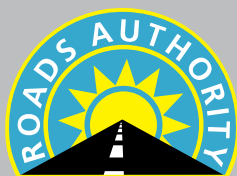




ANNUAL REPORT 2016-2017



SAFE ROADS TO PROSPERITY

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VISION, MISSION + 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 be innovative by encouraging staff to keep a constructive and optimistic mind-set 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's 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

BOARD DIRECTORS

Ms Hileni Kaifanua
Chairperson
(Top)

Ms Elina Haiping
Director
(Middle left)

Mr Brian Katjaerua
Director
(Middle right)

Mr Lennox Likando
Director
(Bottom left)

Ms Mariette Hanekom
Deputy Chairperson
(Bottom right)

New Board Appointments

The Minister of Works and transport has appointed a new Board of Directors with effect from 15 July 2017. They are Mr B. Katjaerua (Chairperson), Mrs E. Motinga (Deputy Chairperson), Mrs L. Brandt, Mr C. Smith and Mr T. Nashidengo (appointed on 1 October 2017).



CHAIRPERSON'S REPORT

Ms Hileni Kaifanua
Chairperson



It gives me great pleasure to reflect on the achievements and challenges faced by the Roads Authority (RA) during the period 2016/17. During the period under review, the RA Board took a proactive stance with its statutory role and has had a productive and engaging year to ensure that the Authority carries out its mandate to the optimum, using the available resources to ensure delivery to all our stakeholders.

Even though the Authority was faced with resource-related challenges in its endeavours to fulfil its core functions during the reporting period, the board continued to provide support and leadership to ensure that the organisation remains stable.

FINANCIAL PERFORMANCE

The 2016/17 financial year budget, as a component of the Roads Authority five year budget, was prepared on the basis of the Medium to Long Term Roads Master Plan (MLTRMP) in line with the Roads Authority Strategic Plan, NDP 4 targets and in response to the Board Key Performance Indicators (KPIs).

During the period under review, the RA has spent a total of N\$ 3,345,877,567 or 99% from the allocated budget of N\$3,389,205,000 on programme and capital development projects. The spending of N\$1,678,584,000 (50%) was funded by the Road Fund Administration while the remainder of N\$1,667,293,567 (50%) was provided by our Government for road development, construction and upgrading of Vehicle & Driver Testing Centers.

Even through the RA has achieved successes in many of its operations, mainstream revenue for the preservation of the road infrastructure remains a cause of concern. Nonetheless, the RA remains optimistic in the hope that the necessary funds required will be allocated and the RA will continue to perform its assigned functions.

CORPORATE SOCIAL INVESTMENT AND SME DEVELOPMENT

Developing human capital is fundamental at the RA. We have, through our bursary scheme initiative, awarded 19 bursaries to students in the fields of civil engineering and geo-information systems for the 2017 academic year, with the emphasis to build capacity in the Namibian roads sector. The bursaries were awarded as follows; 17 Civil Engineering; 1 Transport Economics, and 1 Industrial & Organisational Psychology. Eleven (11) of these bursaries were awarded to male students and eight (8) to female students.

As a responsible corporate citizen, the RA has shown a consistent record of SME development and job creation through innovative contractual obligation and targeted procurement. To that effect, 50 SME Contractors were employed on the following labour-based road construction projects during the reporting period namely, DR3508: Namalubi- Isize- Luhonono (Schummannburg), DR3649: Onelulago- Epembe, DR3635: Amwaanda- Olumpelengwa , DR3635: Olupelengwa- Omutambo Omaowe, DR3681: Epato- Onaushe, DR3624: Etomba- Omundaungilo, DR3683: Uukwiyuushona- Omuntele and DR3683:Omutele- Amilema.

The Authority has to date created 12400 jobs through its SME Development initiatives and the contract value amounts to N\$295,250,591.48.

PROCUREMENT

The Public Procurement Act and Regulation will come into operation in the next financial year. The Act’s main purpose is to align procurement by parastatals with that of the central government. The Act and Regulations have created new governance advisory and approval structures through the Procurement Policy Office, Central Procurement Board and the Bid Evaluation Committees. To this effect, the RA has created a Procurement Unit consisting of a Manager: Procurement and Compliance, Administrator and two Procurement Officers, as per the Act and Regulations. The RA has further nominated staff to serve on the Procurement Committee and the Bid Evaluation Committee. The organisation has also prepared a revised Procurement Policy which is also to the new Act and Regulations

RISK MANAGEMENT

Enterprise-wide risk management is an integral part of RA's fulfilment of its mandate. The Board has overall responsibility for risk management within the organisation. The ideal, of course, is to eliminate risk, but in the real world this is not possible and it is very costly. The aim rather is to contain risk at a level where it will not endanger the ability of Authority to achieve its strategy and operating objectives.

We view risk management as an essential element of good corporate governance and have fully integrated risk management into our strategy and operations. The Risk Management framework involves identifying and assessing the risks, as well as implementing and reviewing effectiveness of controls.

During the period under review, the RA developed a risk register, a product of the continuous assessment of current risks and the identification of new risks. The risk register analyses each risk and initiates appropriate mitigating action and treatment.

RA HEAD OFFICE

The construction of the Head Office commenced on 27 February 2014. Namibia Construction (Pty) (Ltd) was appointed to carry out the construction work for this project to the total amount of N\$254,345 297.63. The Building was completed and handed over to the Authority during the period under review.

SUCCESSION PLAN

I am happy to share with you that the target for the succession plan stands at 85%: The three Executive Officers’ positions responsible for the management of the strategic business areas of the organisation were all filled. A Succession Planning Policy is in place, which is inclusive of the development framework. In the next financial year, we will commence with cascading the Succession Plan to Divisional Managers level.

CLOSING REMARKS

This fiscal year marks the end of my term as the Chairperson of the RA Board. I am privileged to have been associated with an organisation which is contributing in such a significant way to enhance the lives of all Namibians and contributing to the socio-economic development of our Country. I wish to thank the Minister of Works and Transport, Honourable Alpheus G. !Naruseb for his leadership and support.

I would also like to thank the CEO, Management and staff for the continued dedication to the fulfilment of the RA's mandate.

In conclusion, I wish to also express my sincere gratitude to my fellow Directors who have taken the organisation to new heights during their tenure in the past 3 years. I trust that the RA will continue to grow from strength to strength under the new leadership.

C O R P O R A T E G O V E R N A N C E 001

Mandate

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 on-going 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, manage risks and provide assurance and accountability in a transparent way for the benefit of our shareholders and all stakeholders.

Board Composition

The Board is the ultimate governing body of the Roads Authority. It is responsible for the long-term strategy of the organisation. It oversees the organisation's financial sustainability. It sets and monitors policies that govern the organisation's activities. The Board also 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 – 14 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
Ms. H. Kaifanua	Chairperson
Ms. Mariette Hanekom	Deputy Chairperson
Mr. L. Likando	Director
Mr. B. Katjaerua	Director
Ms. E. Haipinge	Director

NEW BOARD APPOINTMENTS

The Minister of Works and transport has appointed a new Board of Directors with effect from 15 July 2017. They are Mr B. Katjaerua (Chairperson), Mrs E. Motinga (Deputy Chairperson), Mrs L. Brandt, Mr C. Smith and Mr T. Nashidengo (appointed on 1 October 2017).

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 subcommittees 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 a 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.

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.

EXECUTIVE COMMITTEE

Mr Conrad Lutombi

Chief Executive Officer

(Top left)

Ms Rosalinde Nakale

Executive Officer - Corporate Services

(Top right)

Ms Rauna Hanghuwo

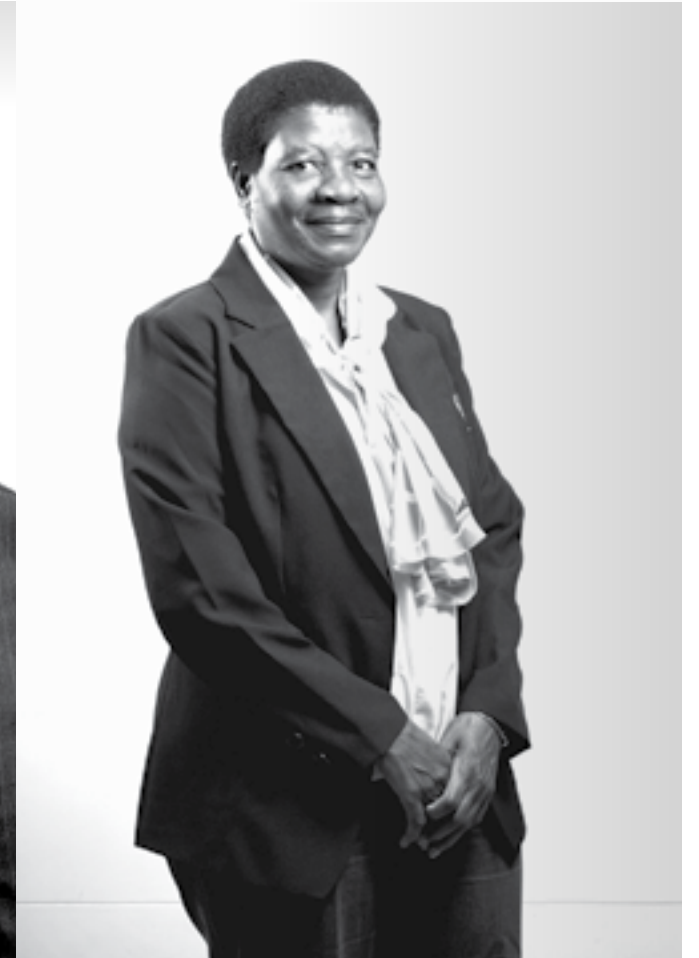
Executive Officer - Engineering

(Bottom left)

Mr Wilfried Brock

Executive Officer - Transport Regulatory and Inspectorate

(Bottom right)



CHIEF EXECUTIVE OFFICER'S STATEMENT

Mr Conrad Lutombi
Chief Executive Officer



The RA is a state owned entity with developmental and regulatory responsibilities. We exist to manage the national road network so that it is safe and efficient. It therefore gives me great pleasure to report on the progress made in the management of our country's national road network during the 2016/17 fiscal year.

ROAD MAINTENANCE + CONSTRUCTION WORKS

This has been the year that the RA continued with an advanced range of ambitious initiatives, while continuing to adjust to a changed economic landscape. It has been a year that we drew new strengths from the creative interplay of our workforce, while focusing on how, what we do here, can serve the common good of our country and people. Roads continue to be Namibia's most dominant mode of transport as they provide a base for a number of activities that contribute to our country's economy and creation of jobs. Thus, despite the continuing fallout from the global economic downturn, the RA made significant strides with regards to the maintenance of our road network. This is a testament to our commitment to delivering on our mandate and providing a world class road network.

