ROADS AUTHORITY

2015/2016

ANNUAL REPORT

SAFE ROADS TO PROSPERITY

ROADS AUTHORITY

2015/2016

ANNUAL REPORT

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VISION, MISSION AND VALUES

VISION

A sustainable road sector, which is ahead of national and regional socio-economic needs in pursuit of Namibia's Vision 2030.

MISSION

Manage a safe and efficient national road network to support economic growth.

VALUES

Service Excellence

In managing our national road network, we strive to become a customer-centric organisation. We value our road users first and offer excellent and passionate customer care. We are committed to a culture of being friendly to the environment, protecting the health and safety of our employees and impacting positively on the communities where we operate. We guarantee our stakeholders our dedication to manage, to their advantage, the road network in accordance with the national principles entrenched in our distinctive legislation.

Open Communication

By adhering to ethical standards and legal requirements in all the operations of the RA, we shall be honest, fair, open and equitable in whatever we do.

Innovation

We shall continuously innovate by encouraging staff to keep a constructive and optimistic mindset in pursuit of freedom for creativity, respect for each other and celebrate diversity so that everyone can give their best.

Quality

We promote a culture of performing tasks and assignments right the first time in accordance with the best practices and standards to compete with the best in the world.

Teamwork

In sharing the RA Vision we shall rely on the team to get results.

Good Governance

By being honest in all our dealings on behalf of the organisation internally and externally, we shall demonstrate zero tolerance for corruption.

Commitment

By being passionate in what we do, we commit to follow-through and participate with the highest enthusiasm and energy levels.

BRAND PROMISE

SAFE ROADS TO PROSPERITY

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BOARD OF DIRECTORS

From left to right:

MS HILENI KAIFANUA
Chairperson

MR BRIAN KATJAERUA
Director

MS MARIETTE HANEKOM
Deputy Chairperson

MR LENNOX LIKANDO
Director

MS ELINA HAIPINGE
Director

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CHAIRPERSON'S REPORT

The Roads Authority (RA) plays a fundamental role in aiding the economic development of Namibia and the SADC sub-region by providing connectivity, thus ensuring a safe, efficient and sustainable road network.

Now in its 15th year of existence, the RA continued with its mandated activities which have been aligned and performed in line with the ethos encompassed in Vision 2030, the NDP4 and the Harambee Prosperity Plan. It is a requirement of the RA to pursue development beyond its statutory objectives, thus striving to greatly contribute to the economic growth of the country. In particular, the Harambee Prosperity Plan has set a target of achieving 526 kilometres of road upgrades by December 2019. We remain optimistic that we will be able to achieve the target given the available funding.

ORGANISATIONAL PERFORMANCE

An overall performance score of 3.83 out of 5 was achieved by the RA on the Strategic Scorecard during the period under review. This performance indicates the attainment of most of the targets. For example: our road network was extended with 141 kilometres of gravel roads compared to the target of 90 kilometres. Whilst 230 kilometres of roads were upgraded to bitumen standards compared to the target of 100 kilometres.

The allocated budget was utilised optimally and the RA continues to align the activities with the changing legislative and regulatory environment.

CORPORATE SOCIAL RESPONSIBILITY

A key emphasis on job creation through the SME sector has resulted in the utilisation of 18 SME Contractors on our labour-based road construction projects, valued at a cost of N$ 87 763 110.

Corporate social responsibility remained a pivotal activity during the reporting period and included projects aimed at income generation, education, healthcare, HIV/AIDS awareness and entrepreneurship. Nineteen (19) bursaries were awarded during the period under review to Namibian Students in the following areas of study: 17 Civil Engineering; 1 Transport Economics, and 1 Industrial & Organisational Psychology; of which 11 were males and 8 females.

CHALLENGES

Notwithstanding our achievements, several internal and external challenges were faced during the period under review for example, lack of adequate funding, slow progress in the efficient utilisation of SME Contractors, availability of construction materials, escalation of markets and construction prices and change in climate.

Moving forward, there is a need to identify areas, especially in the technological space that impacts the success of the RA; which are aimed at encouraging innovation, ensuring safety and guaranteeing the quality of the road works.

THE NEXT FINANCIAL YEAR AND BEYOND

The outlook for the future remains positive given our accomplishments during the year. More challenges may await us in the next year and beyond, particularly in maintaining the balance between the preservation and the construction of roads. However, with the resources at our disposal, we remain focused and committed to maintain a healthy balance between the maintenance and expansion of the road network. We will continue to strive to achieve the Millennium Development Goals which advocates that all citizens of the world must live within a distance of 2 kilometres or less from all-weather roads.

ACKNOWLEDGEMENTS

My sincere gratitude goes to our Line Minister, Honourable Alpheus G. !Naruseb, Minister of Works and Transport for his guidance and support. I also wish to express my gratitude and appreciation to my fellow members of the Board, the Chief Executive Officer, management and the staff members of the RA for their efforts in making the period under review a success. I look forward to the future with such a dedicated team. A bright future awaits us, with the potential for higher achievements, hard work now and achieve great things.

“Patience, persistence and perspiration makes an unbeatable combination for success.” - Napoleon Hill

MS HILENI KAIFANUA
Chairperson

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CORPORATE GOVERNANCE

Good corporate governance is important in enabling the Board to fulfill the organisation's mandate, to tackle challenges and to seize opportunities, in an environment of continual change, both internal and external to the Roads Authority. Therefore, the Board keeps the governance structures and arrangements under review on an ongoing basis in order to ensure that the organisation's processes remain at the forefront of best practice, are aligned to the needs of the organisation, to manage risks and provide assurance and accountability in a transparent way for the benefit of our shareholders and all stakeholders.

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CORPORATE GOVERNANCE

BOARD COMPOSITION

The Board is the ultimate governing body of the Roads Authority. It is responsible for the long-term strategy of the organisation and it oversees the organisation's financial sustainability. It also sets and monitors policies that govern the organisation's activities. The Board further ensures compliance with applicable legislation, documents, directives and ensures accountability.

The Board of Directors are appointed by the Minister of Works & Transport. The current Board has been appointed for the period 15 July 2014 – 15 July 2017.
The Board is comprised of five independent non-executive directors, including the Chairperson of the Board. The Board is guided by the Board Charter.

The below table indicates the current directors of the Roads Authority.

Name	**Position on Board**
1. Ms H. Kaifanua	Chairperson
2. Ms M. Hanekom	Deputy Chairperson
3. Mr L. Likando	Director
4. Mr B. Katjaerua	Director
5. Ms E. Haipinge	Director

Schedule of Attendance of Board Meetings during the 2015/2016 financial year

The table below shows the attendance of Directors at Board Meetings during the 2015/2016 financial year. The attendance is expressed as the number of meetings attended out of the number eligible to be attended.

	Number of meetings: 6
Hileni Kaifanua	6/6
Mariette Hanekom	5/6
Brian Katjaerua	6/6
Lennox Likando	2/6
Elina Haipinge	5/6

BOARD COMMITTEES

The Roads Authority has a governance structure comprised of the Board of Directors, with three sub-committees that assist the directors in the execution of their mandate. The sub-committees are: the Audit Committee, the Board Tender Committee and the Human Resources Board Committee. The Committees continue to work effectively, thus enabling the Board to concentrate on matters of strategic importance.

Each committee has four scheduled annual meetings. However, the frequency may vary depending on the task at hand. The sub-committees are guided by their respective Terms of Reference, which are renewed annually.

Audit Committee

The Audit Committee assists the Board in discharging its duties by ensuring that there are adequate controls and systems in place for the reliability of the financial results and accountability for the organisation's assets. The Committee is tasked to deal with risk management, internal controls, financial reporting processes, auditing processes, anti-corruption, fraud and theft.

The Committee comprises of Mr B. Katjaerua as the Chairperson, Ms E. Haipinge and Mr L. Likando as members; and Mr G. Itembu as co-opted Member.

Board Tender Committee

The Board Tender Committee is responsible for reviewing tenders, expressions of interest and other procurement in excess of N$20 million upon recommendation from the Management Tender Committee. The Committee was mainly established to assist the Board in the execution of its duties in terms of the Roads Authority Tender Rules and Procedures.

The Committee comprises of Ms H. Kaifanua as the Chairperson, Mr B. Katjaerua, Ms E. Haipinge, Mr L. Likando and Ms M. Hanekom as members.

Human Resources Committee

The Human Resources Board Committee is mandated by the Board to create an organisational culture, structure and process that supports the development of employees and actualisation of potential performance.

The Committee comprises of Ms M. Hanekom as the Chairperson, Mr B. Katjaerua and Ms E. Haipinge as members.

Disclosure of interests

The Roads Authority considers it important that the Board must make all its decisions independently and transparently, without any conflict of interests which could affect judgment or decisions. Disclosure of interest is a standard agenda item at every Board and its Committee meetings. In the event that there is a conflict of interest, the director must recuse himself from the deliberations and decisions, after providing all the relevant information at his/her disposal.

Board Remuneration

The Board Remuneration is paid as per the directives issued for the annual fees and sitting allowances for Board Members: State-owned Enterprises Governance Act, 2006.

Board Evaluation

A Board evaluation is conducted every second year in order to ensure that the Board is effective and executes their duties accordingly.

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EXECUTIVE COMMITTEE

From left to right:

MR CONRAD LUTOMBI
Chief Executive Officer

MR WILFRIED BROCK
Executive Officer - Transport Regulatory and Inspectorate

MS RAUNA HANGHUWO
Executive Officer - Engineering

MS ROSALINDE NAKALE
Executive Officer - Corporate Services

CHIEF EXECUTIVE OFFICER'S STATEMENT

I take pleasure and pride in reporting on the activities and successes of the Roads Authority (RA) for the period under review. The organisation has been undergoing tremendous transformation since its inception, with the view to improve efficiency in all its operations.

The RA continued to deliver on its mandate during the reporting period, notwithstanding a highly challenging environment. The organisation revised its strategic plan with the view to streamline its operations in order to achieve its core objectives, as well as to meet the challenges in the construction industry. We continued with the full implementation of the performance management system to enhance the organisational performance to attain organisational goals and objectives as set out in our Strategic Plan.

ANTI-FRAUD AND CORRUPTION

The RA initiated a Business Process Realignment exercise during the period under review. The objective of this initiative is to realign the business processes of the organisation in order to improve efficiency and quality work in our core business practices. This exercise will be concluded in the next financial year.

To ensure that our internal controls are of world class, the RA enlisted the services of Ernst & Young Auditing Firm to conduct a number of audits to identify weaknesses and recommend mitigation measures. The key areas that have been audited are Governance and Compliance, Strategic Capital Projects, IT General Controls and the IBMS Functionality Audit.

In addition, the RA has implemented a whistle blowing mechanism that gives staff members and the public an opportunity to report irregularities on an anonymous basis. A fraud awareness campaign was launched and successfully rolled out nationwide. This was done with the aim to educate our stakeholders about the reporting channels available to report irregularities.

NATIONAL ROAD NETWORK

The RA embarked upon major construction projects such as the upgrading to dual carriageway of the Windhoek – Okahandja road (section 3 and section 4a), Windhoek-Hosea Kutako International Airport road (phase 1), Swakopmund – Walvis Bay road (phase 1) and Swakopmund – Henties Bay road (phase 1) during the reporting period. All these major projects are part of the Harambee Prosperity Plan.

The following projects were completed successfully; Omakange – Ruacana road, Omafo – Outapi road and Elundu – Eenhana just to mention a few. Significant progress has been made on our on-going projects such as Oshigambo – Eenhana road, Grootfontein – Otjinene road, Gobabis – Aranos road and Rosh Pinah – Oranjemund road respectively.

The preservation and maintenance of our road network remained a strategic focus and as a result, the organisation embarked upon a three year reseal programme to improve the condition of our surfaced road network. Our focus will be placed on improving our gravel roads in the next fiscal year.

TRANSPORT REGULATORY SERVICES

In relation to NaTIS services, an office was opened in Ruacana as well as a One-Stop Centre in Opuwo during the year under review. Our weighbridge operations remained focused on controlling the effects of overloading of heavy vehicles to protect our road network and enhance road safety.

THE FUTURE

Emerging from the reporting period, the RA was well organised, had in place robust governance procedures and systems and remained fully geared to continue to deliver better roads and services to all Namibians. Our challenge is to remain a focused, learning organisation that nurtures its talent and delivers on its mandate to the people of Namibia. We will continue to improve the condition of our national road network despite the financial constraints that we face.

ACKNOWLEDGEMENTS

In closing, I wish to express my sincere gratitude to the Board of Directors for their support and strategic leadership. To my fellow Executive Committee members, management and staff of the RA, thank you for your commitment and passion to continue to strive for excellence in service delivery.

MR CONRAD M. LUTOMBI
Chief Executive Officer

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MAINTENANCE OF THE ROAD NETWORK

The maintenance of the road network is aimed at contributing to the RA's overall objective by maintaining and preserving the national road network in accordance with best maintenance practices and thereby contributing to the economy of Namibia.

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MAINTENANCE OF THE ROAD NETWORK

IMPORTANCE OF MAINTENANCE

Although, the need for road maintenance is widely recognised, it is still not adequately executed due to overall insufficient funding as well as a technical competency capacity problem within all supervisory functions.

Without regular maintenance, roads can rapidly fall into disrepair. Postponing road maintenance results in high direct and indirect costs when eventually attending to the delayed activities. If road defects are repaired promptly, the cost is usually modest. If defects are neglected, an entire road section may fail completely, requiring full reconstruction at approximately three times the average cost of maintenance. It has been estimated that repair costs could increase to six times normal maintenance costs after three years of neglect, and up to 18 times after five years of neglect. To avoid such escalating costs, available funding resources should ideally be allocated initially to maintenance, thereafter to rehabilitation and finally to new construction.

The goal of maintenance is only to preserve the asset as long as possible to the standard at completion of the infrastructure. Road maintenance encompasses activities such as, maintaining the pavement, shoulders, slopes, signage, drainage facilities and all other structures within the road reserve as close as possible to their as-constructed or rehabilitated condition. This includes minor repairs and improvements to eliminate the cause of defects only, and to avoid excessive repetition of the same maintenance activity.

Within the Roads Authority, road maintenance is categorised as follows:

- **Unpaved Road Maintenance (Gravel):**
  - Routine blading of roads
  - Periodic graveling of roads
  - Periodic clearing and forming of new and existing gravel roads

- **Paved Road Maintenance (Bitumen Surfaced):**
  - Routine maintenance of bituminous roads (e.g. pothole patching & grass cutting)
  - Periodic maintenance includes; reseals, rejuvenation seals and minor improvements

- **Miscellaneous Road Maintenance for both Paved and Unpaved roads:**
  - Contingencies for day works, special works and emergency repairs
  - Road signage, supply and erection
  - Concrete and steel works, for the repair and or additional drainage structures
  - Additional road reserve maintenance, cleaning of rest places and road reserve, mowing of grass and bush clearing
  - Sand removal from road surfaces (Luderitz, Walvis Bay)
  - Consultancy services (technical assistance when required)

- **Routine Maintenance** comprises of small scale works that is conducted regularly to prevent premature deterioration of the road network and to ensure safety for the road user. The frequency of routine maintenance could be daily, weekly or monthly.

- **Periodic Maintenance** covers activities on a road at regular but longer intervals, a number of years, to preserve the structural integrity of the road. These operations are mostly on a larger scale and require specialised equipment and skilled personnel. Such activities would typically be a re-seal and a re-gravel project.

MAIN OBJECTIVES

Based on the explanation above, the main objectives of our maintenance programmes are:

- to maintain the paved road network by means of timeous routine works and by periodically applying rejuvenation and or bituminous seals, as well as road markings.

- to maintain the unpaved road network by managing routine blading works and the periodic graveling / re-gravelling / re-compaction operations.

- to maintain the road reserve by managing grass-mowing / de-bushing operations, cleaning of rest places and other miscellaneous works on the national road network as required.

- to manage minor improvement works on roads such as marginal widening of the surface seal, protecting seal edges (concrete edging), constructing concrete drifts and other small drainage structures, to temporarily upgrade highly trafficked gravel roads by means of a bituminous dust palliative seal.

- to erect and maintain appropriately designed and approved road signage.

- to attend to any emergency works such as scouring and pothole repairs.

- to assist the Authority in performing assigned functions, for example related to the Roads Ordinance of 1972. Access application, fencing application, use of road reserve by others, sourcing of suitable gravel and applications for waterline crossings would be an example of such functions.

PERFORMANCE & ACHIEVEMENTS

Operational

- The Development GU contracting system was successfully launched during mid-2012. The new GU contract system requires the utilisation of grader monitoring system by which the units' activities are monitored, recorded and required for payment. This system is being utilised within the newly developed "GU Development Contracts" system assisting Nominated SME contractors to own a paid grader after the 5 year contract period expiry. The monitoring system ensures fair compensation for actual work done. During the period under review 1.625 million blade kilometres were done at a total cost of N$ 295.3 million.

- As from 2011, the RA focused on resealing the surfaced road network which was in a critical condition due to the good rains the country received during that period. During the period under review, only one reseal contractor continued with critical operations, while the planning and investigative operations were in full swing for the next reseal contract due to commence in 2016/17 financial year. The emergency reseal operation of the 2015/16 financial year resulted in key routes still being operational.

- Emergency holding seals were done on Trunk Road 1/6 between Windhoek and Okahandja (20km slurry) and on Trunk Road 2/2 between Usakos and Arandis (30km slurry).

- Also 176.3km slurry was done on Trunk Road 1/7 between Okahandja and Otjiwarongo, and 15.2km single seal on Main Road 70. Extensive repair works and crack sealing was done on Main Road 33 as preparation for the reseal in the upcoming new reseal contract. On Main Road 118 between Aus and Rosh Pinah 165km were treated with a rejuvenation spray.

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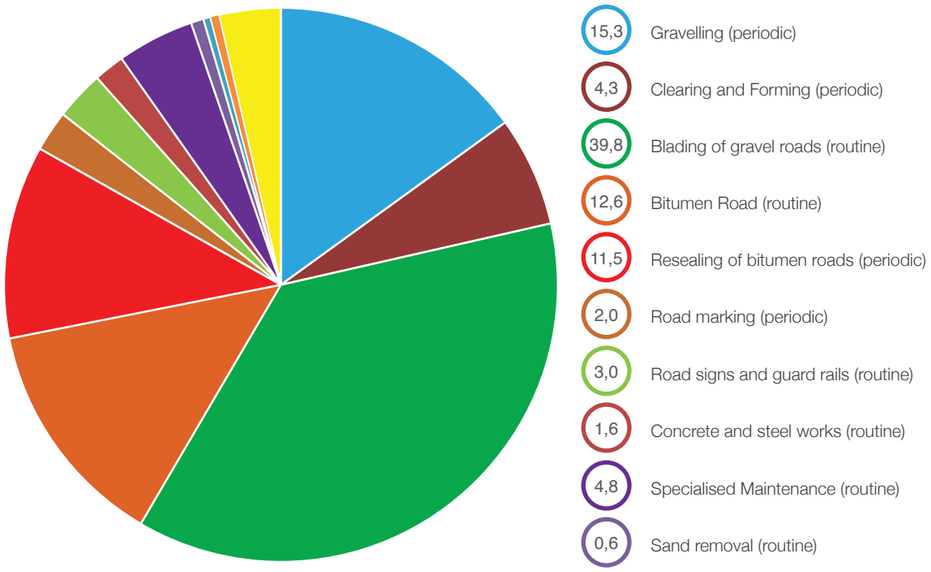
MAINTENANCE OF THE ROAD NETWORK

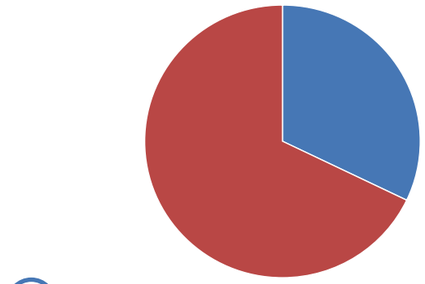
FINANCIAL

The expenditure distribution to different maintenance activities is as follows:

Expenditure Distribution: total N$ 743 Million

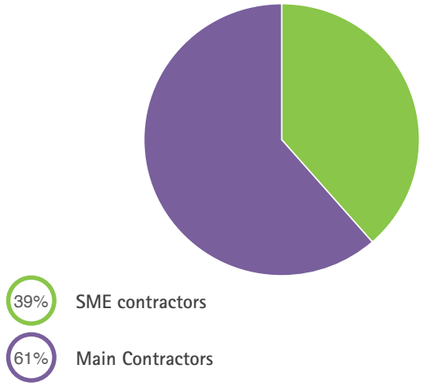


Distribution between Periodic and Routine Maintenance



Participation of SME contractors

A total of N$ 289 Million out of N$ 743 Million was allocated to SME contractors.



