffic officer recruits in the province in order to ensure uniformity and professionalism.</p>
	<p>National Freight Logistics Strategy, 2005</p> <p>Reduces inland freight costs through lower system costs that result from increased efficiency, reliability, and lower transit times, thus offering the customer viable modal choices between road and rail.</p>
	<p>National Public Transport Strategy, 2007</p> <p>This strategy has two key thrusts, namely:</p> <ul style="list-style-type: none"> • Accelerated modal upgrading, which aims to provide for new, more efficient, universally accessible, and safe public transport vehicles and skilled operators; and • Integrated rapid public transport networks which aim to develop and optimise integrated public transport solutions.

FUNCTION	LEGISLATION
	<p>National Rural Transport Strategy, 2007</p> <p>Provides guidance to all three spheres of government on dealing with challenges of mobility and access to mobility experienced in rural areas in an integrated, aligned, coordinated manner. Its two main strategic thrusts are: promoting coordinated rural nodal and linkage development; and developing demand-responsive, balanced, sustainable rural transport systems.</p>
	<p>Framework for Managing Programme Performance Information (FMPI) 2007</p> <p>The aims of the FMPI are to:</p> <ul style="list-style-type: none"> • Improve integrated structures, systems and processes required to manage performance information; • Clarify definitions and standards for performance information in support of regular audits of such information where appropriate; • Define roles and responsibilities for managing performance information; and • Promote accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information.
	<p>National Land Transport Framework Act, 2009 (NLTA), (Act, No. 5 of 2009)</p> <p>A legal requirement in terms of Section 34 of the National Land Transport aimed at guiding land transport planning countrywide.</p>
	<p>Western Cape Policy Statement on Transport for Special Needs Passengers, 2009</p> <p>Placed certain responsibilities on the Department:</p> <ul style="list-style-type: none"> • Encouraging the incremental accessibility of rail infrastructure and providing training to operators and their staff on dealing sensitively with special needs persons; • Supporting the provision of universally accessible public transport information services; • In association with the National Department of Transport, preparing and publishing guideline requirements for accessible public transport vehicles; • Ensuring that all new public transport facilities cater for special needs persons; and • Ensuring that all future contracted public transport services in the province progressively include the operation of accessible services until all contracted services are either accessible and/or an alternative demand-responsive service is available.
	<p>South African Statistical Quality Assessment Framework 2010 2nd ed.</p> <p>This is Statistics South Africa's official guide for data producers and assessors regarding the quality of statistics across eight dimensions: relevance, accuracy, methodological soundness, and integrity.</p>
	<p>National Road Safety Strategy, 2016–2030</p> <p>Informs a national coordinated effort to improve education and enforcement regarding poor road use behaviour in line with international best practices and recommendations from the World Health Organization for developing countries.</p>
	<p>National Development Plan (NDP) 2030: Our Future: Make it Work</p> <p>The NDP is the long-term South African development plan. It aims to eliminate poverty and reduce inequality by 2030. It envisages these goals to be realised by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnership throughout society.</p>
	<p>The National Youth Policy 2020-2030 (NYP 2030)</p> <p>A framework for youth development across the country. It endeavours to ensure all young women and men are given meaningful opportunities to reach their full potential, both as individuals and as active participants in society.</p>
	<p>Provincial Strategic Plan (PSP), 2019–2024</p> <p>A set of overarching Vision-Inspired Priorities for the WCG, setting out clear outcomes to be achieved in the medium term. These VIPs reflect the needs and priorities of the provincial government and are used to drive integrated and improved performance aimed at achieving a safe Western Cape where everyone prospers.</p>
	<p>Preferential Procurement Regulations, 2022</p> <p>To provide a framework for government entities to implement procurement policies that prioritise historically disadvantaged individuals (HDI) and businesses, including black-owned, women-owned, and youth-owned enterprises to fast-track transformation in the interim.</p>
	<p>National Transport Master Plan (NATMAP) 2050.</p> <p>A strategic document that aims to achieve an efficient and sustainable transport system that is in line with the needs of the economy and residents in the study area.</p>

FUNCTION	LEGISLATION
	<p>Road Access Guidelines</p> <p>Provides guidelines to assist practising engineers and planners, as well as property developers, to develop acceptable road access standards.</p>
	<p>Road Infrastructure Strategic Framework for South Africa</p> <p>Provides guidelines for the redefinition of the South African road network; and assists roads authorities to reclassify existing road networks.</p>
	<p>Revised Framework for Strategic and Annual Performance Plans</p> <p>Provides direction to national and provincial government institutions in respect of short- and medium-term planning. Institutionalises government's national development planning agenda through institutional plans. Provides planning tools for reporting, monitoring and evaluation.</p>
	<p>Budget Prioritization Framework</p> <p>Seeks to establish a systematic basis for making strategic choices among competing priorities and limited resources, in order to better optimise budgets as a key lever for driving the NDP.</p>
	<p>Departmental Monitoring and Evaluation Framework and Manual</p> <p>Describes what monitoring and evaluation entails and sets out monitoring and evaluation systems and tools for results-based management.</p>
	<p>Provincial Spatial Development Framework</p> <p>The framework seeks to guide, overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goals and objectives of municipal IDPs.</p>
	<p>Western Cape Government Transversal Management System</p> <p>Aims to achieve measurable outcomes through the facilitation of sectoral clusters addressing issues transversally with individual line departments as the implementing agents; and manages the implementation of the Provincial Strategic Priorities transversally throughout the WCG. The Executive Project Dashboard is the information management tool for the system.</p>
	<p>Departmental Records Management Policy</p> <p>Provides the foundation for a corporate culture of responsibility for the management of information and records as an essential requirement for effective service delivery.</p>
	<p>White Paper on the Rights of Persons with Disabilities</p> <p>This document defines the right and responsibilities of disabled persons and guarantees their protection and inclusion in the workplace and within the health sector.</p>
	<p>Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF)</p> <p>A budget that works for everyone (women and men, girls and boys) by ensuring gender-equitable distribution of resources and by contributing to equal opportunities for all. Gender-responsive budgeting is essential both for gender justice and for fiscal justice.</p>

Part A

GENERAL INFORMATION

Part B

PERFORMANCE INFORMATION

Part C

GOVERNANCE

Part D

HUMAN RESOURCE MANAGEMENT

Part E

PFMA COMPLIANCE REPORT

Part F

FINANCIAL MANAGEMENT

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Government Motor Transport Trading Entity co-create, with our clients and stakeholders, a better life for all citizens through collaboration and partnerships, driving culture change, growing thought leadership and embracing design thinking to inspire story-telling. Our ultimate goal is to provide innovative mobility solutions to co-create a better life for all #Ubuntumobility.



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