During the reporting period, a total of 220.7 kilometres were re-gravelled and 496 kilometres of bitumen standard roads were resealed as part of the organisation's maintenance programme. In addition, 93 kilometres of salt roads were treated as routine maintenance at the total amount of N\$5,868 million. A reduction in this activity from the previous financial year occurred due to the current surfacing of the Swakopmund-Henties Bay-Kamanjab road. The road network was extended with 247 kilometres bitumen standard roads and 221 kilometres of gravel roads with the completion of the following roads projects:

- Windhoek-Okahandja road upgrade to a dual carriageway, Section 3;
- Otjinene-Okamatapati road upgrade to bitumen standard;
- Oshikuku-Onamutuku road upgrade to bitumen standard;
- Epako to Wakasamane gate road upgrade to bitumen standard;
- Omafo-Ongenga-Outapi road upgrade to bitumen standard;
- Oshigambo-Eenhana road upgrade to bitumen standard;
- Elundu-Eenhana road upgrade to bitumen standard;
- Izimwe-Nakabolelwa gravel road;
- Amwaanda and Omutambo-Omaowe gravel road

ROAD TRANSPORT SUSTAINABILITY PLAN

The RA strives to achieve sustainability by providing a safe and efficient national road network which supports economic growth and ensures access for all, while preserving the environment for current and future generations.

As part of the process for developing the Sustainability Plan, one of the tasks was to identify the transport sector issues and needs. Amongst them, was the improvement of accessibility in rural areas so that communities have access to basic services such as schools and clinics.

Following the development of the Sustainability Plan, a Memorandum of Understanding (MOU) between the RA and Texas A&M Transportation Institute (TTI) was signed in December 2016 for the review and implementation of the Plan. This review will take place in the next financial year.

ROAD SAFETY IMPROVEMENT MEASURES

Road safety is central to all RA activities. To that effect, I am pleased to report that the development of a Crash Calendar Visualisation for Namibia was successfully completed during the period under review. 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 to understand. This format can be adopted to search for trends or patterns in the crash data. A presentation took place in June 2016 to showcase the results of the Crash Calendar.

The RA also continued to collect data through its Traffic Surveillance System on the traffic using Namibia's road network. The data is then 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.

The organisation also participated in several law enforcement operations around the country such as the August 2016 Road Safety Initiative, the October 2016 Gaborone Trans-Kalahari Corridor Management joint law enforcement operation and the 2016/2017 Festive Season Road Safety Campaign in collaboration with other agencies such as the Namibian Police and MVA. These initiatives are aimed at curbing illegal transportation, the promotion of road safety and collaboration between neighbouring states.

Strategic review of the weighbridges to ensure tactical positioning in line with new road development is progressing well and this process is expected to be completed at the beginning of the new financial year.

VEHICLE AND DRIVER TESTING FACILITIES

During the period under review, the Authority completed the upgrading of the Okahandja Vehicle and Driver Testing Centre and also opened a Registering Authority for vehicle registration and licensing services at Nkurenkuru. The upgrading and establishment of these facilities form part of our Government's long term road safety strategy to improve road safety in Namibia. This on-going initiative will ensure that the standard of roadworthiness of vehicles and the competency of driver skills are of international standards which will extensively contribute to road safety and reduce fatalities on our roads. In addition, these Centres will cater for the growing vehicle and driver population and demand for testing services.

STAKEHOLDER ENGAGEMENT AND CUSTOMER SERVICE

The RA places a high premium on applying the best available techniques and practices as well as engaging the stakeholders in a way that creates mutual understanding while building confidence in our work. The organisation continued to have information sessions with its strategic stakeholders such as our line Ministry, Governors and Councillors in the different regions. The RA participated in several Regional Forums aimed at enhancing human capital and networking. These Forums include stakeholder engagement meetings with the Namibian Police, MVA, NRSC and Local Authorities at Keetmanshoop, Walvis Bay, Grootfontein, Oshakati and Windhoek while operations officers held meetings with SASCO Africa and Fischer Consulting on service delivery.

Stakeholder meetings were also conducted with the 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 the processes and products of our NaTIS operations.

Customer service feedback mechanisms were implemented at all NaTIS Centres with the aim to enhance service delivery.

We have also intensified marketing the organisation and its operations by participating in Trade Fairs/shows country wide. Trade Fairs provide a unique networking platform to interact with our stakeholders and they also provide an excellent opportunity to assess opinions from our clients. The organisation also continued to initiate and execute PR campaigns through print and electronic media to ensure appropriate portrayal of the organisation's corporate image and to enhance the desired image.

LEARNING AND SKILLS DEVELOPMENT

The RA is privileged to have a dedicated team that produces work of a high quality standard. Competency-based staff development was offered to staff members within the limited available resources. A total number of 99 staff members completed various short courses during the period under review.

In-house staff development, such as the Graduate Development Programme (GDP) for engineers and engineering technicians, was offered to thirty three (33) trainees during the period under review. In addition, four (4) trainees were offered another in-house training programme called Transport Inspectors in Training. The transport inspectors will complete their training and graduate in the next financial year.

Additional skills enhancement efforts which were offered by the Authority are as follows:

- RA continued to invest, directly and indirectly, in capacity development of the road sector through engineering graduates' secondment and attachment to Projects and Consulting Firms to gain the necessary practical exposure, to enable them to obtain professional registration with the Engineering Council of Namibia.
- Internship Programme: practical work exposure was also extended to 42 students, who were attached to different Divisions and Sections within the organisation to gain on-the-job experience for a period of three to six months.

CHALLENGES

During the reporting period, the road sector was faced with a shortage of funds and this hindered the progress on some of our projects. The organisation was also faced with inadequate financial resources for the maintenance of our existing road infrastructure, both paved and unpaved.

The Road User Charges (RUC) were below the inflation rate and not sufficient to cover optimum preservation of our road network. A solution in this regard would be for our Government to significantly supplement road Maintenance resources through the State Revenue Fund or engage in Public Private Partnerships (PPP) in funding the road network.

This is indeed a major cause of concern as some of our roads are way beyond their lifespan and are in need of rehabilitation in order for them to continue to play a pivotal role in the socio-economic development of our country.

THE WAY FORWARD

We cannot predict the future but we will analyse the current trends to guide future outcomes. Our plan is to remain a focused, learning organisation that nurtures talent and delivering on its mandate to the people of Namibia.

Going forward, we have taken a strategic decision to slow down works on projects which are in an early stage and to accelerate works on projects which are near completion, so that we complete these projects as per their completion programmes.

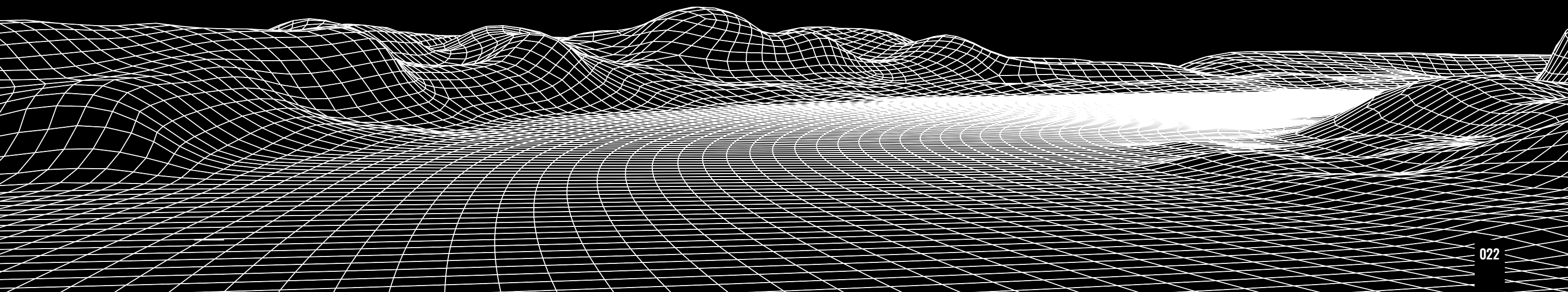
Where the resources permit, in the next financial year, we will continue to execute our planned road project activities in line with the current Strategic Plan. We will also continue with prudent cost cutting measures by ensuring that we focus our attention on activities and operations which create and drive value for us to deliver on our mandate. This is also in pursuit of our vision which is to have a sustainable road sector which is ahead of national and regional socio-economic needs in pursuit of Namibia's Vision 2030.

ACKNOWLEDGEMENTS

The achievements outlined above would not have been possible without the contribution of the RA Board and other direct stakeholders such as the Ministry of Works and Transport and Road Fund Administration (RFA). I therefore wish to express my sincere gratitude for their support. The efforts of management and staff of the RA were crucial in the process and I wish to also extend my special thanks to them for their commitment and resilience.

MAINTENANCE OF
THE ROAD NETWORK

002



MANDATE

This Division is responsible for the following:

- Maintaining the paved road network by means of timeous routine works and by periodically applying rejuvenation and/or bituminous seals, as well as road markings.
- Maintaining the unpaved road network by managing routine blading works and the periodic graveling, re-gravelling or re-compaction operations.
- Maintaining 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.
- Managing 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.
- Erecting and maintaining appropriately designed and approved road signage and to attend to any emergency works such as wash-aways, scouring and potholes.

THE IMPORTANCE OF MAINTENANCE

Although the need for road maintenance is widely recognised, it is still not getting adequately executed due to 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 it was at completion. Road maintenance encompasses activities such as maintaining the pavement, shoulders, slopes, signage, drainage facilities and all other structures within the road reserve, keeping them as close as possible to their as-constructed or rehabilitated condition. This includes minor repairs and improvements to eliminate the cause of defects as complete as possible and thus avoiding excessive repetition of the same maintenance activity.

Road maintenance is categorised as follows:

Unpaved Road Maintenance (Gravel) includes:

- Routine blading of roads
- Periodic graveling of roads
- Periodic clearing and forming of new and existing gravel roads

Paved Road Maintenance (Bitumen Surfaced) includes:

- 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 areas and road reserves, mowing of grass and bush clearing
- Sand removal from road surfaces (Lüderitz, Walvis Bay)
- Consultancy services (technical assistance when required)

Routine maintenance comprises small-scale works 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 re-seal and re-graveling projects.