CHALLENGES

The challenges faced during the period under review remain similar to the previous years. These are still primarily found in the scenario that the backlog of rehabilitation works are creating an extra maintenance burden, which is even further aggravated by the fact that the pace at which rehabilitation works are executed is dramatically hindering the effectiveness of the maintenance operations.

The funding requirement according to the Medium to Long Term Roads Master Plan recommended optimum preservation, with an annual budget of N$ 2650 Million for 2015-2016. This includes N$ 1754 million for routine and periodic maintenance, N$ 508 million for rehabilitation and N$ 388 million for upgrading works. The final allocation for 2015/16 was only 47.7 % of the required amount. These funding levels have increased the backlog tremendously and resulted in further deterioration of the road network.

Other important challenges to be addressed remain those associated with the acute shortage of experienced professional/technical/supervisory capacity in both the RA and the SME contractors. The challenge to correct the RA personnel capacity enabling it to meet its responsibilities requires urgent attention.

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THE ROAD MANAGEMENT SYSTEM

The Road Management System (RMS) enables the organisation to develop and to operate coordinated and integrated support tools or systems to facilitate the efficient management of the road network. This includes analysing the impact of funding constraints on the road network and road users, and identifying and prioritising projects to ensure the most efficient use of scarce funds.

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THE ROAD MANAGEMENT SYSTEM

An Integrated Road Management System is an all-encompassing framework including both information processing and human resources for the determination and optimisation of economically warranted projects, programmes, strategies and budgets for both development and maintenance.

The Road Management System of the RA plays an important role in:

- Monitoring the condition of the national road network on a continuous basis
- Analysing the impact of funding scenarios
- Identification and prioritisation of projects
- Optimisation of available funds
- Minimisation of total transportation cost

ROAD REFERENCING SYSTEM (RRS)

The RRS equips the RA with one process through which all features, attributes and data may be referenced including Spatial Information using the Geographic Information System. It condenses the processes related to road definition and inventory into one system, thereby allowing the entry and updating of information regarding proclamations, road definition, nodes, road links, lane configuration and cross section details. The RRS also displays information online and allows printing of reports for selected roads or areas.

On behalf of the Minister of Works and Transport, the RA is the custodian of the road network and the definition thereof. It is obligated to keep information up to date and to provide information to all stakeholders e.g:

- Maps are produced annually showing the composition of the road network in terms of surface type (Figure 1) and road categories (Figure 2)
- Maps are produced showing all the ongoing, planned and completed projects of the RA

The current network statistics have been compiled and are shown on the map in Figure 1. This incorporates all the changes to the network that occurred during 2014 and 2015 and includes new proclamations, upgrades from gravel to bituminous standards, reclassifications of roads and de-proclamations.

The RRS was upgraded from Paradox to a web-based system in PostGreSQL database which is an open source object relational database. It has a strong reputation for reliability and maintaining data integrity. The system has been uploaded on the Beta server and the capturing of Network 10 was done using the new RRS.

While migrating from Network 9 to Network 10, a total of seventy one (71) new roads were proclaimed, covering a distance of 1,848.18 kilometres of roads and tracks and increasing the road network by 4.2%. Out of the seventy one (71) new roads, sixty nine (69) were proclaimed as district roads and two (2) proclaimed as trunk roads.

The two new trunk roads are:

- T0112A, and
- T1401

T0112A is also known as the Oshikango Bypass that serves the purpose of redirecting the incoming and outgoing international cross-border traffic from the three major developing peri-urban areas of Onhuno, Ohangwena, and Helao-Nafidi.

T1401 is the Northern extension of trunk road T1402 from Otjinene via Okondjatu, Okamatapati to the town of Grootfontein. This trunk road is part of the Gobabis – Grootfontein road link and is seen as a logical extension of the Trans-Kalahari highway system with the major objective of linking the Northern regions of Namibia and Southern Angola to Botswana and South Africa.

PAVEMENT MANAGEMENT SYSTEM (PMS)

The PMS was developed in 1998 and has been continuously refined since then. It utilises regular visual assessments and mechanical surveillance measurements on the surfaced road network to describe condition, identify periodic maintenance and rehabilitation needs and evaluate the implications of different funding scenarios.

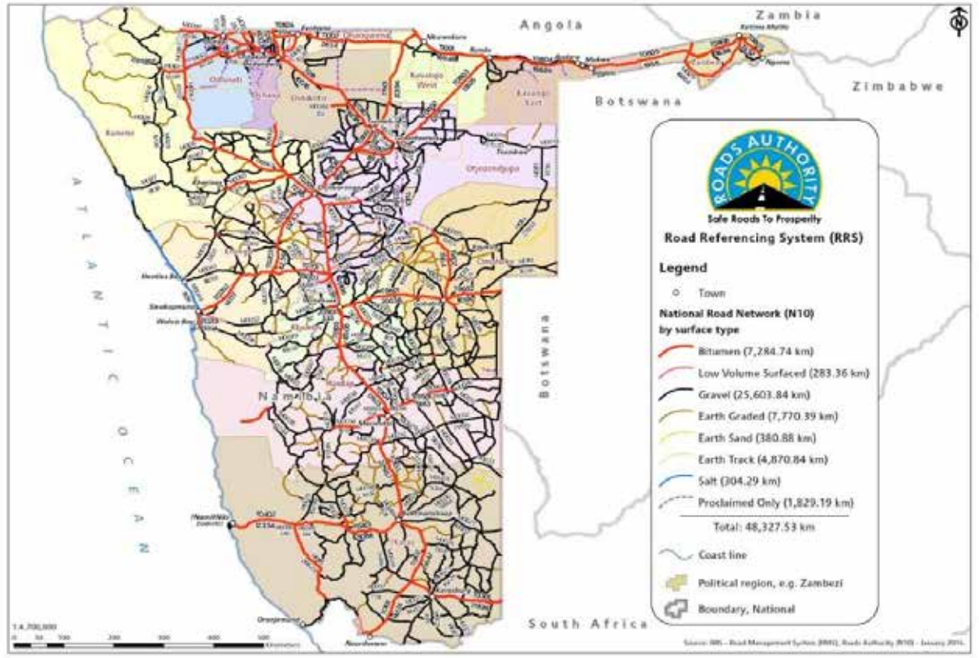

Figure 1: Road type description

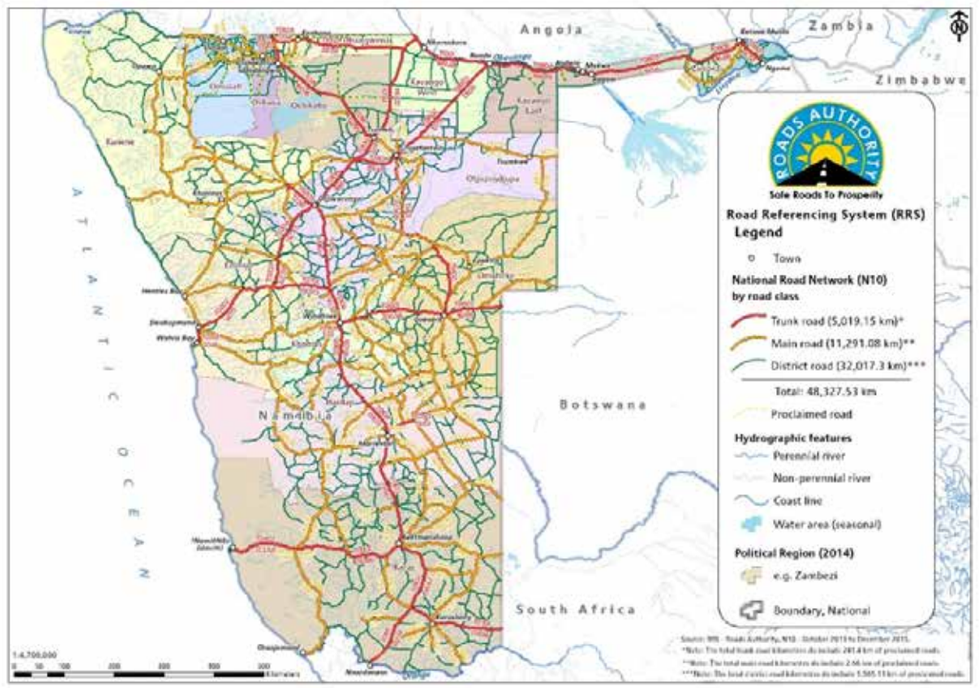

Figure 2: Road category

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THE ROAD MANAGEMENT SYSTEM

CURRENT SITUATION

Replacement value of the pavement structures
A conservative calculation indicates that approximately N$ 49 000 million would be required to replace only the top layers and bituminous surfacing of our paved roads – an indication of the typical cost to rehabilitate the entire surfaced road network. This does not include the value of the land, earth works, bridge structures, road furniture or the value of unsealed roads.

Age of our road network
Road pavement structure
Road pavements are normally designed to carry the traffic load for a period of 20 years. This means, theoretically, that 5% (358km) of the total surfaced road length should be rehabilitated (strengthened) per annum. Fortunately, for various reasons, pavement structures in Namibia last much longer.

OUR SITUATION:

56% of our total paved road network is more than 20 years old.

Bituminous surfacings (Seals)
The purpose of a bituminous surfacing is to prevent moisture ingress into the pavement, to provide skid resistance and to protect the pavement structure from traffic wear. The average effective life of the surfacing layers in Southern Africa is 10 - 15 years. Deterioration on lower volume roads occur mainly due to oxidation and hardening, making this layer water permeable.

OUR SITUATION:

Despite the efforts made from 2012 to 2014 to reseal and rejuvenate our roads, 40% of the bituminous surfacings are still older than 10 years and 21% older than 15 years.

Pavement structure condition
The current condition of the road pavement structures and the trend of deterioration are displayed in Figure 3.

Namibia

Figure 3: Pavement Condition (Rehabilitation Need) change over time (per category)

Surfacing condition
Since 2012, significant effort has been made to reseal and rejuvenate the road network. The current condition of the bituminous surfacings on the road network and the trend of deterioration are summarised in Figure 4. The impact of the kilometres treated during 2012, 2013 and 2014 is visible in terms of the change in the road network condition and reseal needs.

Namibia

Figure 4: Surfacing Condition (Reseal Need) change over time

1.1 Unsealed Road Management System (URMS)

The URMS was developed as part of the Integrated Road Management System of the Roads Authority and serves the purpose of assisting the RA in strategic and tactical planning on the unsealed road network.

Four key activities are required to provide and to maintain a safe and economical unsealed road network. These are:

- Routine road maintenance in the form of blading, drainage and road reserve maintenance;
- Scheduled or periodic maintenance to improve accessibility, safety and maintainability e.g. re-gravelling, forming, reshaping;
- Sealing of gravel roads to preserve materials and to reduce maintenance and user costs;
- Ancillary works which include drainage improvements, emergency works and other maintenance requirements within the road reserve e.g. vegetation control, road signs and fence replacement.

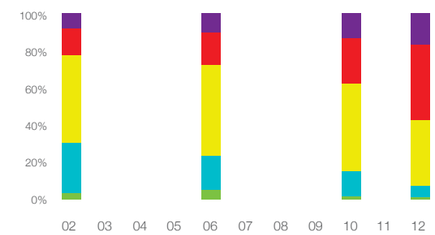
The RMS provides information regarding the change in the condition of these roads over time. The figure below shows the change in general condition of the different road categories over the period 2002 to 2012.

The general condition of the unsealed road network has deteriorated significantly over the past ten years.

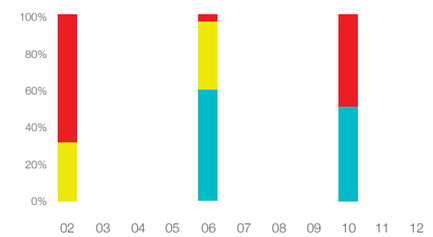
According to the 2012/2013 findings of the Unsealed Road Management System's visual assessment survey, 58% of the unsealed road network was classified as being in a "Poor" or "Very Poor" condition, with an average thickness of imported gravel of 45mm. (Note: The typical thickness of a new wearing course is 150mm). Information from the URMS indicates that the condition of the network is rapidly deteriorating (20% of the unsealed road network changed from "Fair" to "Poor" or "Very Poor" since 2010).

Namibia Road Categories (2002 - 2012)
Visual Condition Comparative Histograms

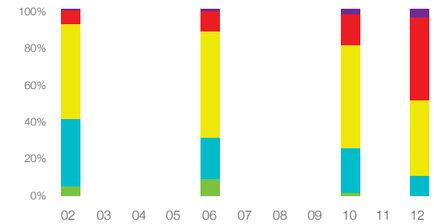
Namibia



Trunk Roads



Main Roads



District Roads

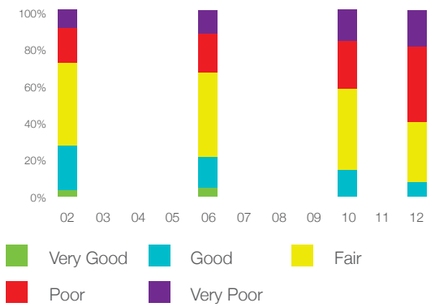


Figure 5: Change in condition of the unsealed road network

1.2 Bridge Management System (BMS)

During the last inspections a total of 1430 structures, classified as bridges and major culverts, were identified and the detail of each recorded.

The majority of the structures were constructed during the period 1960 to 1980. The average age of bridges is 36 years, while the average age of major culverts and large culverts is 32 years. An inspection should have been done in 2012, but because of budget constraints this was not possible.

Figure 6 below shows the distribution of different structure types throughout Namibia. The majority of structures are in the Hardap and Karas regions.

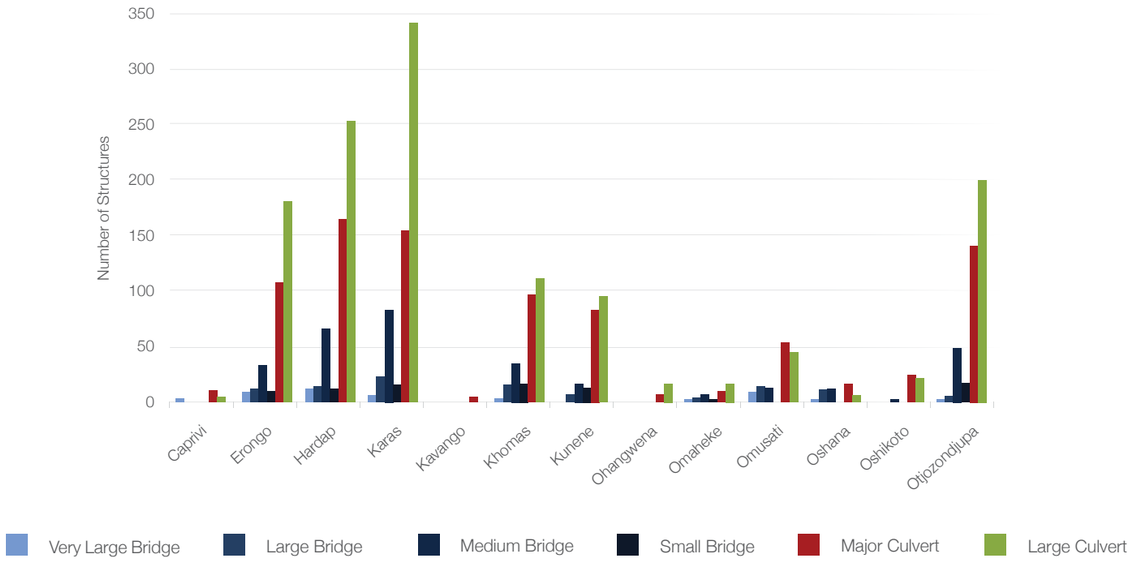


Figure 6: Distribution of structures

1.3 Traffic Surveillance System

The Road Management System, through its Traffic Surveillance System, collects, summarises and interprets information on the traffic using Namibia's road network. The data is used to assess transportation needs, network performance, activity prioritisation and design.

There are currently approximately 150 base and 200 ad-hoc electronic traffic monitoring stations on selected links of the national road network. In addition to counting and classifying vehicles, the automatic traffic data recorders at the stations also capture the speed, direction and time of travel. These data sets are used for road safety intervention planning and design.

Interesting outputs from the TSS:

The vehicle kilometre travelled (VKT) is an indicator of the road use in Namibia. The total VKT per day of Namibia in 2015 was 10.046 million of which 81.69% was recorded on the bituminous road network (7568km). Approximately 84% of the national road network is unsealed, but contributes only to 19% of the VKT. Heavy vehicles constitute 20% of the traffic in Namibia.

The bituminous trunk roads connecting Namibia with its neighbouring countries and the port of Walvis Bay carry the highest traffic in the country.

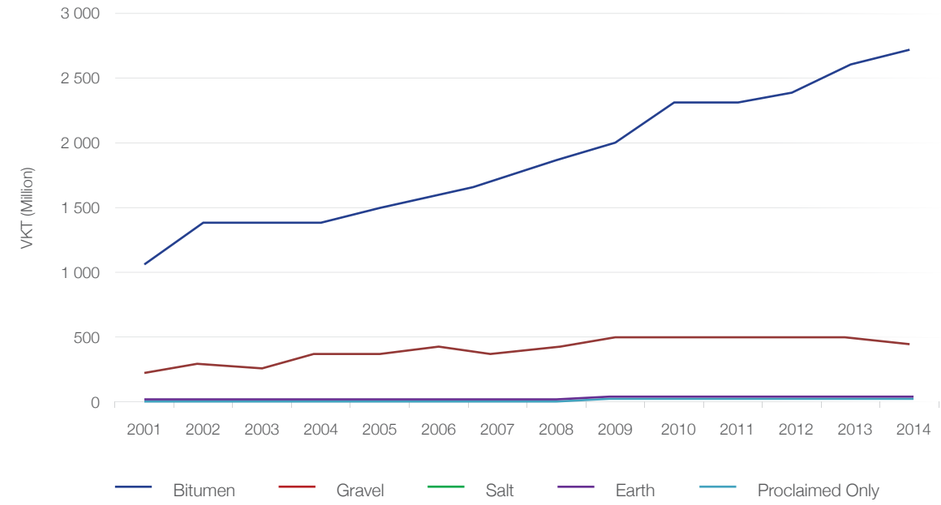


Figure 7: Vehicle Kilometre travelled per annum

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THE ROAD MANAGEMENT SYSTEM

The increase in traffic volumes per annum and VKT is a good sign of a growing economy.

Another interesting aspect is that almost 61% of the road network carries less than 50 vehicles per day, which means that, apart from specific bituminous trunk roads, Namibian roads are not highly trafficked. Only 1% of the network carries more than 3000 vehicles per day!

The daily distribution of traffic is as follows:

EAADT Distribution

Namibia

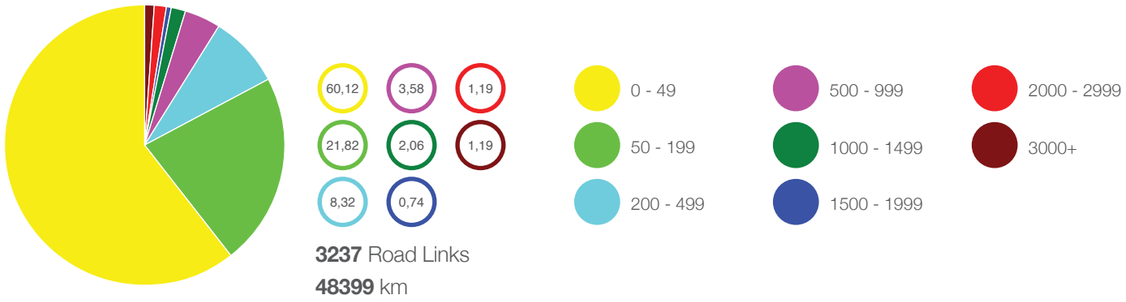
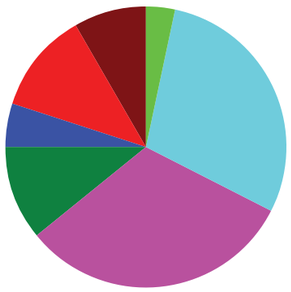


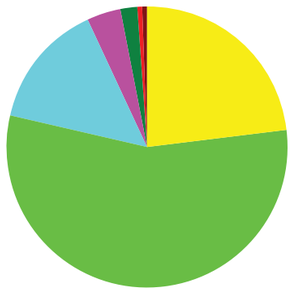
Figure 9: Traffic distribution on the total road network

EAADT Distribution

Trunk Roads



Main Roads



District Roads

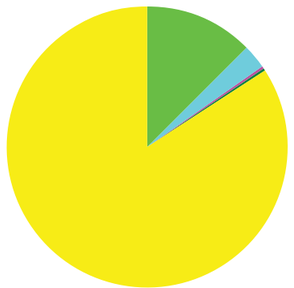


Figure 10: Traffic distribution per road category

MAINTENANCE MANAGEMENT SYSTEM

The Maintenance Management System (MMS) was developed to assist with maintenance planning and operation in the regions and at the head office level. The focus of the MMS is to assist in identifying, scheduling and management of day-to-day routine maintenance activities in a region or district.

Various reports can be extracted from the system, which aids in standardising and formalising the works and the determination of the optimum budget requirement.

RMS MAINTENANCE AND ENHANCEMENT PROGRAM

Extensive improvements have been carried out to the Integrated Road Management System as a result of the changes in IT technology, changing needs within the RA, and the fast growth of the size and complexity of data. To respond to these influences, the RRS module has been remodelled to function on the DOT NET IT Platform.

With the growth in data and the complexity of the data structure, the need was identified to have a separate access portal (Data Management Module) of the raw data available in all sub-systems. The User Requirement (UR) and the Functional Design (FD) have been completed and the technical design is in the process of being completed.

MANUFACTURING AND INSTALLATION OF KILOMETRE MARKERS (KM)

The RA has introduced the installation of KM Markers for the surfaced road network in Namibia which will be implemented in 2016. The KM Markers are now standardised and will replace the older standard. The signs will be installed in the forward direction in accordance with our road referencing system.

The essence of these KM Markers is to label every kilometre distance on the national road network. This marker also incorporates the road number.

The main purpose of the KM Markers is for the organisation to carry out its administrative function and will enable the organisation to identify locations on the road network.

This function will also enable regions or other administrative bodies to demarcate areas and identify locations along the road network. It will form the basis to help authorities to establish referenced assets and for the Authority specifically road related assets and their locations such as road signage, bridges and other road related appurtenances.

The availability of KM Markers will allow the authorities such as the police to record more specifically locations where accidents occur and simultaneously enables emergency services to be directed to specific locations easily identifiable for assistance. In addition, this will help identification of “blackspots” where repeated accidents occur which can then be earmarked for improvement.

The KM Markers will help each road user to identify their exact position on the road network and thus any person requiring assistance such as in the case of a breakdown, can direct support easily to their location.

Figure 11: KM Markers Placement

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THE ROAD MANAGEMENT SYSTEM

RMS Modelling Strategy

Various approaches could be followed to identify and to prioritise remedial activities on a road network to obtain the funding requirements and impacts of constrained budgets.

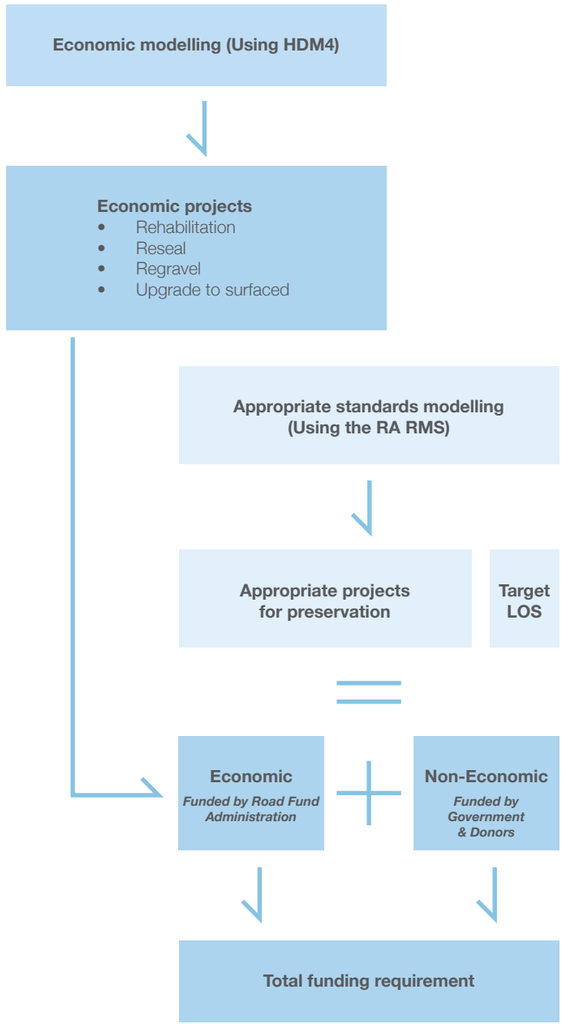
The two approaches selected by the RA are:

- Economic Strategy
  - HDM4 is utilised to determine the optimum life-cycle strategy of each road (objective function being Minimisation of total transportation costs) for unconstrained and constrained funding scenarios
  - Note: This is not minimisation of total society cost as social and environmental benefits are not incorporated into this particular model

- Preservation Strategy
  (i) Models have been developed in-house to:
    - Determine the remaining life of the bituminous surfacing and pavement structure until a predetermined threshold level is reached (optimum time for resurfacing or rehabilitation to maintain the required level of service)
    - Select a minimum of two appropriate remedial actions for any given situation on unsealed and sealed roads. The immediate and longer term benefits of these actions are evaluated (area under the performance curve) against the cost.

  (ii) For the unsealed roads, models have been develop and existing ones (e.g. gravel loss, roughness deterioration) applied to:
    - Determine the appropriate periodic maintenance activity to optimise performance e.g. spot gravel, reshape, rework, regravel
    - Determine priorities based on the Internal Rate of Return for the selected appropriate actions
    - A potential five-year program is drawn up based on replacement of lost gravel. (Currently set as to annually replace the total volume of lost gravel)
    - Need for upgrading to surfaced standards is determined based on the IRR

regardless of whether the selected actions are economically viable. The difference between the unconstrained funding requirements i.e. "Preservation minus Economic", effectively defines the costs of the non-economic projects. The principle applied is shown in the figure below.



HDM-4 Strategic and Tactical Analyses

The preservation models identify all potential projects

HDM-4 Strategic and Tactical Analyses Objective

Budget Scenario	In NAM$ Million					
	Capital Budget	Total Budget	Capital Annual Average (over 5 y)	Total Annual Average (over 5 y)	Capital Annual Average (over 20 y)	Total Annual Average (over 20 y)
1 (Minimum)	0	16,235.06	0	819.15	0	811.75
2 (Optimum)	22,256.22	40,855.12	2,231.34	3,227.87	1,112.81	2,042.76
3 (Less 20%)	18,124.65	35,681.90	1,924.98	2,836.98	906.23	1,784.10
4 (Less 40%)	13,590.34	30,086.25	1,344.39	2,200.05	679.52	1,504.31

The main objective of the strategic and tactical analyses is to use the processes and principles developed within the Integrated Road Management System and HDM-4 to assist the Roads Authority with two primary objectives:

- The first objective is the definition of the optimum funding requirements for maintaining the national road network at acceptable condition level while minimising the total transportation cost.
- The second objective of the strategic study is to determine a set of cost-effective maintenance, rehabilitation and improvement standards applicable to different groups of road sections that would achieve the first objective.

These two important outcomes have then been taken to the next level as main inputs to the tactical analysis that will allow the preparation of a five-year programme of works.

Strategic Analysis Results

Economic Run (Maximise NPV)

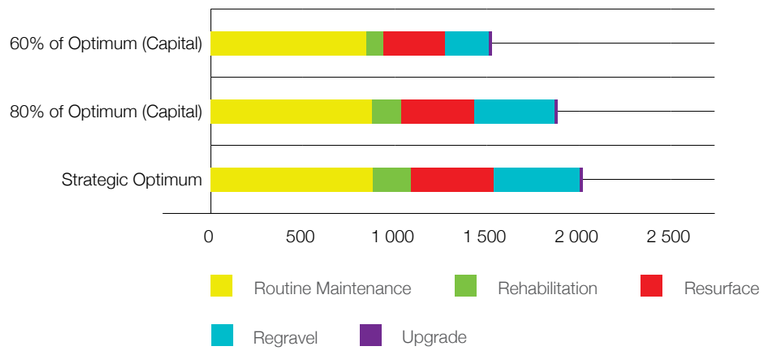
The four scenarios impacted the roughness differently with the optimum scenario 2 providing the best minimum Total Transportation Cost.

Strategic Results

20 Year Distribution Strategic (N$ per annum)			
	Strategic Optimum	80% of Optimum (Capital)	60% of Optimum (Capital)
Routine Maintenance	904.8	877.9	824.8
Rehab	203.4	166.7	106.6
Resurface	419.2	381.4	360.9
Regravel	488.2	387.7	227.6
Upgrade	27.3	27.3	27.3
Total	**2042.8**	**1841.0**	**1547.1**
Routine maintenance	904.8	877.9	824.8
Capital	1138.0	963.1	722.3

The table above shows a total average spending of N$ 2,304.6 million per year over the 20 year period of which N$ 1,138 million is capital. This is the amount necessary to achieve Minimum transportation cost. Any reduction in the optimum budget will not achieve minimum TTC and will increase Road User Cost and worsens the overall road condition.

Strategic Fund Distribution per annum - 20 years



The figure above indicates the fund distribution per work type. The Optimum budget scenario indicates that the biggest shares of the budget goes to regravelling, resurfacing and routine maintenance hence indicating the important backlog in this matter. The 80% and 60% of the optimum budget scenarios will have mostly an effect on regravelling which is further reduced from the optimum required budget.

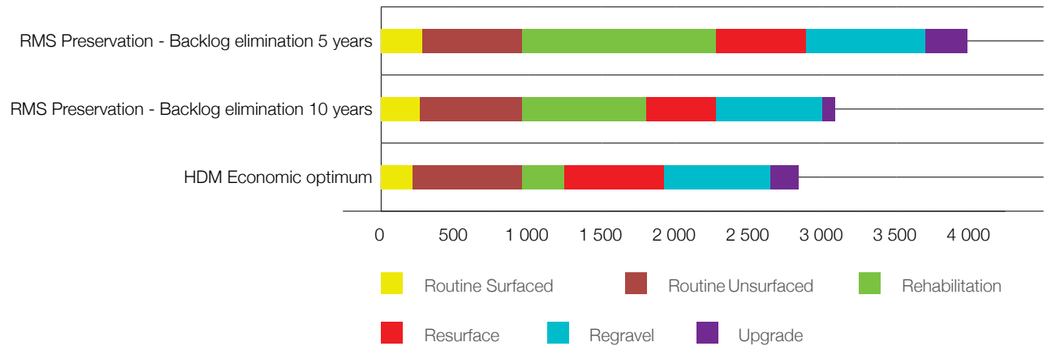
Tactical Analysis Results

The Tactical 5-Year work programme is provided in the main report for each year of the period 2016-2020. The following table summarises the 5 Year cash flow for capital and routine works under the optimum undiscounted budget scenario. The table indicates that the average spending over the first 5 years is N$ 2,815.36 million of which N$1,899.64 is capital. This scenario assumes the absorption of the backlog over the first 5 years.

Year	Road Agency Routine (RAR)	Road Agency Capital (RAC)	Total Road Agency Costs
	In NAM$ million	In NAM$ million	In NAM$ million
2016	867.00	1899.96	2766.96
2017	882.77	1899.99	2782.76
2018	950.93	1899.32	2850.25
2019	960.79	1899.79	2860.58
2020	917.10	1899.16	2816.26
Total	**4578.59**	**9498.21**	**14076.80**
Annual Average	**915.72**	**1899.64**	**2815.36**

The following figure shows the fund distribution for the HDM-4 Tactical Optimum run and the RMS Preservation run with the absorption of the backlog over 5 and 10 years respectively. The preservation run over 5 years shows that the main works would include regravelling, resurfacing, rehabilitation and routine.

Tactical Fund Distribution per annum - First 5 years



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THE ROAD MANAGEMENT SYSTEM

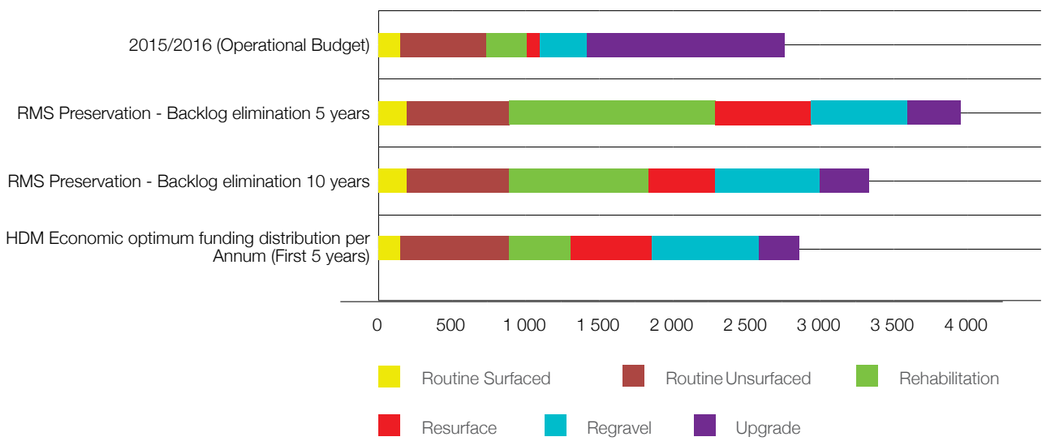
5 Year Distribution Tactical (N$ per annum)			
	HDM Economic optimum	RMS Preservation - Backlog elimination 10 years	RMS Preservation - Backlog elimination 5 years
Routine Maintenance	915.7	921.9	921.9
Rehabilitation	381.2	884.0	1381.0
Resurface	587.6	490.0	611.0
Regravel	733.6	700.4	755.6
Upgrade	197.3	142.3	284.7
Total per annum	**2815.36**	**3138.6**	**3954.2**

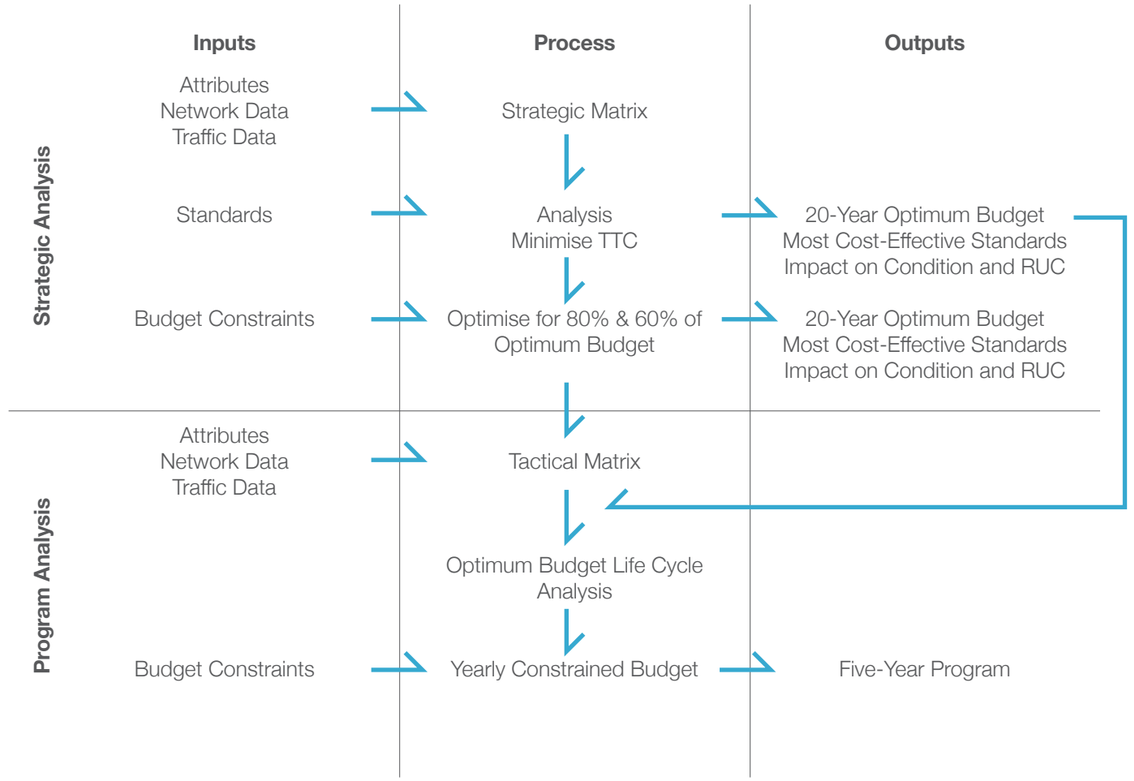
HDM-4 Analysis Methodology

The figure below summarises the HDM-4 methodology for both the strategic and programming analyses. At the strategic level, the road network is modelled into a matric of representative sections, a wide array of road work standards is then defined for each representative's section. The network is first analysed under unconstrained budget to achieve minimisation of TTC. The main output from this analysis is the Optimum budget, the mist cost-effective work standards and the optimum network condition. Thereafter if the optimum budget is reduced by 20% and 40% to assess the impact of optimum budget reduction.

The graph below shows in 2015/16, that a greater amount of the budget allocation was used for upgrade from gravel to bitumen (purple) where as the preservation (rehabilitation, reseal) was lagging. The total amount allocated by Road Fund Administration for economically warranted roads and the Government/donors for non-economically warranted (Social) roads is sufficient. Hence RMS recommends to focus more on the distribution of the funding, as N$2,8 billion total budget is acceptable and sufficient.

Optimum annual Funding Distributions compared to 2015/16 expenditure





At the tactical level, the network is represented by the real physical and homogenous sections. For each section, the selected work standards is applied and a life cycle analysis is run under the 20-year optimum budget obtained from the strategic analysis. This analysis is indeed an uneven spending profile in the initial years due to backlog. The first 5 years' budgets are summed and divided by 5 and used as an annual budget limitation and the model is the re-run. The result is a 5 year work program with an even spending profile for the first 5 years.

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TRANSPORT INFORMATION & REGULATORY SERVICES

The Transport Information and Regulatory Services Division provides the services listed below to vehicle owners, operators and drivers as assigned functions to the Roads Authority by the Ministry of Works and Transport in terms of Section 111 of the Road Traffic and Transport Act, 1999 (Act 22 of 1999).

TRANSPORT INFORMATION & REGULATORY SERVICES

Services:

- Vehicle registration, licensing and roadworthy testing;
- Driver testing and licensing
- Managing Registering Authorities
- Administer the Namibian Traffic Information System (eNaTIS)
- Issuance of National (domestic) and Cross-Border Road Transportation Permits

VEHICLE AND DRIVER TESTING FACILITIES

- The construction of a fully-fledged A-Grade Vehicle and Driver Testing Centre in Opuwo was completed in October 2015. The Centre was constructed as per the Cabinet Decision to provide vehicle and driver testing services at identified towns where no such facilities existed in the pre-independence era and people had to travel far distances to obtain such services.
- A Registering Authority for vehicle registration and licensing services was established at Ruacana in 2015. This Registering Authority and the Opuwo Vehicle and Driver Testing Centre was inaugurated by the Minister of Works and Transport, Honourable Alpheus !Naruseb in November 2016.
- The upgrading of the Okahandja Vehicle and Driver Testing Centre was completed at the beginning of 2016. The upgrading to required standards of existing testing facilities as per the Cabinet Decision. The upgrading also aims to cater for the growing vehicle and driver population and demand for testing services.

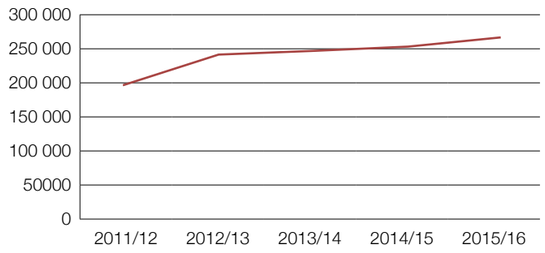
CUSTOMER SERVICE AND BUSINESS PROCESS ENHANCEMENT

- Customer service feedback mechanisms were implemented at Registering Authorities with the aim to enhance service delivery.
- Stakeholder meetings were conducted with Motor Retail Industry, Public Passenger Transport Industry, Driving Instructors and the Namibian Police with the aim to provide important information and educate the stakeholders on NaTIS processes.