PERFORMANCE + ACHIEVEMENTS

The Development GU contracting system was successfully launched during mid-2012. The new GU contract system requires the utilisation of grader monitoring systems of 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 fully paid grader after the 5-year contract period. The monitoring system also ensures fair compensation for actual work done. The blading of 1,809 million kilometers was completed at a total cost of N\$ 319 million.

For the routine maintenance activities of the 7,165 km of paved roads, the RA spent 12.61% of its budget, which amounts to N\$16,676 per kilometer.

Since 2011, the organisation focused on the resealing of the surfaced road network, which is in a critical condition, subsequent to the lack of rehabilitation contracts nationally. During the reviewed financial year, only three reseal contractors commenced work in September 2016 with critical operations. Rehabilitation projects also did not commence during the reporting period. The core surfaced road network is now reaching twice its design life, and the structural indicator of the pavement management system is pointing toward deterioration.

EXPENDITURE DISTRIBUTION [%]

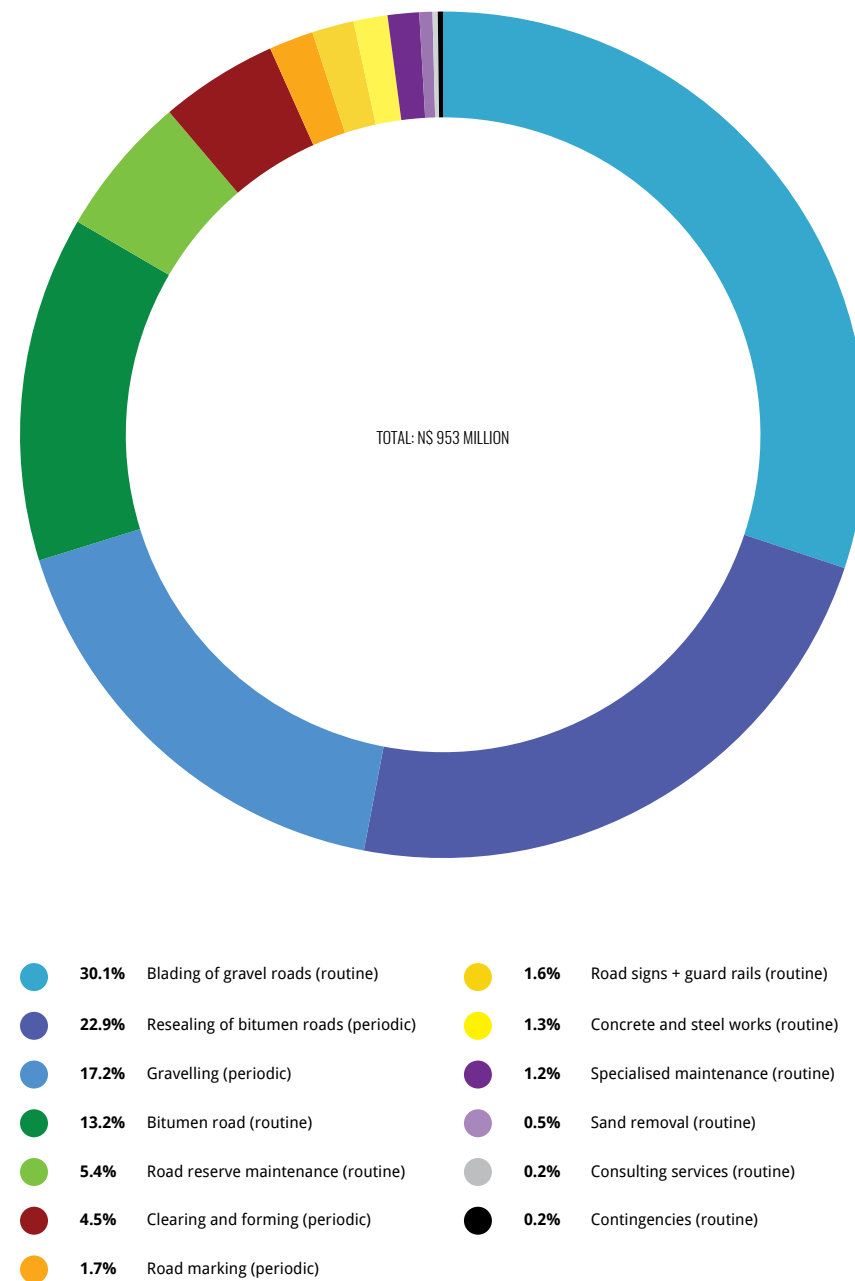


Figure 1: Distribution of different activities

PERIODIC + ROUTINE MAINTENANCE DISTRIBUTION [%]

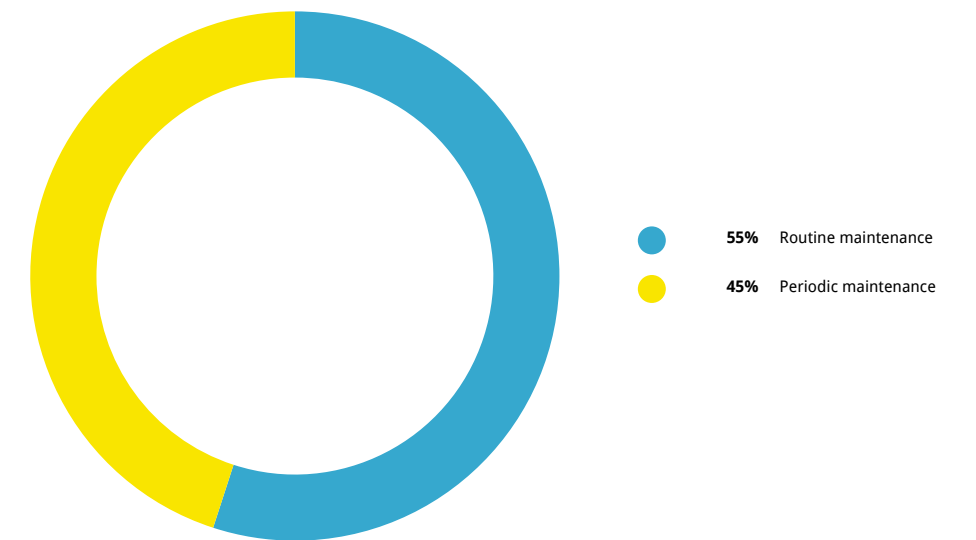


Figure 2: Distribution comparison between Periodic and Routine Maintenance

A total of N\$ 341 Million out of N\$ 953 Million was allocated to SME contractors.

SME PARTICIPATION [%]

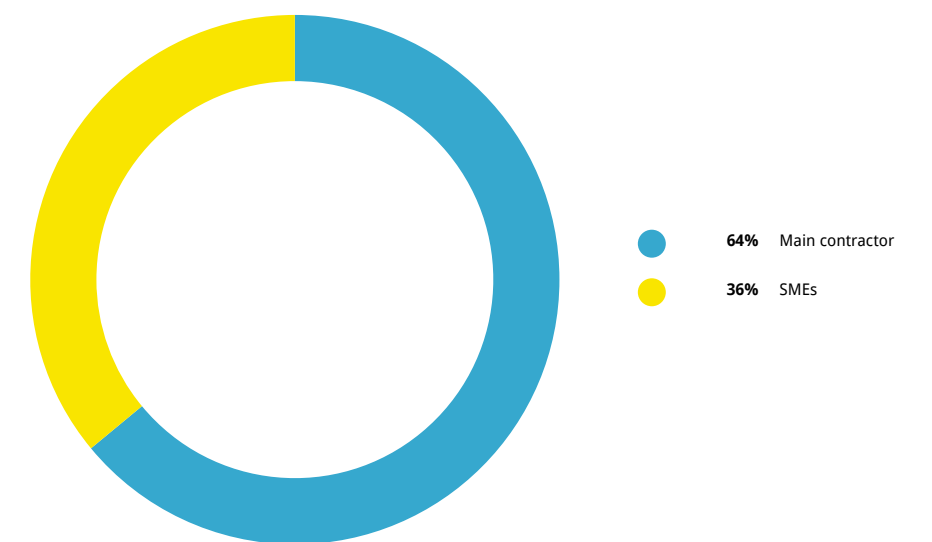


Figure 3: Participation of SME contractors

NETWORK PLANNING
CONSULTATION 00.3

MANDATE

Manage road infrastruture, optimise project management and deliver safe network and streamline operational process.

Network Planning and Consultation comprises the overall planning of the road network and consultations with relevant stakeholders, thereby contributing towards the achievement of the RA's mandate of managing the national road network.

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

PERFORMANCE + ACHIEVEMENTS

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

NETWORK PLANNING

- TENDER NO: RA/CS-NP/02-2013: 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 was completed in August 2016, and reports were disseminated to the relevant stakeholders.
- The Transport Data Bank gives relevant information on the Namibian Road Network. The document covers road transport and includes the general contribution of the transport sector in the economy.
- TENDER NO: RA/CS-NP/01/2016. Revision of the Medium to Long Term Roads Master Plan: the study aims at updating the exiting Road Master plan, and to ensure that the missing components which were not addressed in the previous years. The tender for the Medium to Long Term Master was awarded in October of 2016. The results and recommendations of the OOOOKK (Oshikoto,

Furthermore, this unit oversees Road Board functions and the administration of the Road Ordinance 30 of 1960 and the coordination of the overload control strategy and the development of weighbridges. The Unit 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 off of road reserves to ensure road safety.

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) will be incorporated in this main Masterplan. The COOKE (Caprivi/Zambezi, Omaheke, Otjozondjupa, Kunene and Erongo Regions) Masterplan will also be reviewed and be incorporated in the Main Masterplan.

FEASIBILITY STUDIES UNDERTAKEN DURING THE PERIOD UNDER REVIEW

- TENDER NO: RA/CS-NP/01-2015: Investigation For Road Preservation and Rehabilitation of T0602: Gobabis-Buitepos. The project was completed in December 2016, a month ahead of the official completion date.
- TENDER NO: RA/CS-NP/10-2016: Investigation for Road Preservation and Rehabilitation of TR8/6: Kongola-Katima Mulilo. The tender was advertised in October 2016. Award of contract is expected in the next financial year. A number of projects were undertaken of which; some are still ongoing while other regulatory activities continue to be implemented.