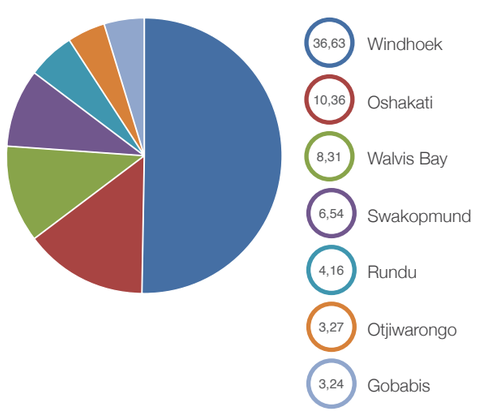
DRIVER POPULATION

Namibia's driver population increased by 9,961 bringing the total population to 266,372 representing an increase of 3.88% compared to the population of the previous year 2014/2015. The following table details the number of drivers per Authority.

Driver Population Growth



Driver Population Distribution (%)



All Authorities	2011/12	2012/13	2013/14	2014/15	2015/16	Distribution	% Growth
EENHANA	2852	3885	4334	4858	4859	1.82%	0.02%
GOBABIS	6095	7039	7437	8062	8639	3.24%	7.16%
GROOTFONTEIN	5242	5856	6075	6461	6507	2.44%	0.71%
KARASBURG	1662	1869	1916	2001	2036	0.76%	1.75%
KARIBIB	4064	5318	5800	6292	6601	2.48%	4.91%
KATIMA MULILO	3059	3658	3790	4063	4311	1.62%	6.10%
KEETMANSHOOP	5492	6407	6549	6635	6560	2.46%	-1.13%
LÜDERITZ	2400	2703	2793	3107	3254	1.22%	4.73%
MARIENTAL	5091	6074	6398	6633	6818	2.56%	2.79%
OKAHANDJA	5171	5950	5974	5971	5914	2.22%	-0.95%
OPUWO	1425	1832	2039	2248	2734	1.03%	21.62%
ORANJEMUND	3020	3525	3564	3731	3722	1.40%	-0.24%
OSHAKATI	20188	24381	25924	26846	27596	10.36%	2.79%
OTJIWARONGO	7003	8125	8215	8460	8703	3.27%	2.87%
OUTAPI	3911	5019	5486	5826	6190	2.32%	6.25%
OUTJO	2892	3238	3139	3069	3056	1.15%	-0.42%
REHOBOTH	0	0	0	1193	3094	1.16%	159.35%
RUNDU	7102	9306	10142	10668	11086	4.16%	3.92%
SWAKOPMUND	13567	15995	16252	16916	17426	6.54%	3.01%
TSUMEB	5385	6837	7264	7537	7568	2.84%	0.41%
WALVIS BAY	16166	19085	20067	21243	22130	8.31%	4.18%
WINDHOEK	76333	89367	91992	94591	97568	36.63%	3.15%
TOTAL	**198120**	**235469**	**245150**	**256411**	**266372**	**100.00%**	**3.88%**

GROWTH	2011/12	2012/13	2013/14	2014/15	2015/16
Growth in numbers	10,200	37,349	9,681	11,261	9,961
Growth in [%]	5.43%	18.85%	4.11%	4.59%	3.88%

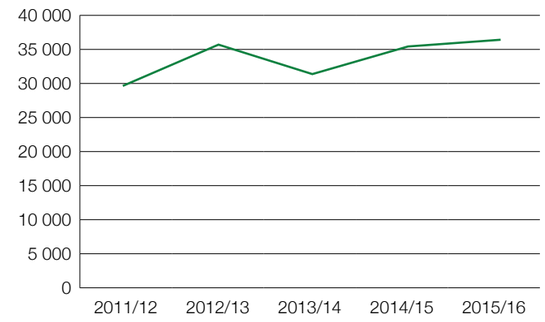
LEARNER DRIVER LICENSES (ISSUED)

Namibia's learner driver licences increased by 1,156 to bringing the total number of learner licences as issued to 36,916 representing an increase of 14.13% compared to the licences issued during the previous year 2014/2015.

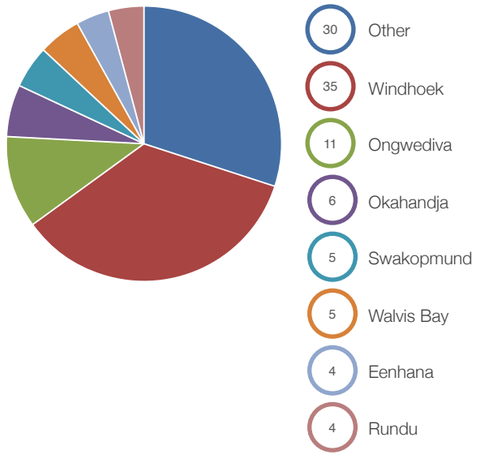
Issuing Authority	2011/12	2012/13	2013/14	2014/15	2015/16	Distribution	% Growth
EENHANA	1,116	846	1,048	970	1,404	3.80%	44.74%
GOBABIS	898	940	815	842	731	1.98%	-13.18%
GROOTFONTEIN	1,200	804	851	937	856	2.32%	-8.64%
KARASBURG	124	252	414	401	357	0.97%	-10.97%
KARIBIB	916	529	498	233	331	0.90%	42.06%
KATIMA MULILO	614	604	729	844	799	2.16%	-5.33%
KEETMANSHOOP	805	506	348	370	687	1.86%	85.68%
LÜDERITZ	181	276	595	845	614	1.66%	-27.34%
MARIENTAL	475	788	628	588	561	1.52%	-4.59%
OKAHANDJA	1,322	1,895	1,706	2,347	2,313	6.27%	-1.45%
OPUWO	642	504	256	348	501	1.36%	43.97%
ORANJEMUND	131	249	136	187	499	1.35%	166.84%
ONGWEDIVA	2,131	2,666	4,117	4,372	4,213	11.41%	-3.64%
OTJIWARONGO	926	654	600	920	939	2.54%	2.07%
OUTAPI	662	811	1,070	1,264	1,225	3.32%	-3.09%
OUTJO	1,135	792	1,078	812	917	2.48%	12.93%
REHOBOTH	0	0	137	1,233	1,203	3.26%	-2.43%
RUNDU	1,748	1,252	1,786	1,393	1,364	3.69%	-2.08%
SWAKOPMUND	1,419	1,565	1,303	1,538	1,871	5.07%	21.65%
TSUMEB	612	718	779	785	870	2.36%	10.83%
WALVIS BAY	4,066	3,589	2,752	2,564	1,725	4.67%	-32.72%
WINDHOEK	7,247	15,557	10,700	11,967	12,936	35.04%	8.10%
TOTAL	**28,370**	**35,797**	**32,346**	**35,760**	**36,916**	**100%**	**14.13%**

GROWTH	2011/12	2012/13	2013/14	2014/15	2015/16
Growth in numbers	5,521	7,427	-3,451	3,414	1,156
Growth in [%]	24.16%	26.18%	-9.64%	10.55%	3.23%

Learner Driver Population Growth



Driver Population Growth (%)

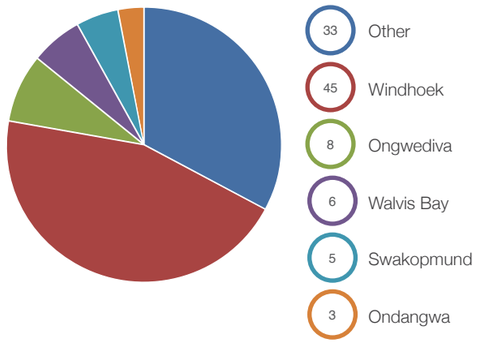


VEHICLE POPULATION

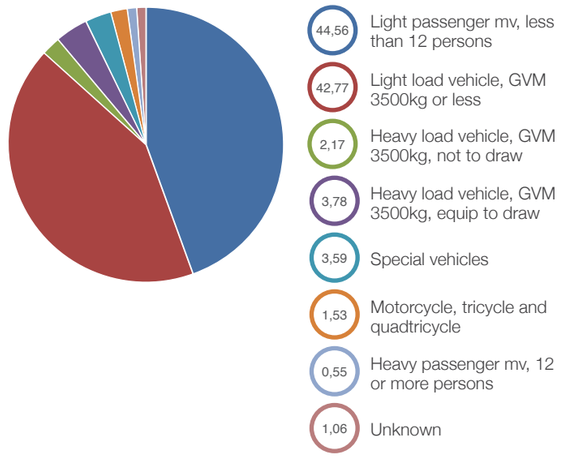
Namibia's registered vehicle population increased by 27,773 (8.31%) to 362,005. The following table summarises the growth and distribution of the vehicle population per Registering Authority.

All Authorities	2011/12	2012/13	2013/14	2014/15	2015/16	Distribution	% Growth
ARANOS	1,195	1,233	1,194	1,178	1,064	0.29%	-9.68%
BETHANIE	505	444	447	400	356	0.10%	-11.00%
EENHANA	3,229	3,592	4,482	5,519	6,437	1.78%	16.63%
GOBABIS	6,263	6,343	6,574	6,935	7,367	2.04%	6.23%
GOVERNMENT	7,756	7,542	8,351	10,061	9,748	2.69%	-3.11%
GROOTFONTEIN	4,283	4,254	4,608	4,967	5,487	1.52%	10.47%
KARASBURG	2,022	1,953	2,035	2,191	2,314	0.64%	5.61%
KARIBIB	1,145	1,166	1,271	1,377	1,513	0.42%	9.88%
KATIMA MULILO	3,321	3,599	3,942	4,607	5,488	1.52%	19.12%
KEETMANSHOOP	5,719	5,907	6,306	6,575	7,021	1.94%	6.78%
KHORIXAS	697	691	776	889	1,001	0.28%	12.60%
LÜDERITZ	2,110	2,143	2,201	2,357	2,534	0.70%	7.51%
MALTAHÖHE	577	568	541	559	555	0.15%	-0.72%
MARIENTAL	4,464	4,615	4,862	5,294	6,081	1.68%	14.87%
OKAHANDJA	5,394	5,532	5,976	6,426	6,858	1.89%	6.72%
OKAKARARA	616	631	627	665	740	0.20%	11.28%
OMARURU	2,193	2,263	2,435	2,443	2,508	0.69%	2.66%
ONDANGWA	7,335	7,625	8,173	9,069	9,900	2.73%	9.16%
OPUWO	1,199	1,314	1,583	1,928	2,362	0.65%	22.51%
ORANJEMUND	2,198	2,394	2,593	2,817	2,910	0.80%	3.30%
ONGWEDIVA	19,811	20,574	22,373	25,390	28,611	7.90%	12.69%
OTAVI	1,176	1,108	1,043	1,013	985	0.27%	-2.76%
OTJINENE	255	232	277	299	275	0.08%	-8.03%
OTJIWARONGO	7,075	7,421	8,170	8,892	9,525	2.63%	7.12%
OUTAPI	4,897	5,504	6,333	7,441	8,351	2.31%	12.23%
OUTJO	3,249	3,299	3,356	3,544	3,589	0.99%	1.27%
POL / NPS	217	199	200	261	250	0.07%	-4.21%
REHOBOTH	3,632	3,713	4,015	4,254	4,918	1.36%	15.61%
RUACANA	NA	NA	NA	NA	559	0.15%	NA
RUNDU	6,788	7,258	8,020	8,979	9,869	2.73%	9.91%
SWAKOPMUND	15,367	16,122	16,988	18,201	20,227	5.59%	11.13%
TSUMEB	5,357	5,583	6,048	6,636	7,266	2.01%	9.49%
USAKOS	661	563	578	562	586	0.16%	4.27%
WALVIS BAY	16,462	16,908	17,935	19,609	21,275	5.88%	8.50%
WINDHOEK	128,336	133,999	142,388	152,894	163,475	45.16%	6.92%
TOTAL	**275,504**	**286,292**	**306,701**	**334,232**	**362,005**	**100.00%**	**8.31%**

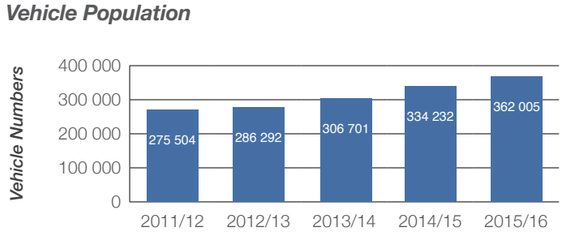
Vehicle Population Distribution (%)



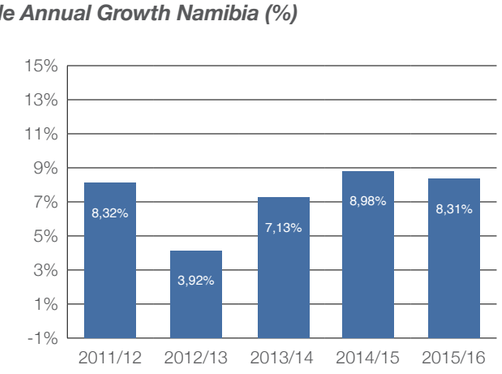
Vehicle Distribution by Type (%)



Vehicle Population



Vehicle Annual Growth Namibia (%)

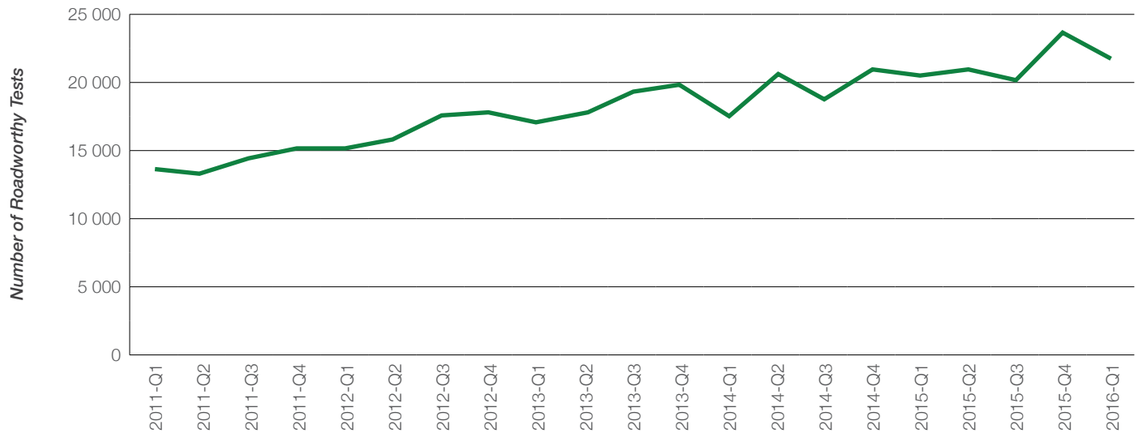


VEHICLE ROADWORTHY TESTING

The number of vehicle roadworthy tests increased by 6.62% to 86,214. The following table summarises the growth and distribution of the vehicle roadworthy tests per Vehicle Testing Station.

Vehicle Testing Station	All Vehicles (Tests)					All Vehicles (Trends)				
	Bus	Goods Vehicle	Motorcycle	Other	Total	2012/13	2013/14	2014/15	2015/16	% Change
EENHANA	39	384	0	873	1,296	0	705	1,181	1296	9.74%
GOBABIS	32	474	8	1,893	2,407	1,548	1,832	1,884	2407	27.76%
GROOTFONTEIN	19	247	13	1,028	1,307	0	1,233	1,447	1307	-9.68%
KARASBURG	29	64	2	305	400	293	322	428	400	-6.54%
KARIBIB	53	192	3	286	534	484	401	479	534	11.48%
KATIMA MULILO	23	0	4	972	999	740	717	834	999	19.78%
KEETMANSHOOP	21	61	18	1,149	1,249	1,170	1,113	1,340	1249	-6.79%
LÜDERITZ	66	117	1	534	718	428	463	630	718	13.97%
MARIENTAL	60	420	6	1,257	1,743	1,317	1,349	1,606	1743	8.53%
OKAHANDJA	3	3	8	2,808	2,822	2,781	2,757	3,255	2822	-13.30%
OPUWO	0	0	0	65	65	584	86	0	65	NA
ORANJEMUND	63	161	4	212	440	563	621	446	440	-1.35%
ONGWEDIVA	36	392	0	8,325	8,753	7,522	8,094	8,854	8753	-1.14%
OTJIWARONGO	78	1,125	14	2,159	3,376	2,192	2,481	2,933	3376	15.10%
OUTAPI	7	36	0	975	1,018	0	0	303	1018	235.97%
OUTJO	29	589	8	744	1,370	1,036	1,030	1,284	1370	6.70%
RUNDU	25	44	1	2,690	2,760	2,427	2,538	2,761	2760	-0.04%
SWAKOPMUND	181	1,086	45	2,734	4,046	3,904	3,788	3,831	4046	5.61%
TSUMEB	65	446	16	1,384	1,911	2,581	1,835	1,778	1911	7.48%
WALVIS BAY	21	86	12	8,616	8,735	4,901	5,496	7,321	8735	19.31%
WINDHOEK	243	577	151	39,294	40,265	34,167	36,497	38,263	40265	5.23%
TOTAL	**1,093**	**6,504**	**314**	**78,303**	**86,214**	**68,638**	**73,358**	**80,858**	**86214**	**6.62%**

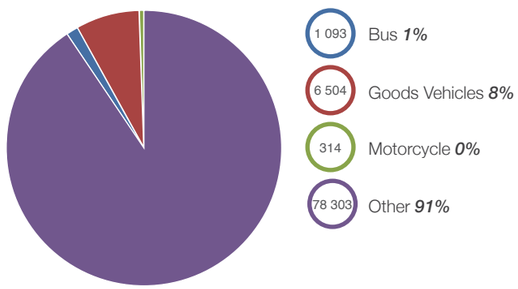
Roadworthy Test (Quarterly)



Roadworthy Test (Quarterly)

Test Period	Bus	Goods Vehicle	Motorcycle	Other	TOTAL
2015-Q2	313	1,382	81	19,310	21,086
2015-Q3	309	1,982	68	18,064	20,423
2015-Q4	284	1,743	90	20,929	23,046
2016-Q1	187	1,397	75	20,000	21,659
Total	**1,093**	**6,504**	**314**	**78,303**	**86,214**
Percentage of Total	**1.27%**	**7.54%**	**0.36%**	**90.82%**	**100%**

Demarcation of Roadworthy Tests per Category



eNaTIS TRANSACTION AND REVENUE COLLECTION

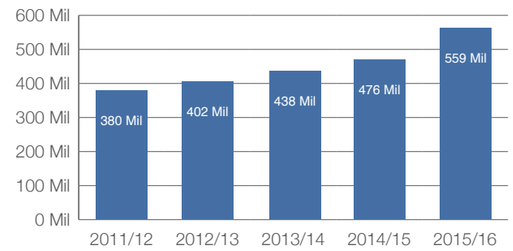
eNaTIS recorded 1,165,905 transactions for which money was collected. An income of N$ 559,465,752.68 was generated with an increase of 17.63% compared to 2014/15. This amount is broken down as indicated in the table below.

Road User Charges	2014/15	2015/16	% Increase	Increase Amount	# Transactions
Vehicle Licensing, Temporary and Special Permits	N$ 426,738,847.27	N$ 503,687,516.88	8.03%	N$ 76,948,669.61	598,261
Non-Road User Charges					
Vehicle Registration	N$ 13,648,717.00	N$ 15,323,225.80	12.27%	N$ 1,674,508.80	107,736
Specific Licence Numbers	N$ 2,180,912.00	N$ 2,163,248.00	-0.81%	N$ -17,664.00	7,894
Personalised Licence Numbers	N$ 3,961,920.00	N$ 4,290,288.00	8.29%	N$ 328,368.00	2,834
Learner and Driver Testing and Licensing	N$ 18,800,435.00	N$ 23,052,546.00	22.62%	N$ 4,252,111.00	287,492
Vehicle Roadworthy Certification	N$ 10,139,614.00	N$ 10,821,290.00	6.72%	N$ 681,676.00	160,133
Person Transactions	N$ 126,336.00	N$ 127,638.00	1.03%	N$ 1,302.00	1,555
TOTAL	**N$ 475,596,781.27**	**N$ 559,465,752.68**	**17.63%**	**N$ 83,868,971.41**	**1,165,905**

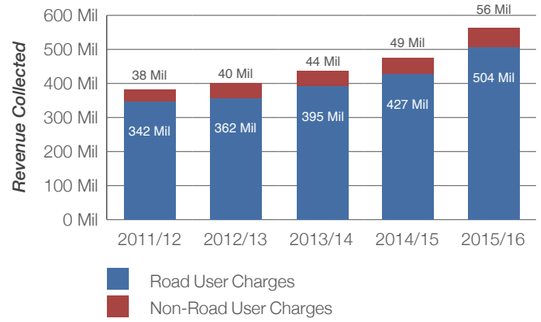
eNaTIS Revenue Collection for the Last Five Financial Periods

	2011/12	2012/13	2013/14	2014/15	2015/16
Road User Charges					
(Vehicle Licensing, Temporary and Special Permits)	342,465,686.50	361,842,361.40	394,505,226.90	426,738,847.30	503,687,516.90
Non-Road User Charges	**37,975,553.17**	**39,811,900.00**	**43,824,332.00**	**48,857,934.00**	**55,778,235.80**
Vehicle Registration	8,798,612.17	9,773,221.00	10,927,166.00	13,648,717.00	15,323,225.80
Specific Licence Numbers	1,664,932.00	1,754,256.00	2,080,220.00	2,180,912.00	2,163,248.00
Personalised Licence Numbers	1,964,832.00	2,302,056.00	3,294,648.00	3,961,920.00	4,290,288.00
Learner and Driver Testing and Licensing	16,692,240.00	17,168,775.00	18,080,290.00	18,800,435.00	23,052,546.00
Vehicle Roadworthy Certification	7,980,658.00	8,706,456.00	9,327,000.00	10,139,614.00	10,821,290.00
Person Transactions	91,584.00	107,040.00	115,008.00	126,336.00	127,638.00
Manual Charges	782,695.00	96.00	0.00	0.00	0.00
TOTAL	**380,441,239.67**	**401,654,261.40**	**438,329,558.90**	**475,596,781.30**	**559,465,752.70**

eNaTIS Revenue Collection

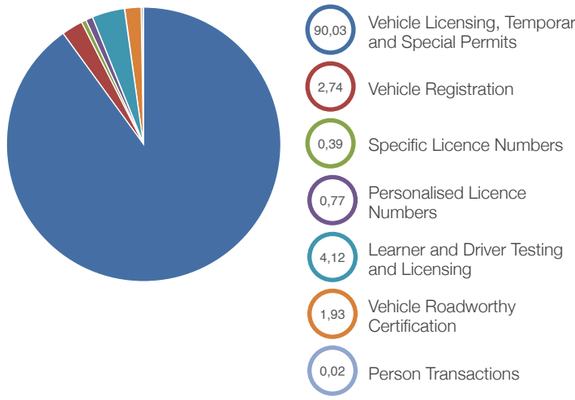


Revenue Collection Road User vs Non-Road User



NaTIS Revenue Collection Distribution (%)

Total Collected: *N$ 559 465 753*



TRANSPORT REGULATION

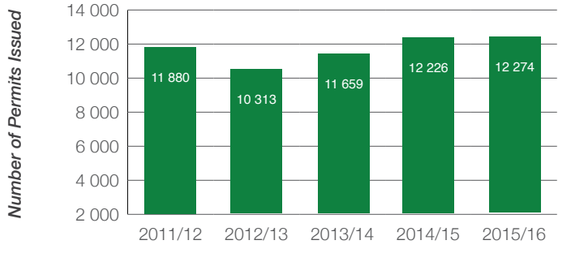
The division also regulates the cross border and domestic road transportation by issuing road carrier permits in compliance with the national legislative framework, bi-lateral and multi-lateral cross border road transport agreements. Furthermore the Division processes applications and issuing of normal permits. This is done in consultation with the Network Planning and Consultation Division.

STATISTICS OF CROSS-BORDER ROAD CARRIER PERMITS

A total of 12,274 permits were issued representing an increase of only 0.39% compared to the previous year of 2014/15. The statistics per country is indicated in the table below.

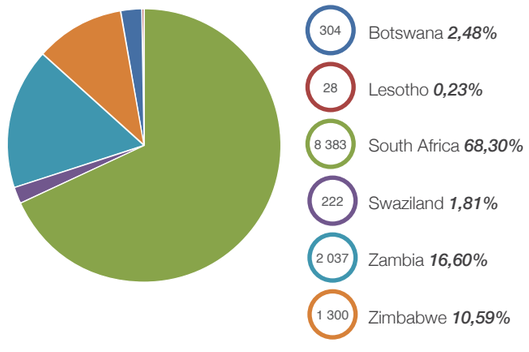
Country	2011/12	2012/13	2013/14	2014/15	2015/16	Growth	% Growth
Botswana	268	211	217	269	304	35	13.01%
Lesotho	16	11	5	16	28	12	75.00%
South Africa	7,473	6,736	7,586	8,085	8,383	298	3.69%
Swaziland	135	50	114	169	222	53	31.36%
Zambia	2,449	2,078	2,257	2,347	2,037	-310	-13.21%
Zimbabwe	1,539	1,227	1,480	1,340	1,300	-40	-2.99%
Total	**11,880**	**10,313**	**11,659**	**12,226**	**12,274**	**48**	**0.39%**

Cross-Border Permits Issued to Neighbouring Countries



Cross-Border Permits Issued Per Country

Total: *12 274 Permits*

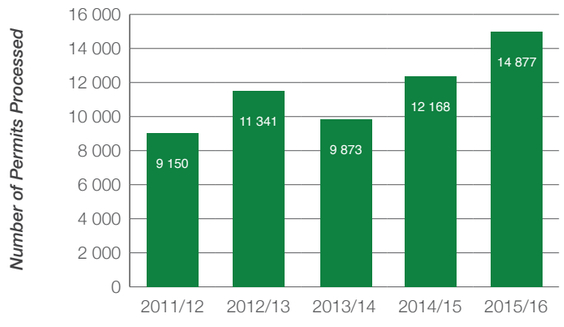


STATISTICS OF DOMESTIC ROAD CARRIER PERMITS

A total of 14,877 domestic road carrier permits were issued representing an increase of 22.26% compared to the previous year of 2014/2015. The statistics per type of applications / permits are indicated in the table below.

Type of Permit	2011/12	2012/13	2013/14	2014/15	2015/16	Growth	% Growth
New Application	2,129	3,397	3,433	5,226	6,009	783	14.98%
Replacement of Vehicle Application	4	7	4	5	2	-3	-60.00%
Temporary Permit Application Locals	1,761	854	717	778	756	-22	-2.83%
Transfer of Permit Application	79	91	105	107	101	-6	-5.61%
Duplicate Permit Application	660	360	818	1,289	1,545	256	19.86%
Change of Route Application	29	30	39	57	62	5	8.77%
Additional Vehicle Application	3	6	1	4	2	-2	-50.00%
Additional Authority Application	5	4	15	14	13	-1	-7.14%
Direct Replacement Application	4,058	6,314	4,379	4,342	5,865	1,523	35.08%
Temporary Permit Foreign Vehicles	422	278	362	346	522	176	50.87%
Total	**9,150**	**11,341**	**9,873**	**12,168**	**14,877**	**2,709**	**22.26%**

Domestic Permits Processed



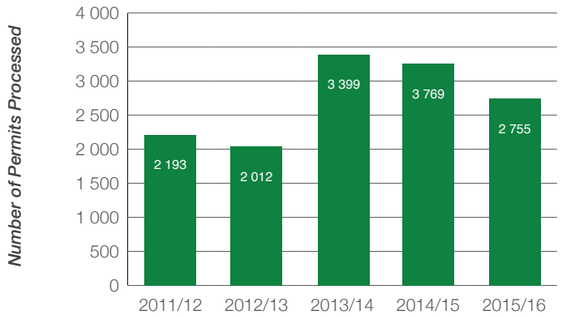
TRANSPORT INFORMATION & REGULATORY SERVICES

ISSUANCE OF ABNORMAL LOAD PERMITS

A total of 2,755 abnormal permit applications were processed, representing a decrease of 26.90% in the number of applications compared to the previous year of 2014/2015.

Category	2011/12	2012/13	2013/14	2014/15	2015/16	Growth	% Growth
Applications received	**2,193**	**2,012**	**3,399**	**3,769**	**2,755**	**-1,014**	**-26.90%**
Applications not issued/cancelled	499	263	1,127	828	686	-142	-17.15%
Applications issued	1,694	1,749	2,272	2,941	2,068	-873	-29.68%
Paid	1,690	1,743	2,269	2,935	2,068	-867	-29.54%
GRN not paid	4	6	3	6	1	-5	-83.33%

Abnormal Load Permits Processed



REVENUE COLLECTION FOR TRANSPORT REGULATION

The 5.09% increase in the revenue is directly related to the cost of the abnormal permit transactions that were processed of which the cost per abnormal permit is determined by the Road Authority's engineers for the damage of the overload on the road network.

Category	2011/12	2012/13	2013/14	2014/15	2015/16	N$ Change	% Change
Cross-Border	N$ 474,750	N$ 480,550	N$ 538,160	N$ 530,700	N$ 539,930	N$ 9,230.00	1.74%
Domestic	N$ 490,545	N$ 366,475	N$ 465,745	N$ 548,185	N$ 605,195	N$ 57,010.00	10.40%
Abnormal	N$ 8,671,511	N$ 5,862,428	N$ 18,232,287	N$ 12,442,766	N$ 13,064,526	N$ 621,760.06	5.00%
Total	**N$ 9,636,806**	**N$ 6,709,453**	**N$ 19,236,192**	**N$ 13,521,651**	**N$ 14,209,651**	**N$ 688,000.06**	**5.09%**

Transport Regulation Revenue Collection

Transport Regulation: Revenue Collection Distribution (%)

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ROAD TRAFFIC & TRANSPORT INSPECTORATE

The mission of the Inspectorate is to ensure compliance with relevant legislation through effective enforcement to improve appropriate use of the road infrastructure and thereby contributing towards the achievement of the Roads Authority objectives.

ROAD NETWORK MANAGEMENT

Reduction of Damage due to Overloading

The Authority weighed 413 753 vehicles, thus falling short of its annual target of 416 660 vehicles by only 0.68% (2,907 vehicles). Out of the 413 713 vehicles that were weighed, 11.28% (46 655 vehicles) were overloaded of which 0.78% (3 223 vehicles) were overloaded above the 5% tolerance while 10.50% (43 432 vehicles) were overloaded within the 5% tolerance.

The level of overloading has decreased from 11.65% in 2014/15 to 11.28% in 2015/16 by 0.37%.

Weighbridge	Annual Target	Number of vehicles weighed	Number of vehicles overload within 5%	Number of vehicles overload above 5%	Total number of vehicles overload	Number of vehicles charged	Percentage (%) overload
Brakwater	99,532	118,565	5,593	436	6,029	0	5.08
Aris	81,228	73,482	5,557	595	6,152	0	8.37
Gobabis	54,000	56,458	4,798	203	5,001	0	8.86
Walvis Bay	64,460	55,123	13,310	513	13,823	0	25.08
Onhuno	29,412	25,569	1,823	289	2,112	0	8.26
Noordoewer	7,128	12,017	639	46	682	0	5.68
Ariamsvlei	13,124	19,791	1,548	248	1,796	0	9.07
Rosh Pinah	1,672	1,605	158	35	196	0	12.21
Oshivelo	43,892	31,519	6,424	510	6,934	0	21.10
Katima	22,212	19,625	3,582	348	3,930	0	20.03
TOTAL	**416,660**	**413,753**	**43,432**	**3,223**	**46,655**	**0**	**11.28**

Table 01: Overload Control Statistics for the Financial Year 2015/2016

Commercial Vehicle Compliance to Road Traffic & Transport Legislation

Road Traffic Regulations

The Authority inspected 180 098 vehicles for compliance to road traffic regulations on road safety and vehicle/load dimensions.

Out of the 180 098 vehicles that were inspected, 2.62% (4 715 vehicles) were not compliant and were charged. The vehicle compliance rate is reflected at 97.38%.

ENFORCEMENT ON ROAD TRAFFIC SYSTEM AND VEHICLE DIMENSION			
Weighbridges	Number of vehicles inspected	Number of vehicles charged	% of vehicles charged
Brakwater	8,727	1,675	19.19
Aris	14,815	431	2.91
Gobabis	24,327	581	2.39
Walvis Bay	12,949	716	5.73
Onhuno	14,970	323	2.16
Noordoewer	14,496	171	1.18
Ariamsvlei	19,504	90	0.46
Rosh Pinah	1,781	40	2.45
Oshivelo	41,372	46	0.11
Katima Mulilo	25,594	62	0.24
Grootfontein Special Unit	1,563	0	0
Total	**180,098**	**4,715**	**2.62**

Table 02: Road Traffic Statistics for the Financial Year 2015/2016

Road Transportation

The Authority inspected 198 872 vehicles for cross-border transport permits, domestic road carrier permits, cross-border entry fee permits and compliance to mass distance charges.

Out of the 198 872 vehicles that were inspected, 0.62% (1 225 vehicles) were not compliant and were charged.

The vehicle compliance thus decreased from 99.71% in 2014/15 to 99.38% in 2015/16.

FINANCIAL MANAGEMENT

Fines Collection

The Division generated a total amount of N$ 6,965,315.00 in admission of guilt fines, out of which N$ 2,191,875 (31,47%) was paid to the Government account through lower courts and police stations. Warrants of arrests were issued for unpaid fines.

Type	Total Number of Fines Issued	Total Amount of Fines Issued	Total Fines Paid
Fines	5,360	6,965,315.00	2,191,875.00

Table 04: Fine Statistics for the Financial Year 2015/ 2016

ENFORCEMENT ON ROAD TRANSPORTATION AND CROSS-BORDER ENTRY FEE CHARGES AND MASS DISTANCE CHARGES			
Regional offices	Number of vehicles inspected	Number of vehicles charged	% vehicles charged
Brakwater	14,722	148	1.01
Aris	18,589	35	0.19
Gobabis	30,478	168	0.55
Walvis Bay	27,004	117	0.66
Onhuno	17,114	53	0.31
Noordoewer	14,540	22	0.15
Ariamsvlei	28,596	36	0.13
Rosh Pinah	1,845	12	0.65
Oshivelo	30,677	272	0.89
Katima Mulilo	11,301	187	1.65
Grootfontein Special Unit	4,006	175	4.37
Total	**198,872**	**1,225**	**0.62**

Table 03: Road Transportation Statistics for the Financial Year 2015/2016

NETWORK PLANNING & CONSULTATION

Network Planning and Consultation comprises of the overall planning of the road network and consultations with relevant stakeholders. This is aimed at contributing towards the achievement of the RA's primary mandate of managing national road network.

FINANCIAL CAPACITY: SOLICITING OPTIMUM FUNDING & EFFICIENT UTILISATION OF FUNDS

The strategic core functions include strategic planning of the road network, preparation of Road Master Plans, preparation of the 5 year budgets for capital and recurrent expenditure and carrying out of feasibility studies, research and road infrastructure investigation studies (including monitoring of the road network usage).

This Division also oversees Road Board functions, the administration of the Road Ordinance 30 of 1960, the coordination of the overload control strategy and the development of weighbridges. The Division is also responsible for the evaluation of abnormal vehicles/load permit applications. Other functions include road proclamations and de-proclamations, deviations as well as fencing of road reserves to ensure road safety.

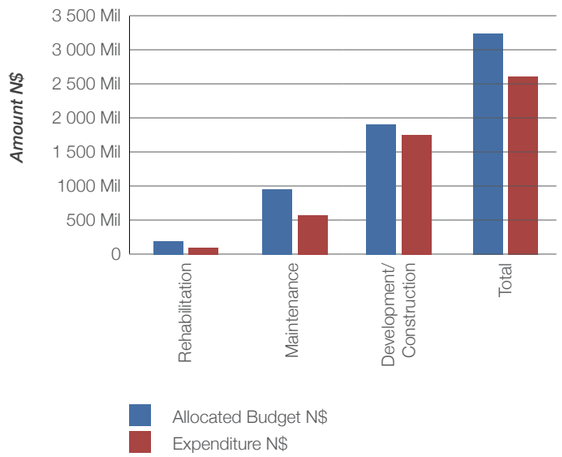
A total RA budget of **N$3,589,960,000** was secured for the management of the road network projects, assigned functions and the administration activities of the Authority. Additionally, an amount of **N$338,000,000** was received from the government as additional funds for road projects during the mid-year term review.

The Road Fund Administration also availed **N$36,800,000** surpluses from the Kunene projects account and reimbursement from Labour based projects. The total budget for 2015/16 financial year for the Roads Authority was at **N$3,964,760,000** including the Administration Budget.

The budget and expenditure for projects for the period under review was as follows:

Project Activity	Allocated Budget N$	Expenditure N$	% Spent
Rehabilitation	308 357 000	190 960 032	62%
Maintenance	1 028 000 000	676 919 050	66%
Development/Construction	1 975 249 000	1 898 473 591	96%
Total	**3 311 606 000**	**2 766 352 673**	**84%**

Graph of Budget vs Expenditure



ROAD NETWORK MANAGEMENT: MANAGE ROAD INFRASTRUCTURE, OPTIMISE PROJECT MANAGEMENT AND DELIVER SAFE NETWORK AND STREAMLINE OPERATIONAL PROCESS

A number of projects were undertaken of which some are still ongoing while other regulatory activities continue to be implemented:

Network Planning

- *Revision of the Oshikoto, Oshana, Omusati, Ohangwena and Kavango Roads Master Plans as well as the Rural Road Programmes for !Karas, Hardap Regions and Tsumkwe Constituency in Otjozondjupa Region.* The project is in its final stage. Final consultations with the regions were done. The regional feedback will now be incorporated in the final document and it will be presented to internal stakeholders.
- *The Transport Data Bank.* This document will give relevant information on the Namibian Road Network. It covers road transport and includes the general contribution of the transport sector in the economy. The final report will be made available in July/ August 2016.

Feasibility studies undertaken during the period under review

- Investigation For Road Preservation and Rehabilitation of T0601: Windhoek–Gobabis. This project was completed within the specified time and budget.
- Investigation For Road Preservation and Rehabilitation of T0104: Rehoboth–Mariental. This project was completed within the specified time and budget.
- Feasibility Study for the Upgrading of M0115: Okakarara–Okondjatu Road to Bitumen Standards. The project was completed in the year under review. The final feasibility study reports were submitted in September 2015.
- Investigation For Road Preservation and Rehabilitation of T0602: Gobabis–Buitepos. This project was awarded in March 2016 and is due for completion in January 2017.
- Feasibility Study for Rehabilitation of TR1/11: Omuthiya–Ongwediva: The project was completed and the feasibility study report is available in-house.
- Feasibility Study for Rehabilitation of TR2/3: Karibib–Omaruru: The project was completed and the feasibility study report is available in-house.
- Consulting Services for the Upgrading of Security Lights at the Divundu Bridge on TR 8/4. The preliminary design was submitted at the beginning of April 2016. The project involves placing of lights across the bridge for safety reasons, without disturbing the natural environment of the area. The RA is assisting with the design thereof, however, the Ministry of Safety and Security will sponsor the actual implementation of the project.

Research and Development

- The RA is currently implementing new abnormal load software which was developed by CSIR. Training on the system was arranged and conducted for the new Permit Officer. Furthermore, training on how to conduct the abnormal vehicle registration was conducted successfully in November 2015. A study on the existing fee structure was conducted to advise on the way forward for the new system and which structure to adopt as the baseline fees.
- Specialist Study on the Certification and use of Non-Standardised Road Stabiliser products for Road Construction Works in Namibia was done.
- *Development of Crash Calendar Visualisation for Namibia.* A presentation will be done in June 2016 to showcase the results of the Crash Calendar. The objective of the crash calendar is to make use of the annual road accident data and plot it into a visual format such as a calendar. This visual format makes the data much easier to interpret and understand. This format can be adopted to search for trends or patterns in the crash data.
- *Research Field Trials:* There are currently three field trials being monitored through visual inspection namely:
  - Instant Road Repair: This trial is to demonstrate innovative pothole repair technology. It was laid in April 2014 at the Roads Authority laboratory main gate and during the last inspection in May 2016 the trial is still intact with no cracks visible or any settlement.
  - Jet Patcher Demonstration. The demo site is on the road from Windhoek to Okahandja where there is an information sign board Okahandja 70km. The trial was carried out in November 2014. The innovation is on the equipment used in pothole repair, surface patching and edge break repair. During the last visual inspection in May 2016 the trials were all still intact with no visible cracks or loss of stone aggregate.
  - Infra-Red Road Repair System Technology: The field trial demonstration was carried out in February 2015 on the Windhoek–Okahandja road, about 12km from Windhoek, after Brakwater Weighbridge. This technology involves use of innovative equipment that preheats the existing asphalt surfacing when repairing potholes. The process creates a permanent seal with a seamless joint and establishes the original integrity of the road. During the last inspection in May 2016 it was observed that the trial is still intact with no visible cracks, no settlement and with a seamless joint between the old surfacing and the new patch.