NETWORK PLANNING

- TENDER NO: RA/CS-NP/02-2013: 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 was completed in August 2016, and reports were disseminated to the relevant stakeholders.
- The Transport Data Bank gives relevant information on the Namibian Road Network. The document covers road transport and includes the general contribution of the transport sector in the economy.
- TENDER NO: RA/CS-NP/01/2016. Revision of the Medium to Long Term Roads Master Plan: the study aims at updating the exiting Road Master plan, and to ensure that the missing components which were not addressed in the previous years. The tender for the Medium to Long Term Master was awarded in October of 2016. The results and recommendations of the OOOOKK (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) will be incorporated in this main Masterplan. The COOKE (Caprivi/Zambezi, Omaheke, Otjozondjupa, Kunene and Erongo Regions) Masterplan will also be reviewed and be incorporated in the Main Masterplan.

FEASIBILITY STUDIES UNDERTAKEN DURING THE PERIOD UNDER REVIEW

- TENDER NO: RA/CS-NP/01-2015: Investigation For Road Preservation and Rehabilitation of T0602: Gobabis-Buitepos. The project was completed in December 2016, a month ahead of the official completion date.
- TENDER NO: RA/CS-NP/10-2016: Investigation for Road Preservation and Rehabilitation of TR8/6: Kongola-Katima Mulilo. The tender was advertised in October 2016. Award of contract is expected in the next financial year.
- TENDER NO: RA/CS-NP/08-2016: Investigation of Upgrade to Bitumen Standard of DR3507 Bukalo-Muyako-Ngoma: Tender evaluations took place in late 2016. The award of the tender is anticipated in the next financial year.
- TENDER NO: RA/CS-NP/06-2016: Investigation for Road Preservation and Rehabilitation of TR3/1: Grunau-Karasburg-Ariamsvlei. Consultant was appointed on 02 December 2016. Anticipated completion date is December 2017. Contract value is N\$2,849,700.00.

- TENDER NO: RA/CS-NP/04-2016: Investigation for Road Preservation and Rehabilitation of TR8/4: Rundu-Divundu. Consultant was appointed on 01 July 2016. The revised completion date is 16 September 2017. Contract value is N\$2,978,730.00.
- TENDER NO: RA/CS-NP/02-2015: Road Safety Audit of the Trans-Kunene and Windhoek-Luanda Corridor. Consultant has been appointed. Project completion is envisaged for November 2017. The contract value is N\$1,365,382.71.
- TENDER NO: RA/CS-NP/07-2015: Feasibility Study for the Upgrade to Bitumen Standards of MR27 Keetmanshoop-Aroab-Klein Manasse. The contract value is N\$2,904,037.50.

RESEARCH AND DEVELOPMENT

- Following the development of the Road Transportation Sustainability Plan, the memorandum of Understanding (MOU) was signed in December of 2016, between RA and Texas A&M Transportation Institute (TTI) for the review of the implementation of the Sustainability Plan. This review is to take place within the next fiscal year.
- The RA is currently implementing new abnormal load software which was developed by the 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 is being conducted to advice on the way forward for the new system and which structure to adopt as the baseline fees.
- The specialist Study on the Certification and use of Non-Standardised Road Stabiliser products for Road Construction Works in Namibia is completed. Workshops were held with the relevant stakeholders. A decision was made to refer all stakeholders to Agreement South Africa to apply for light certification for assessing these types of products. Once certification is acquired, the product will be eligible for use on Namibian projects.
- The Development of Crash Calendar Visualisation for Namibia was successfully completed in 2016. A presentation took place in June 2016 to showcase the results of the Crash Calendar. The objective of the crash calendar was 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 annually through visual inspection namely:

(a) **Instant Road Repair:** This trial is to demonstrate innovative pothole repair technology. The last inspection took place in May 2016. The trial is still intact with no cracks visible or any settlement. However, there are two more similar trials that were carried out on the left hand lane about 10 km from Windhoek on the Windhoek-Okahandja road before the weighbridge.

(b) **Jet Patcher Demonstration:** The demonstration 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 are all still intact with no visible cracks or loss of stone aggregate.

(c) **Infra-Red Road Repair System Technology:** 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 LEGISLATION

- Certification of road traffic signs countrywide: These projects aims at verifying the uniformity of road traffic signs country-wide. Several regions and districts have not yet submitted signs for certification. With regards to regions that have submitted, signs have been verified and certified.

ABNORMAL VEHICLE/LOAD PERMITS

A total of 3135 abnormal exemption permits were received of which 2243 were issued. In addition, 892 were cancelled. Total revenue of N\$ 10,175,868.22 was received in the period under review.

PROCLAMATION, COMPENSATION AND FENCING

The RA is responsible for the assessment and processing of payment of compensation to affected parties as a result of road development. This may require lengthy negotiations with owners and sometimes arbitration. The actual payments are done by the Ministry of Works and Transport.

Requests for fencing along proclaimed roads were attended to and payments were done in accordance with the legislation. The proclamation, closure, deviation and reclassification of roads are processed as per the needs and requests from Roads Boards and are submitted to the Ministry of Works and Transport for approval. The total amount allocated for fencing activities for the year under review was **N\$ 8,000,000.00**, of which **N\$ 5,764,363.00** (72%) was spent. Remainder of the budget allocation had to be transferred to other votes due to fund deficiencies.

ROADS BOARDS

During the period under review, 1st April 2016 to 31st March 2017, no meetings took place due the non-existence of Road board members. The term of the old board members lapsed on the 30th September 2016. Nomination of new members is expected to be done in the new fiscal year from the Regional Governors.

PROJECTS + PLANS FOR 2017/18 FISCAL YEAR

- Road preservation investigative study for MR92 Project is on hold due to budget constraints.
- Investigation for Road Preservation and Rehabilitation of TR8/5: Kongola–Katima Mulilo.
- Feasibility Study for Upgrading Scenario for Ngoma-Muyako. Tender documents are being prepared.
- Feasibility Study for Upgrading Scenario for Grootfontein-Tsumkwe. Tender documents are being prepared. The tender will be advertised in September of 2016.
- Detailed Design for Upgrading of Karibib-Otjimbingwe. Tender documents have been prepared.
- Detailed Design for Upgrading of Noordoewer-Aussenkehr. Tender documents have been prepared.

ROAD MANAGEMENT SYSTEM 004

MANDATE

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.

An Integrated Road Management System is a all-encompassing framework including both information processing and human resources for the determination and optimisation of economical

PERFORMANCE + ACHIEVEMENTS

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 definitions, nodes, road links, lane configuration and cross section details. The RRS also displays information on-line 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 a wide range of stakeholders e.g.

- Maps are produced annually showing the composition of the road network in terms of road categories (Figure 4)
- 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 4. This incorporates the changes to the network that occurred during 2014 and 2015 and includes new proclamations, upgrades

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

from gravel to bituminous standards, reclassification of roads and de-proclamations

The RRS was upgraded from Paradox to a web-based system, a 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 PPS

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 were proclaimed as trunk roads.

The two new trunk roads are:

- T0112A, and
- T1401

T0112A is also known as the “Oshikango” bypass. It serves the purpose of redirecting the incoming and outgoing international cross-border traffic from the three major developing peri-urban areas of Onhwenyama, Qhangwenya, and Helao-Nafidi.

T1401 is the Northern extension of trunk road T14 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



Figure 4: Road categories

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.

CURRENT SITUATION

Replacement value of the pavement structures

A conservative calculation indicates a value of approximately N\$56.108 billion to replace only the top layers and bituminous surfacing of our paved roads; this therefore, being 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 THE 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% (358 km) 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

66% of our total paved road network is more than 20 years old.

Due to our dry conditions, good road building materials and relative light traffic loads, the expected life can be extended with timeous routine maintenance (crack sealing, patching etc.) and periodic maintenance (reseal).

BITUMINOUS SURFACING (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, 41% of the bituminous surfacing is still older than 10 years and 25% older than 15 years.

PAVEMENT STRUCTURE CONDITION

The current condition of the road pavement structures and the trend of deterioration are displayed in Figure 5 and 6.

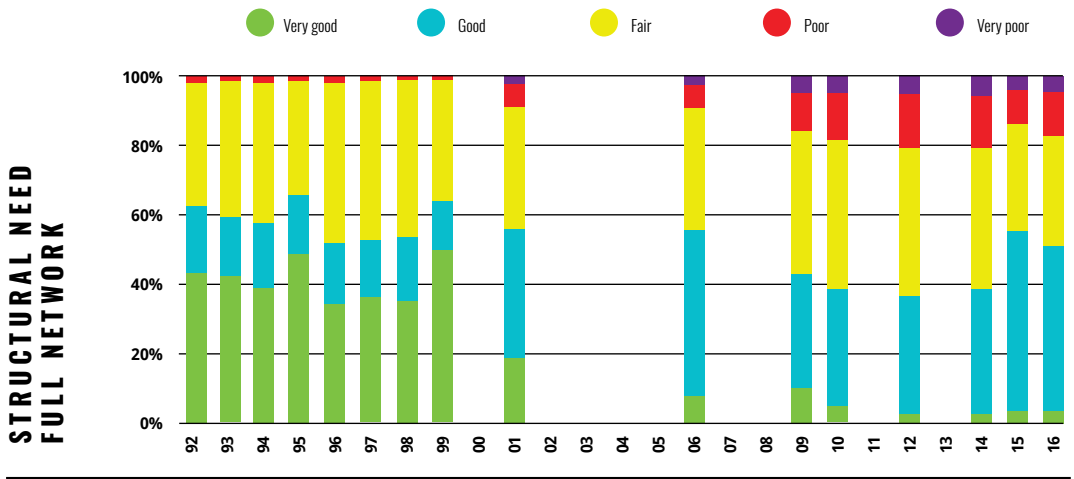


Figure 5: Pavement Condition (Rehabilitation Need) change over time (per category)

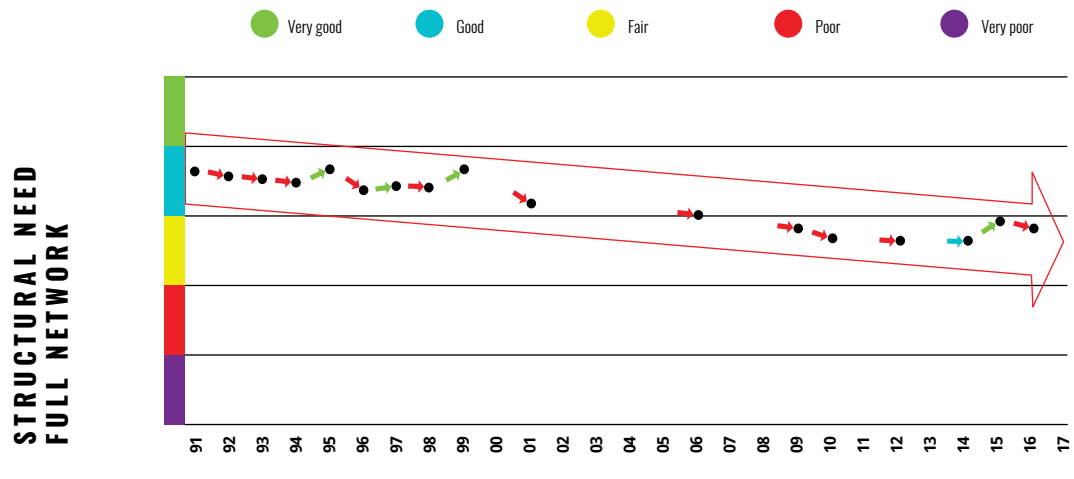


Figure 6: Pavement structure deterioration trend (Average condition)