Road Safety Improvement Measures

- Usakos road safety improvement (construction work of arrester bed) and upgrade of 3 intersections at Swakopmund. The project is a big success and there have been reports of trucks utilising the arrestor bed.
- Strategic review of the weighbridges to ensure strategic positioning in line with new road developments is progressing well and expected to be completed in the beginning of the new fiscal year.
- Review of the RA Standards Manuals. The revision was completed and a workshop took place to discuss the changes. Approval of the manuals will be sought from the RA Board of Directors in the next financial year.

Abnormal Vehicle/Load Permits

A total of 2755 abnormal exemption permits were processed of which 1958 were issued. Total revenue of N$22,867,826.53 was received in the period under review.

Proclamation, Compensation and Fencing

The proclamation, closure, deviation and reclassification of roads are processed as per needs and requests from Roads Boards and submitted to the Minister of Works and Transport for approval. The total amount allocated for fencing activities for the year under review was **N$10,000,000.00,** of which **N$9,506,547.34** (95.06%) was spent.

Roads Boards

During the period under review, a total of 34 Roads Board meetings were held throughout the country. The recommendations from these meetings involved maintenance, planning (grading activities, forming and betterment activities and re-gravelling activities), proclamation, deviation, closing and classification of roads, identifying and proposals of certain road arrangements, information to the RA and the Minister regarding road related matters and solving of disputes regarding certain roads.

ROAD CONSTRUCTION & REHABILITATION

The list of projects presented below relates to projects planned or undertaken by the RA during the period under review.

ROAD CONSTRUCTION & REHABILITATION

COMPLETED ROADS AND BRIDGES CONSTRUCTION PROJECTS:

- **TR 10/2 Elundu – Eenhana (25km)**
  Contract Value was N$ 90,513,334.68 and it was constructed by China State/KATA Joint Venture. Construction works started in July 2014 and was completed in December 2015.
- **MR 67 Omakange – Ruacana (85km)**
  Contract Value was N$ 419,135,795.38 and it was constructed by China Machinery Engineering Corporation Co. Ltd. Construction works started in July 2013 and was completed in September 2015.
- **MR 121 Oshikango – Eenhana (48km)**
  Contract Value was N$ 196,330,408.20 and it was constructed by Namibbeton/KL Construction Joint Venture. Construction works started in February 2014 and was completed in March 2016.
- **DR 3603 Onayena – Okankolo (24km)**
  Contract Value was N$ 107,078,386.30 and it was constructed by Nexus Civils (Pty) Ltd. Construction works started in February 2014 and was completed in July 2015.
- **DR 3524 Ngoma (Izimwe) – Nakabolelwa (22km)**
  Contract Value was N$ 32,858,271.50 and it constructed by Namibbeton Construction. Construction works started in January 2012 and was completed in March 2016.
- **DR 3649 Onalulago – Epempe (42km)**
  Contract Value was N$ 53,583,719.91 and it was constructed by Indigenous Construction (and 6 SME Contractors). Construction works started in August 2013 and was completed in April 2015.

ONGOING ROADS AND BRIDGES CONSTRUCTION PROJECTS:

- **TR 1/6: Windhoek – Okahandja (Section 3) Road Upgrading to dual Carriageway, (from end of dual carriageway to Dobra River), (10 km)**
  Contract Value is N$ 335,001,901.16 and the Contractor is Grineker LTA. Construction works started January 2014 and is expected to be completed in February 2017. The project has reached 80% completion.
- **TR 1/6: Windhoek – Okahandja (Section 4A) Road Upgrading to dual Carriageway, (Dobra River to Omakunde Interchange), (28 km)**
  Contract Value is N$ 1,085,073,452.28 and the Contractor is a CMC/Otesa Joint Venture. Construction works started January 2016 and is expected to be completed in January 2019. The project has reached 10% completion.
- **MR 44 & MR 76: Swakopmund – Henties Bay – Uis – Kamanjab (Phase I, Section A, between Swakopmund to Henties Bay), Road Upgrading (90 km)**
  Contract Value is N$ 758,145,397.05 and the Contractor is Roads Contractor Company (RCC). Construction works started January 2016 and is expected to be completed in January 2019. The project has reached 5% completion.
- **TR 9/1: Windhoek – Hosea Kutako International Airport (Section A between Western Bypass circle to Sam Nujoma Drive) Road Upgrading to dual Carriage-Freeway, (10 km)**
  Contract Value is N$ 798,670,285.75 and the Contractor is China Railway Seventh Group/ Onamangongwa Trading Enterprises Joint Venture. Construction works started January 2016 and is expected to be completed in January 2019. The project has reached 5% completion.
- **TR 14/2: Otjinene – Okamatapati (Section 1), Road Upgrading, (131km)**
  Contract Value is N$ 575,008,824.86 and the Contractor is China Henan International Cooperation Group. Construction works started in January 2014 and is expected to be completed in November 2016. The project has reached 85% completion.
- **TR 14/2: Okamatapati – Grootfontein (Section 2), Road Upgrading, (100km)**
  Contract Value is N$ 522,368,686.68 and the Contractor is China Henan International Cooperation Group. Construction works started in October 2014 and is expected to be completed in April 2017. The project has reached 50% completion.
- **MR 44, MR 36 & TR 2/1: Swakopmund – Walvis Bay (Behind the Dune 7 and Coastal Road), Road Upgrading to Dual Carriage-Freeway, (77 km)**
  Contract value is 958 million and the Contractor is Unik/Thobi Joint Venture. The project will be completed in January 2019
- **MR 118: Rosh Pinah – Oranjemund, Road Upgrading, (98km)**
  Contract Value is N$ 632,175,149.30 and the Contractor is Raubex Namibia. Construction works started January 2014 and is expected to be completed in May 2017. The project has reached 70% completion.
- **MR 91: Gobabis – Aminius – Aranos (Section A between Gobabis and Onderombapa), Road Upgrading, (110km)**
  Contract Value is N$ 537,933,251.46 and the Contractor is RCC/Teichmann Joint Venture. Construction works started in April 2014 and is expected to be completed in early 2017. The project has reached 80% completion.
- **MR 125: Liselo – Linyanti – Kongola – Singalamwe, Road Upgrading, (210km)**
  Contract Value is N$ 828,460,556.00 and the Contractor is a RCC/MCC Joint Venture. Construction works started January 2012 and is expected to be completed in August 2016. The project has reached 94% completion.
- **MR 120: Okatana – Endola – Onunho, Road Upgrading, (36km)**
  Contract Value is N$ 196,466,033.16 and the Contractor is a Technonam/Otesa Joint Venture. Construction works started July 2012 and is expected to be completed in November 2016. The project has reached 60% completion.
- **DR 3615: Oshikuku – Onamutuku (Olwani), Road Upgrading, (16km)**
  Contract Value is N$ 73,974,032.03 and the Contractor is Onamagongwa Trading Enterprises. Construction works started in August 2013 and is expected to be completed in October 2016. The project has reached 90% completion.
- **DR 3609: Oshakati – Ongenga, Road Upgrading, (37 km)**
  Contract Value is N$ 216,800,290.11 and the Contractor is Zhong Mei Engineering (Pty) Ltd. Construction works started in April 2015 and is expected to be completed in early 2017. The project has reached 70% completion.
- **DR 3668: Epako – Omuvelo Wakasamane Border Post, Road Upgrading, (7km)**
  Contract Value is N$ 35,797,472.15 and the Contractor is China Longjian Investment. Construction works started in November 2013 and is expected to be completed in August 2016. The project has reached 80% completion.
- **DR 3508: Namalubi – Isize Luhonono, Road Upgrading, (55 km)**
  Contract Value is N$ 582,054,551.80 and the Contractor is Nexus Civils (and 13 SME Contractors). Construction works started in January 2015 and is expected to be completed in April 2018. The project has reached 40% completion.
- **DR 3635: Amwaanda – Olumpelengwa (Section 1), Labour-Based Gravel Road Construction, (50km)**
  Contract Value is N$ 60,268,198.16 and the Contractor is Brandberg Construction (and 2 SME Contractors). Construction works started in June 2014 and is expected to be completed in October 2016. The project has reached 95% completion.
- **DR 3635: Olumpelengwa – Omutambo-Omaowe (Section 2), Labour-Based Gravel Road Construction, (47km)**
  Contract Value is N$ 54,704,134.95 and the Contractor is Emirates Trading (and 2 SME Contractors). Construction works started in September 2014 and is expected to be completed in October 2016. The project has reached 85% completion.
- **DR 3624: Etomba – Omundaungilo, Labour-Based Gravel Road Construction, (75km)**
  Contract Value is N$ 120,224,102.09 and the Contractor is Nexus Civils (and 7 SME Contractors). Construction works started in May 2015 and is expected to be completed in December 2016. The project has reached 75% completion.
- **DR 3681: Epato – Onaushe, Labour-Based Road Gravel Construction, (38km)**
  Contract Value is N$ 63,977,561.74 and the Contractor is Thohi Construction (and 6 SME Contractors). Construction works started March 2015 and is expected to be completed in December 2016. The project has reached 65% completion.
- **DR 3683: Uukwiyuushona – Omutele, Labour-Based Road Construction, (50km)**
  Contract Value is N$ 86 million and the Contractor is Octagon Construction (and 7 SME Contractors). Construction works started in September 2015 and is expected to be completed in March 2017. The project has reached 45% completion.

ROAD CONSTRUCTION & REHABILITATION

- **DR 3683 (extension): Omuntele – Amilema Labour-Based Road Construction, (33km)**
  Contract Value is N$ 76,125,597.52 and the Contractor is Namibbeton/KL Construction Joint Venture (and 6 SME Contractors). Construction works started September 2015 and is expected to be completed in March 2017. The project has reached 50% completion.
- **DR 3610: Mangetti West Phase 2, Labour-Based Road Construction, (50km)**
  Contract Value is N$ 60,379,733.06 and the Contractor is Namibbeton/KL Construction Joint Venture (and 1 SME Contractors). Construction works started January 2016 and is expected to be completed in July 2017. The project has reached 5% completion.

PLANNED ROADS AND BRIDGES CONSTRUCTION PROJECTS:

The Designs and construction of the following roads and bridges are envisaged to commence in the 2016/17 Financial Year:

- **TR 1/5: Windhoek – Rehoboth, Upgrading to dual Carriage-Freeway, (84km)**
  The design for this project started in August 2014 and construction is expected to commence in September 2016.
- **TR 1/11: Omuthiya – Ondangwa – Ongwediva – Oshakati, Rehabilitation & Upgrading to dual Carriage-Freeway, (106 km)**
  The design for this road started in August 2014 and construction is expected to commence in January 2017.
- **TR 10/2: Onhuno – Eenhana Road Rehabilitation, (47km)**
  Construction is expected to commence in September 2016.
- **TR 1/2 & TR 1/3: Grünau – Keetmanshoop – Mariental, Road Rehabilitation, (386km)**
  Construction is expected to commence in September 2016.
- **DR 4113: Endola – Eemboo, Labour-Based Road Gravel Construction, (19 km)**
  Construction is expected to commence in January 2017.
- **DR 3650: Epinga – Onakalunga, Labour-Based Road Gravel Construction, (12 km)**
  Construction is expected to commence in January 2017.
- **Rural Access Roads, Labour-Based Access Road Construction, (217km)**
  Construction is expected to commence in August 2016.
- **TR 7/1: Karibib – Usakos, Road Rehabilitation, (36km)**
  Construction is envisaged to commence in February 2017.
- **TR 2/3: Omaruru – Karibib, Road Rehabilitation, (62km)**
  The design for this road will start in June 2016 and construction is expected to commence in March 2017.
- **TR 1/12: Oshikango Bypass, Road Upgrade, (20km)**
  The design for this road started in August 2015 and construction is expected to commence in November 2016.
- **DR 1635 & DR 1668: Du Plessis Plaas – Epukiro, Road Upgrade, (47 km)**
  The design for this road will start in August 2016 and construction is expected to commence in May 2017.
- **DR 3700: Opuwo – Epupa, Road Upgrade, (150km)**
  The design for this road will start in July 2016 and construction is expected to commence in May 2017.
- **MR 124: Opuwo – Sesfontein Road Upgrade, (150km)**
  The design for this road will start in July 2016 and construction is expected to commence in May 2017.
- **DR 3639: Oshikango – Odibo – Edundja – Ondombe, Road Upgrade, (30km)**
  The design for this road will start in August 2016 and construction is expected to commence in June 2017.
- **Tsandi – Onesi, Road Upgrade, (50km)**
  The design for this road will start in July 2016 and construction is expected to commence in May 2017.
- **Rehabilitation of TR 2/2: B0250 Road over Rail Bridge (Swakopmund)**
  The design for this bridge will start June 2016 and construction is expected to commence in January 2017.
- **Rehabilitation of B0250 Homs River Bridge (Warmbad)**
  The design for this bridge will start in October 2016 and construction is expected to commence in March 2017.
- **DR 3424: Mungunda – Shakambu, Gravel Road Construction, (37km)**
  The design for this road started in February 2016 and construction is expected to commence in April 2017.
- **DR 3661: Ondukuta – Okathitu, Labour-Based Road Construction, (12km)**
  The design for this road will start in January 2017 and construction is expected to commence in August 2017.

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CORPORATE SERVICES

During the period under review, the organisation continued with the upgrading of the IBMS System to ensure that Financial, HR, ICT and General administration services perform at optimal and satisfactory levels across the whole organisation.

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CORPORATE SERVICES

EXECUTIVE SUMMARY

During the period under review, the organisation carried out activities regarding the coordination of the implementation of the Strategic Plan, Performance Management, Learning and Skills Development, filling of key positions, NaTIS takeover operations, construction of the RA Head Office in Windhoek, registration of immovable Assets from Government to RA, renovating of some Regional and District Offices country wide and the provision of Security and Cleaning services to RA properties.

During the period under review, the organisation continued with the upgrading of the IBMS System to ensure that Financial, HR, ICT and General administration services perform at optimal and satisfactory levels across the whole organisation.

HUMAN RESOURCES

RA Staff compliment and Staff Turnover during the period under review is highlighted below:

- 622 positions in the structure
- 553 staff in service as at 31 March 2016
- 9 staff members are expatriates employed on a short to medium term contract three (3) to five (5) years respectively, in engineering positions
- 99 employees were recruited from external sources
- 21 employees are from internal as promoted to high positions
- 20 staff members resigned from RA
- 5 employees were terminated due to disciplinary action
- 1 employee retired

HUMAN RESOURCES MANAGEMENT AND ORGANISATIONAL TRANSFORMATION

The organisation continued with efforts and initiatives of organisational development and transformation.

The following projects were completed and some are on-going.

STRATEGIC PLAN 2015/2018

The current strategic plan spans over a three (3) year period which runs from 01 April 2015 to 31 March 2018. During the year under review, the organisation implemented the first year of the current three (3) year strategic plan.

PERFORMANCE MANAGEMENT

The organisation continued with efforts to enhance the performance management system in order to strengthen support on the attainment of organisational goals and objectives as set out in the strategic plan.

ADMINISTRATION & SHARED SERVICES

The construction of RA Head Office commenced on the 27th of February 2014. Namibia Construction (Pty) (Ltd) was appointed to carry out the construction work for this project to the total amount of N$219,758,477.21. The construction phase is envisioned to be completed by end of December 2016.

The Organisation has appointed an architect for the design, tender documentation and contract administration for the construction of the Mariental district office. This project is envisaged to be completed towards the end of March 2017.

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The RA ICT service delivery continued to perform at optimal and satisfactory level across the whole organisation throughout the year under review. The data transmission network was extended to include the new RA offices at Opuwo, Outapi, Walvis Bay and Swakopmund.

Furthermore, continuous maintenance and support of the business-critical systems such as Emails, Internet, Integrated Business Management System (IBMS), Road Management Systems (RMS), Traffic Management System (TRAFMAN), Electronic National Traffic Information System (eNaTIS), Road Permit Transport Management (RPTM) & Cross-Border Road Transport System (CBRTS) was done during the period under review.

In addition, RA ICT continued to maintain its computer servers' availability and network uptime of 99% with a minimum throughput of 256 Kilobits per second for the respective Virtual Private Network (VPN) data connections countrywide.

The RA ICT enhanced the information and data security within its computer systems by implementing a new robust and scalable security system, the Unified Threat Management system which is a comprehensive security product that includes protection against network penetration, data theft, software viruses and denial of service attacks.

In order to provide efficient and effective ICT support in the organisation, we initiated a Call Centre Management System to record and track service request calls of ICT Services and of external customers related to NaTIS Services during the reporting period.

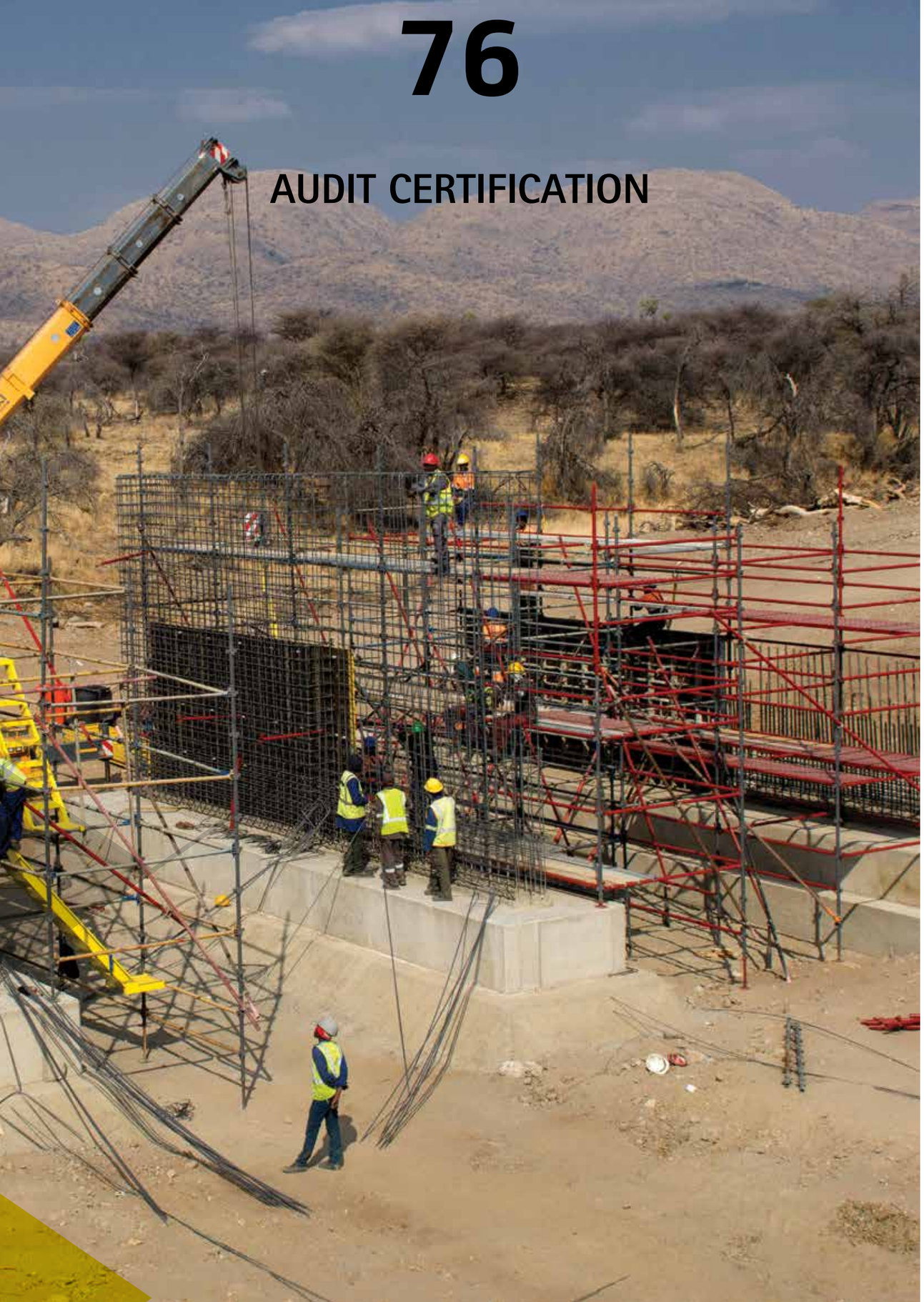
INTEGRATED BUSINESS MANAGEMENT SYSTEM (IBMS)

The IBMS which supports financial management, human resource management, project management and asset management continued to assist the organisation to render quality and effective services to our stakeholders by ensuring accurate transaction processing and providing quality information for decision-making and service delivery.

During the year under review, the IBMS was perfected and stabilised to eliminate software and system errors by properly integrating the payroll, the general ledger and sub-ledger modules. In addition, the IBMS reporting capability has been enhanced to comply with the accounting and tax laws.

The organisation also made endeavors to ensure stabilisation of the IBMS technological platform (Microsoft Dynamics AX 2012R2 application). This ensured accurate transaction processing and enabled key role players to provide quality information for decision-making and service delivery within the RA.

AUDIT CERTIFICATION



AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS

OF THE ROADS AUTHORITY

FOR THE YEAR ENDED 31 MARCH 2016

The Board of Directors of the Roads of Authority appointed the firm, PricewaterhouseCoopers which is registered in terms of the public Accountants and Auditors Act, 1951 (Act 51 of 1951). The said Firm compiled the audit documentation which was examined by me in terms of Section 21 (3) of the Roads Authority Act, 1999 (Act 17 of 1999).

The firm certified that:

"The scope of our audit was sufficient to support the opinion being issued.

The financial statements, except as noted in the audit report.

(i) Are complete clerically accurate;
(ii) Accord with our understanding of the client's business and industry;
(iii) Have been properly prepared in accordance with the Roads Authority Act and International Financial Reporting Standards; and
(iv) Fairly present the financial position, results of operations and cash flow information for the year then ended 31 March 2016''

The audit of the financial years has been carried out to my satisfaction.

WINDHOEK, November 2016

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

AUDITOR-GENERAL
REPUBLIC OF NAMIBIA

ROADS AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Management of the National Road Network of Namibia
Directors	H. Kaifanua (Chairperson) M.E. Hanekom (Deputy chairperson) L. Likando E.S.T Haipinge B. Katjaerua
Registered office	Bell street Snyman Circle Windhoek
Business address	Bell street Snyman Circle Windhoek
Postal address	Private Bag 12030 Ausspannplatz Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)

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85 Statement of Profit or Loss and Other Comprehensive Income

86 Statement of Changes in Equity

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88 Accounting Policies

93 Notes to the Annual Financial Statements

105 **The following supplementary information does not form part of the annual financial statements and is unaudited:**
Construction and Rehabilitaion Projects

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Roads Authority Act, Act 17 of 1999, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong controlled environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss 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 Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 or loss.

The directors have reviewed the Authority's cash flow forecast for the year to 31 March 2017 and, in light of this review and the current financial position, they are satisfied that the Authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on page 81.

The financial statements set out on pages 84 - 104, which have been prepared on the going concern basis, were approved by the board and were signed on their behalf by:

Director

Director

Windhoek

07/11/2016
(Date)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the RA

We have audited the annual financial statements of Roads Authority, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 82 to 104.

Directors' Responsibility for the Annual Financial Statements

The Authority's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Roads Authority Act, Act 17 of 1999 and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Roads Authority as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Roads Authority Act, Act 17 of 1999.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek, _____

PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia
Practice Number 9406, T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: R Nangula Uaandja

Partners: Carl P van der Merwe, Louis van der Riet, Ansie EJ Rossouw, Seretta N Lombaard, Stéfan Hugo, Chantell N Husselmann, Gerrit Esterhuyse, Talita B Horn, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Annette van Coller

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Roads Authority for the year ended 31 March 2016.

1. Nature of business

The Authority is engaged in the management of the national road network of Namibia.

There have been no material changes to the nature of the Authority's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Roads Authority Act, Act 17 of 1999. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Authority are set out in these financial statements.

3. Board and sub-committee meetings

Board of directors	Board (6 meetings held during the financial year)	Audit Board Committee (4 meetings held during the financial year)	Board Tender Committee (7 meetings held during the financial year)	HR Board Committee (2 meetings held during the financial year)
Ms H. Kaifanua	6	-	7	-
Ms M.E. Hanekom	5	-	6	-
Mr L. Likando	2	3	2	2
Mr B. Katjaerua	6	4	7	2
Ms E. Haipinge	5	4	6	2

4. Directorate

The directors in office at the date of this report are as follows:

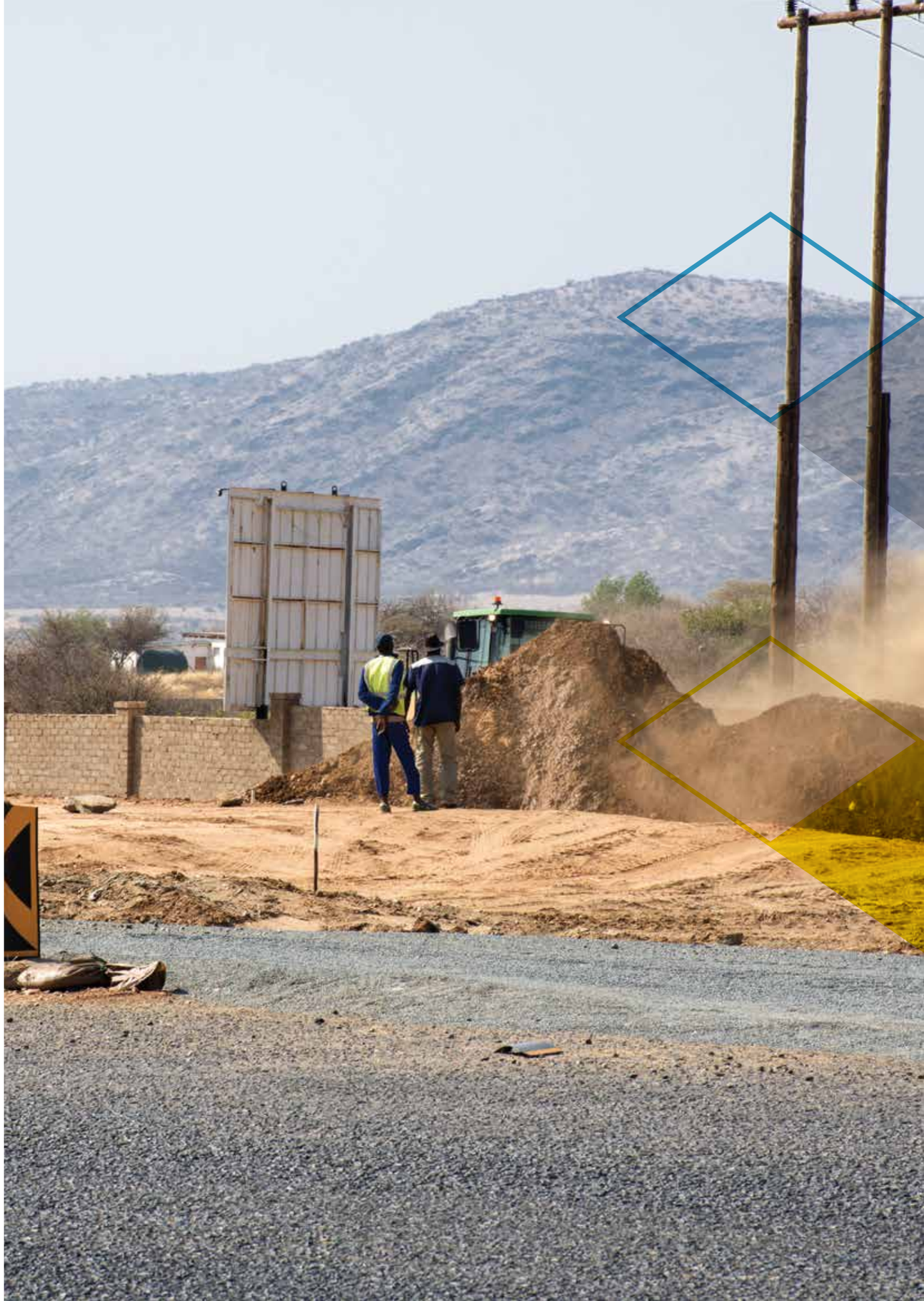
Directors	Nationality
H. Kaifanua (Chairperson)	Namibian
M.E. Hanekom (Deputy chairperson)	Namibian
L. Likando	Namibian
E.S.T. Haipinge	Namibian
B. Katjaerua	Namibian

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the Authority has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Authority is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Authority. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Authority.



ROADS AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note(s)	2016 N$ '000	2015 N$ '000
Assets			
Non-Current Assets			
Property, plant and equipment	4	215,480	119,843
Intangible assets	5	2,890	4,670
Prepayments	6	42,187	33,568
		260,557	**158,081**
Current Assets			
Trade and other receivables	7	310,802	230,050
Cash and cash equivalents	8	67,361	52,340
		378,163	**282,390**
Total Assets		**638,720**	**440,471**
Equity and Liabilities			
Equity			
Reserves		8,992	8,992
Retained income		2,686	2,686
		11,678	**11,678**
Liabilities			
Non-Current Liabilities			
Finance lease obligation	9	5,570	5,873
Retirement benefit obligation	10	105,652	91,636
Deferred income	11	232,733	158,986
		343,955	**256,495**
Current Liabilities			
Finance lease obligation	9	4,356	4,220
Trade and other payables	12	222,289	168,078
Deferred income	11	56,442	-
		283,087	**172,298**
Total Liabilities		**627,042**	**428,793**
Total Equity and Liabilities		**638,720**	**440,471**

ROADS AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2016 N$ '000	2015 N$ '000
Revenue			
Grants received: Road Fund Administration	13	1,342,677	1,566,829
Other income			
Guarantees claimed on default contracts		6,313	-
Tender documents		1,080	1,318
Sundry income		988	1,306
Insurance claims		-	260
Interest received	16	3,657	2,798
		12,038	**5,682**
Operating expenses			
Administrative expenses			
Auditors remuneration	14	(454)	(351)
Depreciation and amortisation		(12,608)	(11,333)
Employee costs		(235,566)	(212,015)
Other administration expenses		(99,273)	(85,609)
		(347,901)	**(309,308)**
Other operating expenses			
Project administrative expenses		(10,137)	(17,286)
Weighbridge maintenance		(6,083)	(10,455)
Namibian Traffic Information Systems		(44,445)	(61,613)
Road management system		(19,960)	(19,512)
Research, development and feasibility studies		(474)	(4,257)
Routine and periodic maintenance		(716,085)	(856,018)
Construction and rehabilitation		(183,953)	(253,932)
Fencing and compensation		(23,913)	(19,350)
		(1,005,050)	**(1,242,423)**
		(1,352,951)	**(1,551,731)**
Operating surplus/(deficit)	23	1,764	20,780
Finance costs	20	(1,119)	(1,200)
Surplus/(Deficit) for the year		**645**	**19,580**
Transfer surplus/(deficit) to Road Fund Administration		(645)	-
Surplus/(Deficit) for the year			**19,580**
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit			
Remeasurements on net defined benefit liability/asset		457	(8,400)
Transfer of other comprehensive surplus/(deficit) to Road Fund Administration		(457)	-
Total items that will not be reclassified to surplus or deficit		**-**	**(8,400)**
Total comprehensive income for the year		**-**	**11,180**

ROADS AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
STATEMENT OF CHANGES IN EQUITY

	Government contribution N$ '000	Retained income N$ '000	Total equity N$ '000
Balance at 01 April 2014	**8,992**	**2,686**	**11,678**
Profit for the year	-	19,580	19,580
Other comprehensive deficit	-	(8,400)	(8,400)
Total comprehensive income for the year	**-**	**11,180**	**11,180**
Transfer to RFA	-	(11,180)	(11,180)
Balance at 01 April 2015	**8,992**	**2,686**	**11,678**
Balance at 31 March 2016	**8,992**	**2,686**	**11,678**

ROADS AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
STATEMENT OF CASH FLOWS

	Note(s)	2016 N$ '000	2015 N$ '000
Cash flows from operating activities			
Cash receipts from Road Fund Administration		1,261,909	1,611,733
Cash paid to suppliers and employees		(1,142,793)	(1,533,934)
Cash generated from operations	15	119,116	77,799
Interest income	16	3,657	2,798
Finance costs	20	(1,119)	(1,200)
Tax paid		(1)	-
Net cash from operating activities		**121,653**	**79,397**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(106,383)	(65,412)
Sale of property, plant and equipment	4	-	270
Purchase of other intangible assets	5	(82)	(157)
Net cash from investing activities		**(106,465)**	**(65,299)**
Cash flows from financing activities			
Finance lease payments-capital redemption		(167)	(5,168)
Total cash, cash equivalents movement for the year		15,021	8,930
Cash, cash equivalents at the beginning of the year		52,340	43,410
Total cash, cash equivalents at end of the year	8	**67,361**	**52,340**

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Roads Authority Act, Act 17 of 1999. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibian Dollars.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Residual values and useful lives
The depreciation method followed is a straight line depreciation method. The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Impairment of non-financial assets
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Post-employment benefit obligations
Actuarial valuations are used to value post-employment benefit obligations which are based on assumptions which include employee turnover and mortality rates. The discount rate, healthcare inflation costs and the rates of increase in compensation costs.

Leases
The Authority exercises judgement in classifying leases as operating or finance based on the information available at the inception of the lease.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Item	*Average useful life*
Buildings	2%
Plant and machinery	6.66% - 33.33%
Furniture and fittings	20%
Motor vehicles	20%
Computer equipment	33.33%
Cellular phones	50%

The residual value, useful life and depreciation method of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	**Useful life**
Computer software	3 years

1.4 Financial instruments

Classification
The Authority classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss - held for trading
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:
- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition and measurement
Financial instruments are recognised initially when the Authority becomes a party to the contractual provisions of the instruments.

The Authority classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement
Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee
Operating lease payments are recognised as an expense on an accrual basis over the lease term.

Any contingent rents are expensed in the period they are incurred.

1.6 Taxation

The Roads Authority is not liable for Income Tax and is not registered for Value Added Tax.

1.7 Impairment of assets

The Authority assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Authority estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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 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 profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill 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 other than goodwill 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 profit or loss.

1.8 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

If the entity reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the entity's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Employee benefits

Defined contribution plans
A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The company has no further payment obligations once the contributions have been paid.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans
For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.10 Provisions and contingencies

Provisions are recognised when:
- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:
- the Authority will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes 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 is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

1.12 Deficit or surplus for the year

The Roads Authority is an entity created to manage the roads of Namibia's national road network and not for the purpose of generating profits. In order to perform its duties, funds are given to Roads Authority by the road Fund Administration. At the end of the financial year the deficit or surplus is transferred from the Roads Authority to Road Fund Administration.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendments to IFRS 9 - Financial Instruments (2011)	01 January 2015	The impact of the standard is not material

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	01 January 2017	Unlikely there will be a material impact
Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	01 January 2016	Unlikely there will be a material impact
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	Unlikely there will be a material impact
Amendment to IAS 19: Employee Benefits: Annual Improvements project	01 January 2016	Unlikely there will be a material impact

3. RISK MANAGEMENT

Capital risk management
The Roads Authority is an agent of the Government reporting to the Ministry of Works and Transport and manages the national road network. The Roads Authority came into being on 1 April 2000. The Ministry of Works and Transport, in consultation with the Ministry of Finance, may determine the transfer to the Roads Authority, with effect from 1 April 2000 - assets, liabilities, rights or obligations of the state, which relate to or connected with the management of roads by the Ministry as may, in the opinion of the Minister, be required by the Authority.

Financial risk management
The Authority's principal financial liabilities comprise of trade payables and retentions for various projects and routine maintenance performed by the Authority. The main purpose of these financial liabilities is to maintain adequate cash flows for the entity, to be able to continue operations. The Authority has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main purpose for the large trade debtors is to enable the Authority to finance its operations. The main risks arising from the entity's financial instruments are liquidity and credit risk. The Authority is not subject to interest rate risk as it does not hold any loans or fixed borrowings from financial institutions. The interest received on cash and cash equivalents at financial institutions are minimal and therefore interest rate risk has been identified as not significant. It is also not subject to foreign exchange risk as the entity has no transactions denominated in a foreign currency. It also does not hold foreign interests. Management reviews and agrees policies for managing each of these risks which are summarised below.

Liquidity risk
The Authority's risk to liquidity is as a result of the funds available to cover future commitments. The Authority manages liquidity through an ongoing review of future commitments and support from the Road Fund Administration in the form of funding, cash flow forecasts are prepared and adequate funding facilities are monitored.

The table below summarises the maturity profile of the entity's financial liabilities at 31 March 2015 based on contractual undiscounted payments.

At 31 March 2016	Less than 1 year	More then 1 year
Trade and other payables	222,289	-
Finance lease obligations	4,356	5,570

At 31 March 2015	Less than 1 year	More then 1 year
Trade and other payables	168,078	-
Finance lease obligations	4,220	5,873

Interest rate risk
The Authority's interest rate risk arises from long-term finance lease obligation. Borrowings issued at variable rates expose the Authority to cash flow interest rate risk. Borrowings issued at fixed rates expose the Authority to fair value interest rate risk. The Authority is not significantly exposed to cash flow interest rate risk.

Credit risk
Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Authority only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Trade and other receivables	310,803	230,050
Cash and cash equivalents	67,361	52,340

4. PROPERTY, PLANT AND EQUIPMENT

	2016 N$'000			2015 N$'000		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and Buildings	27,451	(3,991)	23,460	27,451	(3,493)	23,958
Plant and machinery	9,885	(7,097)	2,788	9,091	(5,648)	3,443
Furniture and fixtures	13,721	(9,018)	4,703	12,723	(7,956)	4,767
Motor vehicles	1,637	(1,234)	403	1,637	(1,201)	436
Computer equipment	31,548	(28,004)	3,544	29,435	(25,240)	4,195
Leased vehicles	31,411	(22,356)	9,055	28,818	(19,550)	9,268
Work in Progress - Head Office	171,527	-	171,527	73,776	-	73,776
Total	**287,180**	**(71,700)**	**215,480**	**182,931**	**(63,088)**	**119,843**

Reconciliation of property, plant and equipment - 2016 - N$ '000

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Land and Buildings	23,958	-	-	(498)	23,460
Plant and machinery	3,443	794	46	(1,495)	2,788
Furniture and fixtures	4,767	998	(35)	(1,027)	4,703
Motor vehicles	436	-	(6)	(27)	403
Computer equipment	4,195	2,112	1	(2,764)	3,544
Leased vehicles	9,268	4,728	-	(4,941)	9,055
Work in progress - Head Office	73,776	97,751	-	-	171,527
	119,843	**106,383**	**6**	**(10,752)**	**215,480**

Reconciliation of property, plant and equipment - 2015 N$ '000

	Opening balance	Additions	Returned	Other changes, movements	Depreciation	Total
Land and Buildings	26,619	965	-	(3,129)	(497)	23,958
Plant and machinery	2,992	1,540	-	(4)	(1,085)	3,443
Furniture and fixtures	4,231	1,587	-	-	(1,051)	4,767
Motor vehicles	256	180	-	-	-	436
Computer equipment	4,725	2,224	-	4	(2,758)	4,195
Leased vehicles	8,181	6,580	(270)	-	(5,223)	9,268
Work in Progress - Head Office	11,731	58,916	-	3,129	-	73,776
	58,735	**71,992**	**(270)**	**-**	**(10,614)**	**119,843**

Other information
List of property, plant and equipment is available for inspection at the registered office.

5. INTANGIBLE ASSETS

	2016 N$'000			2015 N$'000		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	**11,240**	**(8,350)**	**2,890**	**11,215**	**(6,545)**	**4,670**

Reconciliation of intangible assets - 2016 - N$ '000

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Computer software	**4,670**	**82**	**(6)**	**(1,856)**	**2,890**

Reconciliation of intangible assets - 2015 - N$ '000

	Opening balance	Additions	Amortisation	Total
Computer software	**5,232**	**157**	**(719)**	**4,670**

6. PREPAYMENTS

	2016 N$ '000	2015 N$ '000
Prepayments	**42,187**	**33,568**

Represents advance payments of 5% of the tender amount awarded to the Roads Contractor Company Ltd, Quiver Tree Investments One Three CC and Jacomina Johanna Burger T/As JJ Burger CC. The contract is for a period of five years (60 months), the repayment will be deducted from amounts due to the contractor in six equal instalments, starting six months before the contract completion date.