The 2016 assessments show:

- An increase in the “Poor” and “Very poor categories” and decrease in the “Good” category since 2015. This could be expected in terms of deterioration of pavement structures without any significant rehabilitation done during 2015/2016. The improvement in these categories from 2014 to 2015 occurred mainly as a result of the reseals carried out in 2013 and 2014, resulting in much less cracking being observed during the visual assessment and lower rut depths measured. It has further been observed during the 2016 assessments that some cracking has reflected through the reseals done from 2012 to 2014, contributing to the deterioration in the “Poor to very Poor” categories and decrease in the “Good” category.
- A slight increase in the “Very Good” category. This is probably due to the addition of new/upgraded roads in the network

SURFACING CONDITION

Since 2012, significant efforts have been made to reseal and rejuvenate the road network. The current condition of the bituminous surfacing on the road network and the trend of deterioration are summarised in Figure 7 and 8. 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.

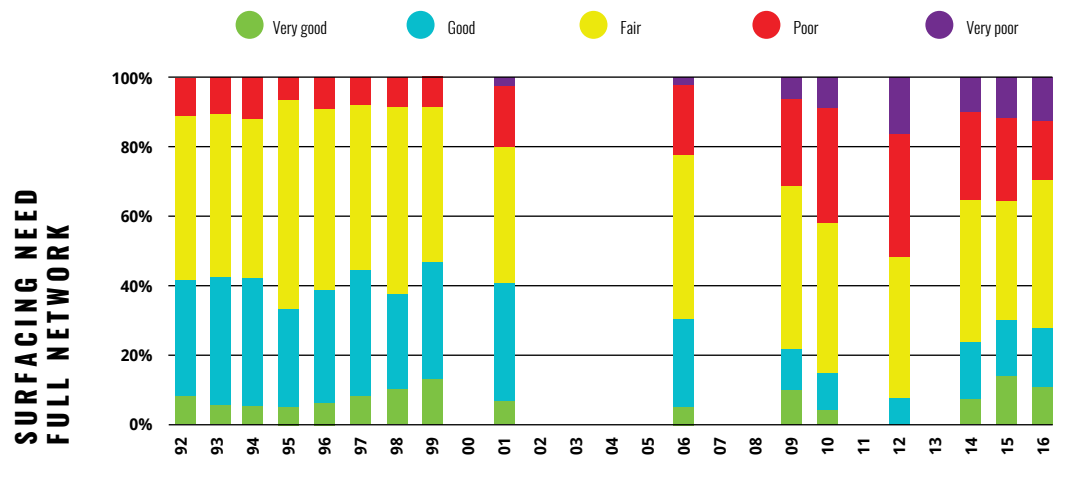


Figure 7: Surfacing Condition (Reseal Need) change over time

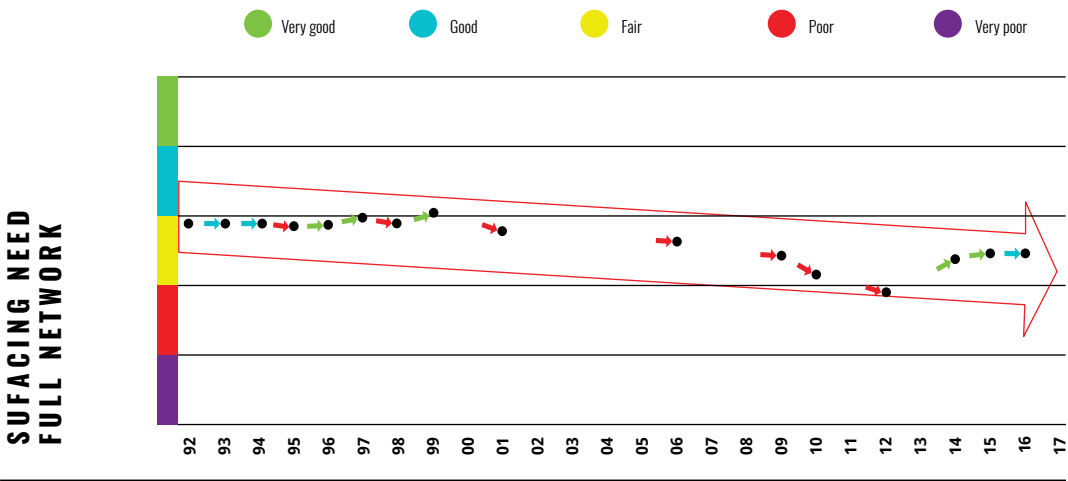


Figure 8: Surfacing condition (Needs) - trend of deterioration

Taking cognisance of the set Key Performance Indicators for the Namibian road network (refer to Table 1) as well as the current condition and rate of deterioration, the recommended funding and allocation to reseal work and rehabilitation are provided in Table 2.

Table 1: Key Performance Indicators

FINANCIAL YEAR	SURFACED ROADS	
	Surfacing condition (% Poor-Very Poor)	Structural Condition (% Poor-Very Poor)
Target	10	10
2007/2008	8	6
2008/2009		
2009/2010	11	9
2010/2011	13	9
2011/2012	17	10
2012/2013		
2013/2014	12	11
2014/2015	9	8
2015/2016	7	11

Table 2: Recommended funding strategy (3-10 years)

FUNDING REQUIRED FOR	AVERAGE ANNUAL FUNDING	ROAD LENGTH PER ANNUM
Rehabilitation	N\$ 1, 098 million	192 km
Reseal	N\$ 471 million	631 km
Routine Maintenance (Estimated)	N\$ 300 million	
TOTAL NEED (Surfaced Roads)	N\$ 1, 869 million	

UNSEALED ROAD MANAGEMENT SYSTEM (URMS)

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

Four key activities are required to provide to help 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 existing road network (Network 10) is defined in the Road Referencing System (RRS) and consists of 7 568km surfaced roads and 38 930km unsealed roads, making a total of 46 498km. Additional to this, several roads are classified as “Proclaimed only” (1 829km), some of which are already maintained as earth roads.

Table 2: Kilometre distribution of unsealed road types assessed during 2016

MAINTENANCE REGION	TOTAL ROAD LENGTH [KM]	TOTAL ROAD LENGTH [KM] PER SURFACE TYPE				
		EARTH	EARTH SAND	EARTH TRACK	GRAVEL	SALT
Keetmanshoop	10,237.70	1,768.23	209.26	56.77	8,219.44	6.00
Oshakati	6,987.13	660.69	22.66	3,742.79	2,560.99	0.00
Otjiwarongo	10,688.62	2,000.30	25.00	363.33	7,910.70	299.29
Windhoek	11,016.79	3,251.17	123.96	728.95	6,912.71	0.00
TOTAL	38,930.24	7,770.39	380.88	4,870.84	25,803.84	304.29

The figure below shows the change in general condition of the different road categories over the period 2002 to 2016.

Due to tracks not being maintained with motor graders and negatively influencing the impression of the unsealed road network condition, the condition of the different road surface types is now calculated separately as shown in Figure 9.



Figure 9 A: Current Condition (All unsealed roads-excluding Tracks)



Figure 9 B + C: Current Condition (All unsealed roads-excluding Tracks)

The results indicate that 46% of the unsealed road network (Tracks excluded), was classified in 2016 as being in a “Poor” or “Very Poor” condition.

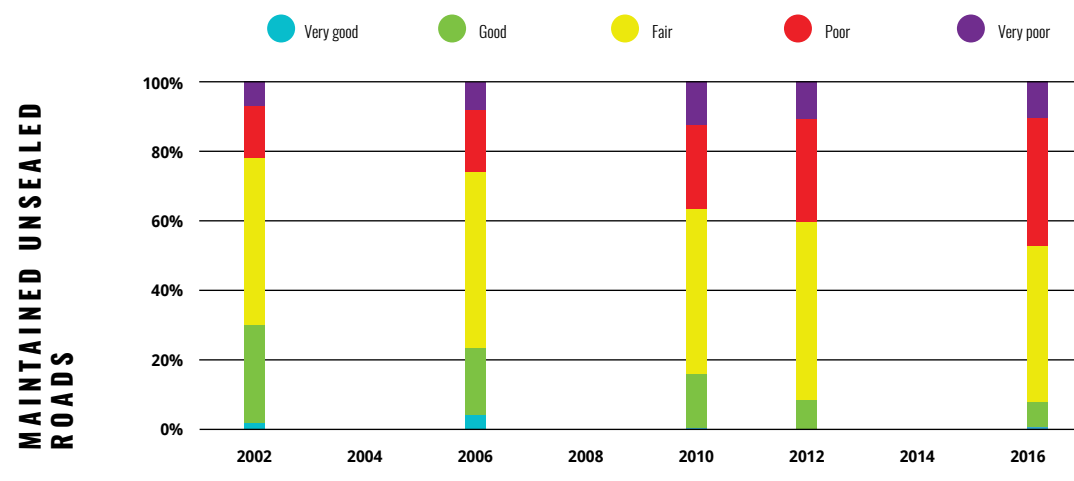


Figure 10: Change in visual condition

The existing gravel wearing course layer thickness is estimated during visual assessments (only on gravel roads, not earth graded roads). The summary of information, as displayed in Figure 11 and 12, indicates a current average thickness on gravel roads of approximately 42mm.

Based on internationally accepted road deterioration models, the gravel loss per annum on the total unsealed road network is estimated at approximately 1.81 million m³. Should the policy be applied to at least replace the annual loss, approximately 1 610 km of road (average width = 7.5m) should be re-gravelled per year.

The ideal situation would be to maintain an average gravel thickness of minimum 75mm (50% of the typical new gravel thickness). The current backlog for re-gravelling is calculated to increase the average current thickness on the gravel and salt roads (25 997km) from 42mm to 75mm. The backlog gravel volume is estimated at 6.36 million m³.

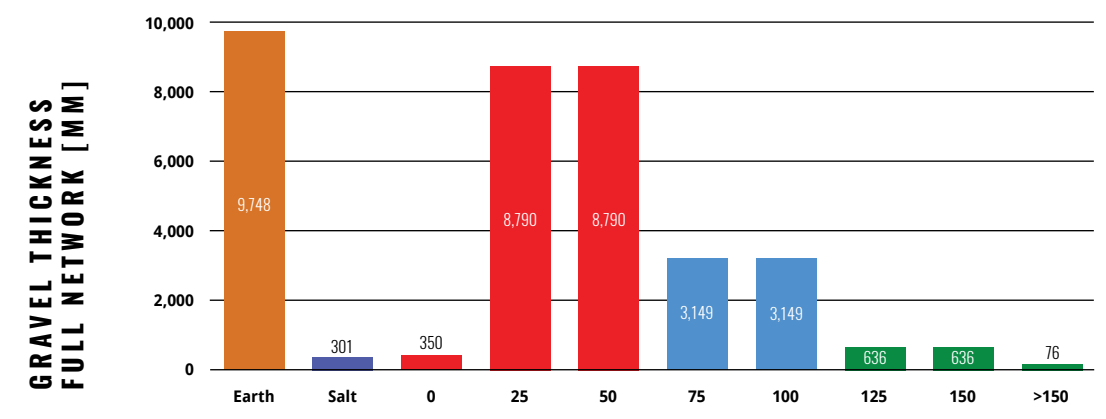


Figure 11: Current average thickness on gravel roads

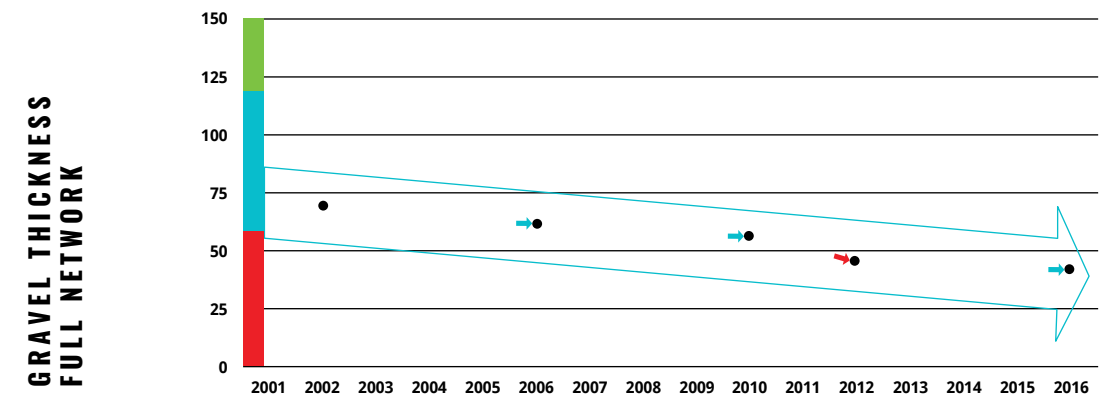


Figure 12: Current average thickness on gravel roads

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.

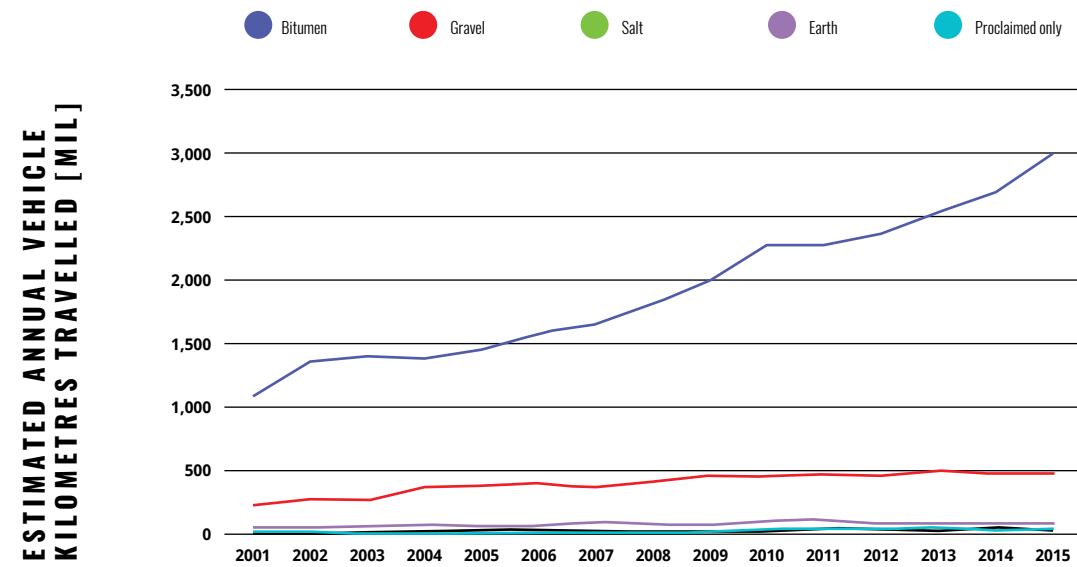


Figure 13: Vehicle Kilometre travelled per annum

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 3,000 vehicles per day!

The daily distribution of traffic is as follows:

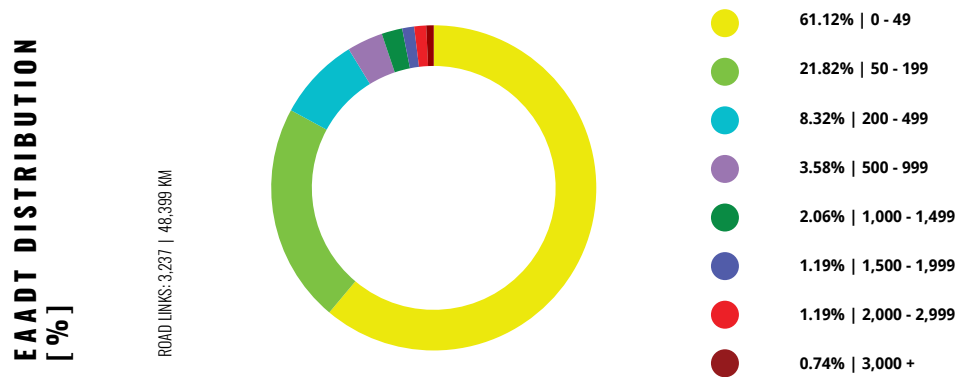


Figure 15: Traffic distribution on the total road network



Figure 16: Traffic distribution per road category

BONUS AND PENALTY SCHEME

The RA decided to implement a "Bonus and Penalty" scheme on all newly constructed roads to improve riding quality. The RA Board of Directors approved the implementation as a policy in 2014.

Specifications and guidelines were drawn up and adjusted after consultations with industry. Workshops were conducted with some consultants during the period under review and the new formula was introduced after this exercise. Henceforth, all new contracts will be using a Class 1 instrument for a bonus penalty. These specifications will form part of all new construction and rehabilitation contracts.

CONSTRUCTION +
REHABILITATION 005

MANDATE

The list of projects presented below relates to projects planned or undertaken by the Division in the 2016/17 Financial Year.

COMPLETED ROADS + BRIDGES CONSTRUCTION PROJECTS

- TR 1/6: Windhoek-Okahandja (Section 3) Road Upgrading to dual Carriage-Freeway, (from end of dual carriageway to Dobra River), 10 km, Contract Value- N\$335,001,901.16; Contractor:-Grinaker LTA. Construction works commenced in January 2014 and project was completed in March 2017.
- TR 14/2: Otjinene-Okamatapati (Section 1), Road Upgrading to bitumen standard, 127.6km Contract Value- N\$575,008,824.86, Contractor:-China Henan International Cooperation Group (CHICO). Construction works commenced in January 2014 and project was completed in October 2016.
- DR 3615: Oshikuku-Onamutuku (Olwani), Road upgrading to bitumen standard, 16km, Contract Value- N\$73,974,032.03, Contractor:- Onamangongwa Trading Enterprises. Construction works commenced in August 2013 and the project was completed in October 2016.
- DR 3668: Epako-Omuvelo Wakasamane Border Post, Road Upgrading to bitumen standard, 7km, Contract Value- N\$34,048,918.02, Contractor- China Longjian Investment. Construction works commenced in November 2015 and the project was completed in June 2016.
- DR 3635: Amwaanda-Olumpelengwa (Section A), Labour-Based Gravel Road Construction, 50.6km, Contract Value- N\$63,268,198.16, Contractor:- Brandberg Construction and 2 SME Contractors. Construction works commenced in June 2014 and the project was completed in April 2016.
- DR 3635: Olumpelengwa-Omutambo-Omaowe (Section B), Labour-Based Gravel Road Construction, 47.4km, Contract Value- N\$54,704,134.95, Contractor:- Emirates Trading and 2 SME Contractors. Construction works commenced in September 2014 and the project was completed in August 2016.
- DR 3624: Izimwe-Nakabolelwa, 22km, Contract:- N\$32,858,271.50, Contractor:- Namibbeton Construction. Construction works commenced August 2015 and the project was completed in May 2016.