7. TRADE AND OTHER RECEIVABLES

	2016 N$ '000	2015 N$ '000
Road Fund Administration	257,227	202,769
Prepayments to Contractors	48,775	22,761
Other debtors	4,800	4,520
	310,802	**230,050**

The Road Fund Administration and other receivables do not bear interest.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables
Counterparties without external credit rating

Trade and other receivables	310,802	230,050

8. CASH AND CASH EQUIVALENTS

	2016 N$ '000	2015 N$ '000
Cash and cash equivalents consist of:		
Cash on hand	16	16
Bank balances	67,345	52,324
	67,361	**52,340**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Bank Windhoek Limited (A1+ Moodys credit rating)	67,345	52,324

9. FINANCE LEASE OBLIGATION

	2016 N$ '000	2015 N$ '000
Minimum lease payments due		
- within one year	4,356	4,220
- in second to fifth year inclusive	5,570	5,873
Present value of minimum lease payments	**9,926**	**10,093**
Non-current liabilities	5,570	5,873
Current liabilities	4,356	4,220
	9,926	**10,093**

10. RETIREMENT BENEFITS

	2016 N$ '000	2015 N$ '000
Defined benefit plan		
The Authority provides post-retirement medical benefits to retired staff members under certain conditions. The defined plan is unfunded.		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(91,636)	(71,022)
Net expenses recognised in the statement of comprehensive income	(14,016)	(20,614)
	(105,652)	**(91,636)**
Reconciliation of the retirement benefit obligation		
Opening balance	91,636	71,022
Change in estimate	-	7,606
Interest cost	7,031	6,740
Current service cost	8,247	6,569
Benefits paid	(805)	(1,095)
Actuarial (gain)/losses	(457)	794
	105,652	**91,636**
Net expense recognised in other comprehensive Income		
Current service cost	8,247	6,569
Interest cost	7,031	6,740
Actuarial (gains) losses	(457)	8,400
Benefit paid	(805)	(1,095)
	14,016	**20,614**
Key assumptions used		
Discount rate used	7 %	7 %
Medical aid contribution inflation	7 %	7 %
	14 %	**14 %**

Sensitivity analysis
The valuation above is only an estimate of the cost of providing post-employment medical aid benefits. The actual cost to the Fund will be dependent on actual future levels of assumed variables.

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions:

A 1% increase/decrease in the Medical Aid inflation assumption;

A 20% increase/decrease in the assumed level of mortality

Mortality Rates
Deviations from the assumed level of mortality experience of the current employees and the continuation members will have a large impact on the actual cost to the Fund. If the actual rates of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Fund in the form of subsidies will reduce and vice versa.

	2016 N$ '000	2015 N$ '000

We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows:

2016 - N$'000	-20% Mortality Rate N$ '000	Valuation Assumption N$ '000	+20% Mortality Rate N$ '000
Total accrued liability	87,051	105,652	129,663
Interest cost	7,069	8,856	11,222
Service cost	6,649	8,089	9,950
	100,769	**122,597**	**150,835**

2015 - N$'000	-20% Mortality Rate N$ '000	Valuation Assumption N$ '000	+20% Mortality Rate N$ '000
Total accrued liability	100,350	91,636	84,641
Interest cost	7,706	6,740	6,490
Service cost	9,078	14,387	7,578
	117,134	**112,763**	**98,709**

Medical Aid inflation
The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

We have tested the effect of a 1% p.a. change in the medical aid inflation assumption. The effect is as follows:

2016 - N$'000	-1% Medical Aid Inflation N$ '000	Valuation Assumption N$ '000	+1% Medical Aid Inflation N$ '000
Total accrued liability	115,872	105,652	97,447
Interest cost	9,749	8,856	8,138
Service cost	8,877	8,089	7,456
	134,498	**122,597**	**113,041**

2015 - N$'000	-1% Medical Aid Inflation N$ '000	Valuation Assumption N$ '000	+1% Medical Aid Inflation N$ '000
Total accrued liability	75,917	91,636	111,872
Interest cost	5,808	6,740	8,608
Service cost	6,583	14,387	10,450
	88,308	**112,763**	**130,930**

11. DEFERRED INCOME

	2016 N$ '000	2015 N$ '000
Non-current liabilities	232,733	158,986
Current liabilities	56,442	-
	289,175	**158,986**

	PIARC N$ 000	MWT N$000	RFA N$000	RA Book N$000	Total N$000
Balance at 31 March 2015	304	2,169	128,805	193	131,471
Received during the year	-	-	78,332	-	78,332
Released to the statement of comprehensive income	-	-	(50,817)	-	(50,817)
	304	**2,169**	**156,320**	**193**	**158,986**
Balance at 31 March 2016	304	2,169	156,320	193	158,986
Received during the year	-	-	142,063	-	142,063
Released to the statement of comprehensive income	-	-	(11,681)	(193)	(11,874)
	304	**2,169**	**286,702**	**-**	**289,175**

Deferred revenue relates to grants in the form of assets received and advances due to the Roads Authority for materials on site.

Deferred revenue is released to the statement of comprehensive income in equal annual amounts over the expected useful life of the asset or when the goods are delivered.

MWT represents the Ministry of Works and Transport and RFA represents Road Fund Administration.

The RA History Book project is undertaken by the Roads Authority to write a book on the history of the Namibian road network. PIARC represents the permanent International Association of Road Congresses (World Road Association).

12. TRADE AND OTHER PAYABLES

	2016 N$ '000	2015 N$ '000
Trade payables	186,156	143,732
Leave accrual	22,922	19,041
Accrual provisions payments	121	-
Bonus accrual	2,782	2,531
Other payables	10,308	2,774
	222,289	**168,078**

Comparitive figures:
During the current year under review a reclassification has been done between trade and other payables and provisions. Refer to note 24 for further details.

13. REVENUE

	2016 N$ '000	2015 N$ '000
Grants received: Road Fund Administration	1,342,677	1,566,829

14. AUDITORS REMUNERATION

	2016 N$ '000	2015 N$ '000
Fees	454	351

15. CASH GENERATED FROM OPERATIONS

	2016 N$ '000	2015 N$ '000
Surplus for the year before transfers	645	19,580
Adjustments for:		
Depreciation and amortisation	12,608	11,333
Interest received - investment	(3,657)	(2,798)
Finance costs	1,119	1,200
Movements in retirement benefit assets and liabilities	14,473	20,614
Movements in provisions	-	2,027
Other non-cash items	-	(41)
Transfer of surplus to RFA	(644)	(19,580)
Transfer of other comprehensive income	(457)	-
Changes in working capital:		
Trade and other receivables	(80,752)	25,727
Prepayments	(8,619)	-
Trade and other payables	54,211	(7,778)
Deferred income	130,189	27,515
	119,116	**77,799**

16. INVESTMENT REVENUE

	2016 N$ '000	2015 N$ '000
Interest revenue		
Other interest	3,657	2,798

17. COMMITMENTS

	2016 N$ '000	2015 N$ '000
Road network commitments		
• Contracted for	4,937,267	829,495
• Not contracted for	2,152,118	3,525,452

This committed expenditure relates to the construction and rehabilitation of the national roads in Namibia and will be financed by grants and direct disbursements.

Operating leases		
Minimum lease payments due		
• within one year	3,807	4,930
• in second to fifth year inclusive	1,573	3,920
	5,380	**8,850**

Operating lease payments represent rentals payable by the Authority for certain of its offices.

18. RELATED PARTIES

		2016 N$ '000	2015 N$ '000
Relationships			
Related party relationships exist between the Authority and:			
Key Management			
Roads Contractor Company	State Owned Entity		
Roads Fund Administration	State Owned Entity		
Related party balances & transaction			
Related balances			
Road Fund Administration (grants receivable at year end)		257,227	206,042
Deferred Income (relating to grants received from RFA for capital projects and prepayments to contractors)		(286,702)	(156,320)
Roads Contractor Company		(2,896)	(12,132)
Related party transactions			
Grants received during the year		1,342,677	1,566,829
Transfer to Road Fund Administration		(1,102)	(11,180)
Roads Contractor Company		(49,109)	(165,592)
Key Management			
Key management remuneration		11,200	8,515

Key management comprises of the Chief Executive Officer (CEO) and three (3) Executive Officers and five (5) Divisional Managers.

Compensation to directors		
Short-term employee benefits	702	989

19. OTHER INCOME

	2016 N$ '000	2015 N$ '000
Guarantees claimed on default contracts	6,313	-
Tender documents	1,080	1,318
Other income	988	1,306
Revenue insurance	-	260
	8,381	**2,884**

20. FINANCE COSTS

	2016 N$ '000	2015 N$ '000
Finance leases	1,119	1,200

21. FINANCIAL ASSETS BY CATEGORY

	2016 N$ '000	2015 N$ '000

The accounting policies for financial instruments have been applied to the line items below:

2016 - N$ '000	Loans and receivables
Trade and other receivables	310,802
Cash and cash equivalents	67,361
	378,163

2015 - N$ '000	Loans and receivables
Trade and other receivables	230,050
Cash and cash equivalents	52,340
	282,390

22. FINANCIAL LIABILITIES BY CATEGORY

	2016 N$ '000	2015 N$ '000

The accounting policies for financial instruments have been applied to the line items below:

2016 - N$ '000	Financial liabilities at amortised cost
Retirement benefit obligation	105,652
Trade and other payables	222,289
Deferred income	289,175
Finance lease obligation	9,926
	627,042

2015 - N$ '000	Financial liabilities at amortised cost
Retirement benefit obligation	91,636
Trade and other payables	168,078
Deferred income	158,986
Finance lease obligation	10,093
	428,793

23. OPERATING (DEFICIT) SURPLUS

	2016 N$ '000	2015 N$ '000
Operating surplus for the year is stated after accounting for the following:		
Amortisation on intangible assets	1,856	719
Depreciation on property, plant and equipment	10,752	10,614
Employee costs	235,566	212,015
Expenses by nature		
Employee costs	235,566	212,015
Depreciation, amortisation and impairments	12,608	11,333
Specialised services	15,082	11,654
Fleet hire	5,746	4,426
S&T - Local expense (S&T Claim}	9,827	6,432
Office rent	6,436	5,542
Electricity and water	5,921	7,213
AA Tariff allowances (IRP5)	5,093	4,627
Advertisements and promotions	4,838	4,834
Petrol and oil	4,343	4,661
Workshops, conferences and meetings	3,318	2,566
Consulting services	3,314	2,607
Cleaning charges	3,106	2,183
Local accommodation	3,074	569
Bursaries	2,560	1,616
Repairs and maintenance	2,382	1,792
Telephone and fax	2,311	2,128
Other expenses	1,027,426	1,265,533
Total administrative expenses	**1,352,951**	**1,551,731**

24. COMPARATIVE FIGURES

	2016 N$ '000	2015 N$ '000
On the statement of financial position certain comparative figures have been reclassified for a more accurate disclosure.		
The effects of the reclassification are as follows:		
Statement of financial position		
Trade and other payables	-	(21,572)
Provisions	-	21,572

CONSTRUCTION AND REHABILITATION PROJECTS								
Project Name	Status	Total Estimated Cost	Expenditure Up To 31 March 2015	Total Expenditure financial year 2015/2016			Expenditure Up To 31 March 2016	
				RA Expenditure 2015-2016	Direct Disbursements 2015-2016			
Construction and Rehabilitation of Roads								
TR 1/6: Windhoek - Okahandja Rehabilitation	Ongoing, practical completion for Sec 3 expected end of September 2016 - (75% completed)	356,031,987.30	107,050,900.89	125,142,212.47	-	RFA	232,193,113.36	
	Ongoing, practical completion for Sec 4A expected end of January 2019 (1% completed)	1,085,073,452.28	-	10,829,338.62	108,507,345.23	RFA/ GRN	119,336,683.85	
MR 120: Okatana - Endola - Onunho	New Contractor appointed/Real-located	190,832,899.26	31,874,821.53	5,511,541.13	11,942,675.97	RFA/ GRN	49,329,038.63	
	Old Contractor	204,842,743.54	170,732,574.58	17,973,204.80	-	RFA	188,705,779.38	
DR 3610: Mangetti West Phase 1	Completed	52,756,072.92	43,145,885.17		2,865,762.81	GRN	46,011,647.98	
DR 3611: Oshikuku - Okalongo + extension	Completed	123,527,724.63	86,740,644.04	-	16,919,131.20	GRN	103,659,775.24	
DR 3603: Onayena - Okankolo	Completed	107,078,386.00	75,101,270.12	-	30,430,745.92	GRN/ RFA	105,532,016.04	
TR 10/2 Onhuno - Eenhana	Ongoing, Design completed	16,258,711.00		1,869,343.87	564,110.66	RFA/ GRN	2,433,454.53	
Swakopmund - Henties Bay - Karnanjab	Ongoing, Phase 1, section A 5% completed	801,272,610.69	3,537,453.77	-	58,448,367.83	GRN	61,985,821.60	
MR 91 Gobabis - Aminuis - Aranos	Ongoing, practical completion of construction for Sec A expected end of September 2016 (78% completed)	537,933,254.46	99,040,181.53	-	195,137,935.20	GRN	294,178,116.73	
DR 3615: Onamutuku - Oshikuku	Ongoing (94% complete), practical completion expected end of August 2016	100,000,000.00	65,552,572.19	20,444,910.34	-	RFA	85,997,482.53	
DR 3524: Ngoma (Izimwe) - Nakabolelwa	Ongoing (re-awarded) - 95% complete	60,000,000.00	35,026,246.72	-	21,773,326.12	GRN	56,799,572.84	
MR125: Liselo - Linyanti - Kongola - Singalamwe	Completed	866,442,551.75	779,757,713.13	-	37,240,454.89	GRN	816,998,168.02	
TR1/2 & TR1/3: Grünau - Keetmanshoop - Mariental Road Rehabilitation	Tender Stage: Construction	650,000,000.00	-	-	6,440,770.26	GRN	6,440,770.26	
TR9/1 Windhoek - Hosea Kutako road to dual carriageway	Ongoing, Phase 1 (10% completed)	888,471,938.74	-	-	87,099,749.70	GRN	87,099,749.70	
DR 3427: Kamupupu - Mbururu	Completed	30,867,253.99	26,355,819.69	-	4,511,434.30	GRN	30,867,253.99	
Okandjengedi Bridge	Completed	40,239,356.30	39,906,414.42	45,441.88	-	RFA	39,951,856.30	
Ongwediva Bridge	Completed	55,023,363.25	54,663,550.01	359,813.24	-	RFA	55,023,363.25	
Keetmanshoop Weighbridge	Design stage (50% of completed) practical completion for design - end of August 2016	4,712,210.42	-	250,370.03	-	RFA	250,370.03	

CONSTRUCTION AND REHABILITATION PROJECTS				Total Expenditure financial year 2015/2016			
Project Name	Status	Total Estimated Cost	Expenditure Up To 31 March 2015	RA Expenditure 2015-2016	Direct Disbursements 2015-2016		Expenditure Up To 31 March 2016
Updating and Revising Roads Authority Manuals	90% complete	380,000.00	247,189.00	-	-	RFA	247,189.00
Bridge 157 Rehoboth - Mariental	Completed	33,246,437.79	32,623,880.32	622,557.47		RFA	33,246,437.79
Bridge 2312 Rehoboth - Mariental	Completed	11,305,813.89	11,098,294.73	207,519.16		RFA	11,305,813.89
Bridge 158 Rehoboth - Mariental	Completed	7,474,242.65	7,266,723.49	207,519.16		RFA	7,474,242.65
DR 3670: Oshandi - Eembahu	Completed	69,566,852.75	39,640,677.38	-	1,701,007.24	GRN/ KfW	41,341,684.62
		-	-	-	-		-
DR 3670: Eembahu - Oshiweda	Completed	58,550,668.88	25,909,195.12			GRN	25,909,195.12
		20,204,745.88	109,167.00			KfW	109,167.00
Three Bridges Linking Okahandja to Ovitoto	Completed	74,884,391.88	73,691,489.52		1,192,902.36	GRN	74,884,391.88
MR 67: Omakange - Ruacana	Completed	478,767,151.10	76,765,653.01		116,989,109.09	GRN/ ADB	193,754,762.10
	Phase 1: 95% completed	173,697,140.90	353,871,474.00			ADB	353,871,474.00
	Phase 2 : 95% completed	180,174,333.40				GRN	
DR 3608: Omafo - Ongenga - Outapi (VAT)	Completed	296,088,546.00	135,023,341.39		161,065,204.93	GRN	296,088,546.32
DR 3603: Onayena - Onankali (DR 3674: Onayena - Omahenge)	Completed	53,609,767.32	51,657,432.75	-	1,952,334.57	GRN	53,609,767.32
Gobabis Weighbridge	Completed	24,328,524.74	23,839,327.04	489,197.70	-	RFA	24,328,524.74
Socio-economic Impact Study on three LB-Projects	50% complete	2,502,493.15	307,075.85	-	-	KFW	307,075.85
TR10/2 Elundu - Eenhana	Completed. Project under maintenance period (up to 10 December)	106,731,466.62	1,825,870.16	-	83,456,424.67	GRN	85,282,294.83
MR 121 Oshigambo - Eenanha	Completed	210,445,020.99	88,841,835.60	-	103,411,021.77	GRN	192,252,857.37
Amwaanda - Omutambo - Omaove	Ongoing (Section 1 is 50% complete, section 2 is 20% complete)	121,962,591.08	30,913,255.90		37,887,469.36	GRN	68,800,725.26
Epato - Onkani	Ongoing (5% complete), Construction to be completed June 2016	72,692,708.23	392,156.52	-	28,027,145.92	GRN	28,419,302.44
DR 3609 Oshakati - Omungwelumwe - Ongenga	Ongoing (62% complete), Construction to be completed end of September 2016	216,800,290.11	6,354,670.00	-	82,023,377.63	GRN	88,378,047.63
DR:3688 Epako - Omuvelo Wakasamane	Ongoing (60% complete), Construction Expected to be Completed September 2016	39,890,469.35	2,718,008.20	-	21,443,005.38	GRN	24,161,013.58
MR118 Roshpinah - Orandjemund	Ongoing (52% complete), Construction Expected to be Completed May 2017	674,554,212.60	181,904,696.58	-	228,555,016.87	GRN	410,459,713.45

ROADS AUTHORITY
SUPPLEMENTARY SCHEDULE NOT FORMING PART OF THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2016

CONSTRUCTION AND REHABILITATION PROJECTS				Total Expenditure financial year 2015/2016			
Project Name	Status	Total Estimated Cost	Expenditure Up To 31 March 2015	RA Expenditure 2015-2016	Direct Disbursements 2015-2016		Expenditure Up To 31 March 2016
DR 3508: ISIZE-SIFUHA-MALINDI-SCHUCKMANNBURG	Ongoing (8% complete)	447,815,937.09	16,379,474.27	-	108,685,601.58	GRN	125,065,075.85
TR2/1 Swakopmund - Walvisbay road rehabilitation	Ongoing construction at tender stage for phase1	1,040,760,833.17	42,476,038.97	-	6,204,944.03	GRN	48,680,983.00
Etomba - Omundaungilo	Construction ongoing (65% completed)	127,875,720.16	282,597.13	-	46,502,614.63	GRN	46,785,211.76
Oshikango Border Bypass	Design stage (73% completed)	8,427,154.06	-	-	1,289,594.71	GRN	1,289,594.71
Otjinene-Okamatapati: Section 1	99% Completed	575,008,824.86	-	-	380,039,593.90	GRN	380,039,593.90
Okamatapati-Grootfontein: Section 2	18% Completed	522,368,686.68	-	-	87,422,225.90	GRN	87,422,225.90
DR3424 Mungunda - Shakambu	Design stage	90,000,000.00	-	-	900,587.18	GRN	900,587.18
TR1/11 Omuthiya - Ongwediva Road Rehabilitation	Design ongoing	88,920,751.56	3,558,875.92	-	2,165,349.18	GRN	5,724,225.10
TR 1/ 4 Windhoek - Rehoboth dual carriageways	Design Ongoing	96,060,992.70	5,484,438.63	-	12,164,476.04	GRN	17,648,914.67
Uukwiyuushona - Omuntele	Construction ongoing	99,651,889.73	906,769.87	-	27,512,956.54	GRN	28,419,726.41
DR3650 Onakalunga Epingana	Delayed due to de-mining	35,000,000.00	121,545.58	-	-	GRN	121,545.58
TOTAL		**12,231,113,175.85**	**2,832,697,201.72**	**183,952,969.87**	**2,122,473,773.57**		**5,139,123,945.16**

DLP = Defects Liability Period
LBC = Labour-Based Construction
This schedule is in terms of the Roads Authority Act (No 17 of 1999), and reflects amounts approved for the purpose of a specific project or programme and the amounts expended in connection with such project or programme