ON-GOING ROADS + BRIDGES CONSTRUCTION PROJECTS IN 2016/17

- TR 1/6: Windhoek-Okahandja (Section 4A) Road Upgrading to dual Carriage-Freeway, (Dobra River to Omakunde Interchange), 28km, Contract Value- N\$ 1,085,073,452.28, Contractor:- CMC/Otesa Joint Venture. Construction works commenced in January 2016 and the project is expected to be completed in January 2019. The project has reached 40% completion.
- MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab (Phase I, Section A between Swakopmund to Henties Bay), Road Upgrading to bitumen standard, 90km, Contract Value-N\$758,145,397.05, Contractor:- Roads Contractor Company (RCC). Construction works commenced in January 2016 and the project is expected to be completed in July 2018. The project has reached 15% 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, 10km, Contract Value- N\$798,670,285.75, Contractor:- China Railway Seventh Group/Onamangongwa Trading Enterprises Joint Venture. Construction works commenced in January 2016 and the project is expected to be completed in January 2019. The project has reached 20% completion.
- MR 44, MR 36 & TR 2/1: Swakopmund-Walvis Bay (Behind Dune 7 and Coastal Road), Road Upgrading to Dual Carriage-Freeway (Phase 1), 30km, Contract Value-N\$ 958,919,335.00, Contractor:- UNIK/Thohi Joint Venture. Construction works commenced in June 2016 and the project is expected to be completed in June 2019. The project has reached 10% completion.
- TR 14/2: Okamatapati-Grootfontein (Section 2), Road Upgrading to bitumen standard, 110km, Contract Value-N\$522,368,686.68, Contractor:- China Henan International Cooperation Group. Construction works commenced in October 2014 and the project is expected to be completed in October 2017. The project has reached 80% completion.
- MR 118: Rosh Pinah-Oranjemund, Road Upgrading to bitumen standard, 98km, Contract Value-N\$632,175,149.30, Contractor:- Raubex Namibia. Construction works commenced in January 2014 and the project is expected to be completed in August 2017. The project has reached 85% completion.
- MR 91: Gobabis-Aminus-Aranos (Section A: between Gobabis and Onderombapa), Road Upgrading, 110km, Contract Value-N\$ 537,933,251.46, Contractor:- RCC/Teichmann Joint Venture. Construction works commenced in April 2014 and is expected to be completed in November 2017. The project has reached 85% completion.
- MR 125: Liselo-Linyanti-Kongola-Singalamwe, Road Upgrading to bitumen standard, 210km, Contract Value:- N\$ 828,460,556.00, Contractor:- RCC/MCC Joint Venture. Construction works commenced in January 2012 and the project is expected to be completed in August 2017. The project has reached 96% completion.
- MR 120: Okatana-Endola-Onunho, Road Upgrading, 36km, Contract Value-N\$163,981,307.36, Contractor:- Technonam/Otesa Joint Venture. Construction works commenced in October 2015 and the project is expected to be completed in February 2018. The project has reached 60% completion.
- MR 92: Okatana, Road Upgrading to Dual Carriageway, 4.4km, Contract Value-N\$196,186,616.35, Contractor;- Otesa Civil Engineering. Construction works commenced in August 2016 and is expected to be completed in February 2018. The project has reached 15% completion.
- DR 3609: Oshakati-Ongenga, Road upgrading, 37km, Contract Value-N\$216,800,290.11, Contractor:- Zhong Mei Engineering (Pty) Ltd. Construction works commenced in April 2015 and the project is expected to be completed in July 2017. The project has reached 98% completion.

- DR 3508: Namalubi-Isize Luhonono, Road Upgrading, 55km, Contract Value-N\$582,054,551.80, Contractor:- Nexus Civils and 13 SME Contractors. Construction works commenced in January 2015 and the project is expected to be completed by June 2018. The project has reached 40% completion.
- DR 3624: Etomba-Omundaungilo, Labour-Based Gravel Road Construction, 75km, Contract Value-N\$120,224,102.09, Contractor:- Nexus Civils and 7 SME Contractors. Construction works commenced in May 2015 and the project is expected to be completed in September 2017. The project has reached 90% completion.
- DR 3681: Epato-Onaushe, Labour-Based Road Gravel Construction, 38km, Contract Value-N\$63,977,561.74, Contractor:- Thohi

Construction and 6 SME Contractors. Construction works commenced in March 2015 and is expected to be completed in September 2017. The project has reached 90% completion.

- DR 3683: Uukwiyuushona-Omutele, Labour-Based Road Construction, 50km, Contract Value-N\$86,125,241.53, Contractor-Octagon Construction and 7 SME Contractors. Construction works commenced in September 2015 and the project is expected to be completed in September 2017. The project has reached 85% completion.
- DR 3683 (extension): Omuntele–Amilema Labour-Based Road Construction, 33km, Contract Value-N\$76,125,597.52, Contractor:- Namibbeton/KL Construction Joint Venture and 6 SME Contractors. Construction works commenced in September 2015 and is completed in April 2017.

Note: Contract value indicated for ongoing Roads and Bridges Construction Projects for 2016/2017 do not include the contracts awarded for Design and Supervision of the same.

PLANNED ROADS + BRIDGES CONSTRUCTION PROJECTS FOR FY 2017/18

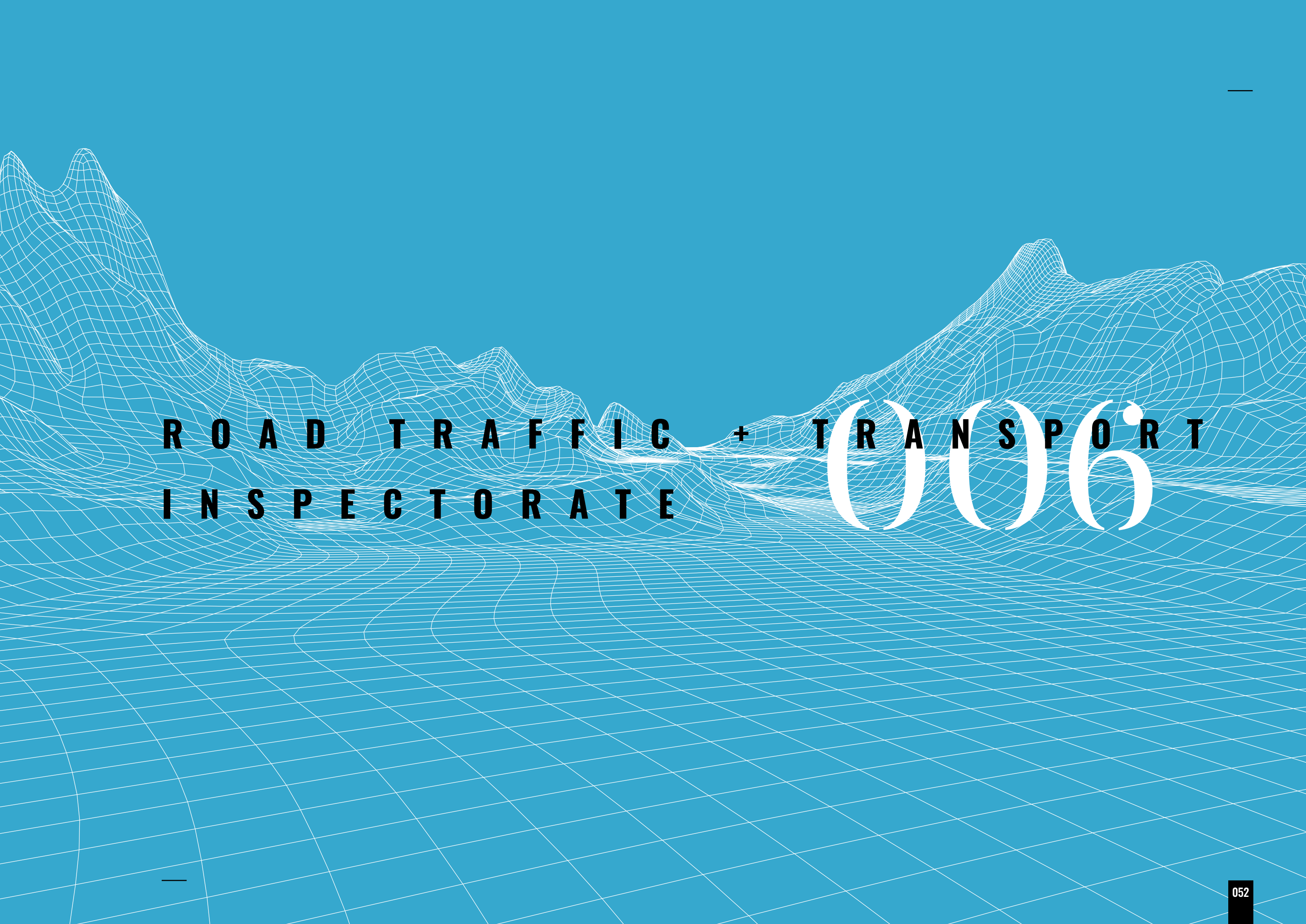
The Designs and construction of following roads and bridges are envisaged to commence in the 2017/18 Financial Year.

- TR 1/5: Windhoek-Rehoboth, Upgrading to dual Carriage-Freeway, 84km. The design for this project commenced in August 2014 and construction is expected to commence in 2018, if funds are available.
- TR 1/11: Omuthiya-Ondangwa-Ongwediva-Oshakati, Rehabilitation & Upgrading to dual Carriage-Freeway, Section A Omuthiya-Onethindi (145km). The design for this road was completed in August 2014 and construction is expected to commence in 2018.
- MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab (Phase I, Section B between Henties Bay and Uis), Road Upgrading (96km). The design for this road commenced in March 2016 and construction is expected to commence in 2019.

- MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab (Phase II, Section A between Kamanjab and Khorixas), Road Upgrading (105km). The design for this road commenced in September 2016 and construction is expected to commence in 2018.
- MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab (Phase II, Section B between Khorixas and Uis), Road Upgrading (115km). The design for this road commenced in September 2016 and construction is expected to commence in 2019.
- TR 10/2: Onhuno-Eenhana Road Rehabilitation (47km). The design for this road is completed and construction is expected to commence in 2018.
- TR 1/2 & TR 1/3: Grunau-Keetmanshoop-Mariental, Road Rehabilitation (386km). The design for this road is completed and construction is expected to commence in 2018.

- TR 7/1: Karibib-Usakos, Road Rehabilitation (36km). The design for this road commenced in April 2016 and construction is expected to commence in 2018.
- TR 2/3: Omaruru-Karibib, Road Rehabilitation (62km). The design for this road commenced in June 2016 and construction is expected to commence in 2018.
- TR 1/12: Oshikango Bypass, Road Upgrade(20km). The design for this road is completed and construction is expected to commence in 2018.
- DR 1635 & DR 1668: Du Plessis Plaas-Epukiro, Road Upgrade (47km). The design for this road commenced in August 2016 and construction is expected to commence in 2018.
- DR 3700: Opuwo-Epupa, Road Upgrade (150km). The design for this road commenced in August 2016 and construction is expected to commence in 2019.
- MR 124: Opuwo-Sesfontein Road Upgrade (150km). The design for this road commenced in September 2016 and construction is expected to commence in 2019.
- DR 3639: Oshikango-Odibo-Edundja-Ondombe, Road Upgrade (30km). The design for this road started in August 2016 and construction is expected to commence in June 2019.

- Rehabilitation of TR 2/2: B0250 Road over Rail Bridge (Swakopmund). The design for this road is complete and construction is expected to commence in 2018.
- Keetmanshoop Weighbridge. The design for this road is completed and construction is expected to commence in 2018.
- DR 3610: Mangetti West Phase 2, Labour-Based Road Construction (50km). Contract Value is worth N\$60,379,733.06 and will be constructed by Namibbeton/KL Construction Joint Venture and 1 SME Contractors. Construction works will start April 2018 and is expected to be completed in October 2019.
- DR 4113: Endola-Eemboo, Labour-Based Road Gravel Construction (19km). The design for this road is completed and construction is expected to commence in September 2017.
- DR 3650: Epinga-Onakalunga, Labour-Based Road Gravel Construction (12km). The design for this road is completed and construction is expected to commence in September 2017.
- Rural Access Roads, Labour-Based Access Road Construction (217km). The design for this road is completed and construction is expected to commence in August 2017.
- DR 3424: Mungunda-Shakambu, Gravel Road Construction (37km). The design for this road is completed and construction is expected to commence in 2018.

The background features a stylized, abstract landscape. In the foreground, a white wireframe grid extends across the floor, receding into the distance. In the background, blue wireframe mountains of varying heights are visible against a solid blue sky. The overall aesthetic is modern and architectural.

ROAD TRAFFIC + TRANSPORT INSPECTORATE

MANDATE

The Road Traffic & Transport Inspectorate’s mandate is to ensure compliance with relevant legislation through effective enforcement to improve appropriate use of road infrastructure and thereby contributing towards the achievement to the RA's objectives.

PERFORMANCE + ACHIEVEMENTS

REDUCTION OF DAMAGE DUE TO OVERLOADING

During the period under review, 426,140 vehicles were weighed, not exceeding the annual target of 427,364 heavy vehicles by 0.29% (1,224) vehicles.

Out of 426,140 vehicles weighed, 10.22% (43,656) were overloaded, of which, 0.90% (3,854) were overloaded above 5% tolerance while 9.34% (39,807) were overloaded within the 5% tolerance level. The level of overloading decreased from 11.28% in 2016 to 10.24% in 2017 by 1.04%, due to the tolerance which is not prosecutable and is difficult to control.

Table 3: Overload Control Statistics for the Financial Year 2016/2017

WEIGH-BRIDGE	TARGET	VEHICLES WEIGHED	VEHICLES OVER-LOADED WITHIN 5% MARGIN	VEHICLES OVER-LOADED ABOVE 5%	TOTAL VEHICLES OVER-LOADED	TOTAL VEHICLES CHARGED	(%) OVERLOAD
Brakwater	120,000	123,732	5,606	976	6,582	0	5.32
Aris	75,000	80,219	5,297	474	5,771	0	7.19
Gobabis	58,500	58,500	4,397	171	4,568	0	7.81
Walvis Bay	57,900	61,010	14,631	1,242	15,873	0	26.02
Onhuno	26,800	18,570	1,229	210	1,434	0	7.72
Noordoewer	12,620	10,668	670	41	711	0	6.67
Ariamsvlei	20,780	17,674	1,226	139	1,365	0	7.72
Rosh Pinah	2,064	5,911	468	71	539	0	9.12
Oshivelo	33,100	37,820	4,103	337	4,440	0	11.74
Katima	20,600	12,036	2,180	193	2,373	0	19.72
TOTAL	427,364	426,140	39,807	3,854	43,656	0	10.24

COMMERCIAL VEHICLE COMPLIANCE TO ROAD TRAFFIC & TRANSPORT LEGISLATION

ROAD TRAFFIC REGULATIONS

The RA inspected 209,192 commercial vehicles for compliance to road traffic regulations on road safety and vehicle/load dimensions. Out of all vehicles inspected, 2.62% (4,533) were not in compliance and were charged. Vehicle compliance rate is reflected at 97.83%, during the period under review.

Table 4: Road Traffic Statistics for the Financial Year 2016/2017

ENFORCEMENT ON ROAD TRAFFIC SYSTEM AND VEHICLE DIMENSION			
REGIONAL OFFICES	VEHICLE INSPECTED	VEHICLE CHARGED	% CHARGED
Brakwater	15,357	1,989	12.95
Aris	16,265	657	4.04
Gobabis	30,818	538	1.75
Walvis Bay	23,378	551	2.36
Onhuno	13,910	270	1.94
Noordoewer	9,266	164	1.77
Ariamsvlei	18,563	130	0.70
Rosh Pinah	4,152	88	2.12
Oshivelo	63,780	79	0.12
Katima Mulilo	13,703	67	0.49
TOTAL	209,192	4,533	2.17

ROAD TRANSPORTATION

The RA inspected 195,349 commercial vehicles for cross-border road transport, domestic road transport, cross-border charges and mass distance charges. Out of the vehicles inspected, 0.76% (1,483) were not in compliance and were charged. Vehicle compliance thus decreased from 99.38% in 2016 to 99.24% in 2017.

Table 5: Road Transportation Statistics for the Financial Year 2016/2017

ENFORCEMENT ON ROAD TRANSPORTATION AND CROSS BORDER ENTRY FEE CHARGES AND MASS DISTANCE CHARGES			
REGIONAL OFFICES	VEHICLE INSPECTED	VEHICLE CHARGED	% CHARGED
Brakwater	17,245	237	1.37
Aris	16,152	122	0.76
Gobabis	24,057	155	0.64
Walvis Bay	31,329	93	0.30
Onhuno	13,844	58	0.42
Noordoewer	9,339	25	0.27
Ariamsvlei	20,046	25	0.12
Rosh Pinah	4,152	88	2.12
Oshivelo	51,234	295	0.58
Katima Mulilo	7,951	385	4.84
TOTAL	195,349	1,483	0.76

FINES COLLECTION

The RA generated a total amount of N\$7,932,028.00 in admission of guilt fines, out of which 32.46% (N\$2,575,022.00) were paid.

Table 6: Fine Statistics for the Financial Year 2016/ 2017

TYPE	NUMBERS OF FINES ISSUED	AMOUNT OF FINES ISSUED	FINES PAID
Fines	5,996	N\$ 7,934,028.00	N\$ 2,575,022.00
TOTAL	5,996	N\$ 7,934,028.00	N\$ 2,575,022.00

CHALLENGES

OVERLOAD PROSECUTION

The overload prosecution was suspended by the courts since 2008 pending finalisation of identified legal issues, but the resumption of prosecution is expected during the 2017/8 financial year as all identified legal issues are resolved.

DECRIMINALISATION OF OVERLOADING OFFENCES

The project is still ongoing with the Bill at Cabinet level since 2015. However, the legislative process is expected to be finalised during the 2017/8 financial year.

WEIGHBRIDGE MANAGEMENT AND OPERATIONS

The implementation of 24-hour operations at identified strategic weighbridges could not be realised because of the deliberate diverting of funds to roads projects but implementation is expected during the second quarter of 2017/18 financial year.



T R A N S P O R T I N F O R M A T I O N
+ R E G U L A T O R Y S E R V I C E S

MANDATE

The main function of this division is to regulate Road Transport, Vehicle and Driver Registration, Testing and Licensing for quality mobility and road safety.

FUNCTIONAL AREAS

- 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

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

SADC CREDIT CARD FORMAT DRIVING LICENCE

The RA advertised the tender for a driving licence card production contractor to produce Driving Licence Cards for the third card production period. The tender included facial and fingerprint biometric technology to curb identity fraud at NaTIS Offices during the driving licence issuance process. Biometric technology are used as part of a comprehensive Customer Tracking solution to ensure that a driving licence is issued to the same person that successfully completed the learner licence and driving skill tests.

The RA has established a new Card Production Facility to protect the national register whilst allowing for the personalisation of driving licence cards to be performed within a secure facility that is under the control of government.



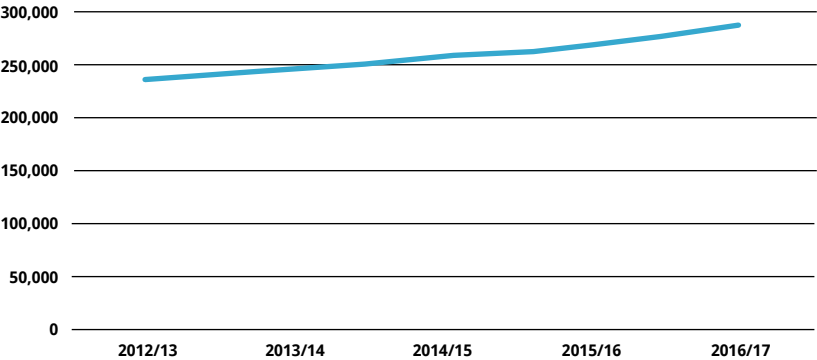
DRIVER POPULATION

During the period under review, Namibia's driver population has increased by 19,325 bringing the total population to 285,697 representing an increase of 7.25% compared to the population of the previous year 2015/2016. The following table details the number of drivers per Authority.

Table 7: Driver Population

ALL AUTHORITIES	2012/13	2013/14	2014/15	2015/16	2016/17	DISTRI-BUTION	% GROWTH
Eenhana	3,885	4,334	4,858	4,859	4,887	1.71%	0.58%
Gobabis	7,039	7,437	8,062	8,639	8,762	3.07%	1.42%
Grootfontein	5,856	6,075	6,461	6,507	7,086	2.48%	8.90%
Karasburg	1,869	1,916	2,001	2,036	2,230	0.78%	9.53%
Karibib	5,318	5,800	6,292	6,601	7,059	2.47%	6.94%
Katima Mulilo	3,658	3,790	4,063	4,311	4,439	1.55%	2.97%
Keetmanshoop	6,407	6,549	6,635	6,560	7,439	2.60%	13.40%
Lüderitz	2,703	2,793	3,107	3,254	3,352	1.17%	3.01%
Mariental	6,074	6,398	6,633	6,818	7,291	2.55%	6.94%
Okahandja	5,950	5,974	5,971	5,914	6,813	2.38%	15.20%
Opuwo	1,832	2,039	2,248	2,734	3,073	1.08%	12.40%
Oranjemund	3,525	3,564	3,731	3,722	4,129	1.45%	10.93%
Oshakati	24,381	25,924	26,846	27,596	29,371	10.28%	6.43%
Otjiwarongo	8,125	8,215	8,460	8,703	9,523	3.33%	9.42%
Outapi	5,019	5,486	5,826	6,190	6,214	2.18%	0.39%
Outjo	3,238	3,139	3,069	3,056	3,619	1.27%	18.42%
Rehoboth	0	0	1,193	3,094	4,237	1.48%	36.94%
Rundu	9,306	10,142	10,668	11,086	11,356	3.97%	2.44%
Swakopmund	15,995	16,252	16,916	17,426	18,844	6.60%	8.14%
Tsumeb	6,837	7,264	7,537	7,568	8,132	2.85%	7.45%
Walvis Bay	19,085	20,067	21,243	22,130	23,201	8.12%	4.84%
Windhoek	89,367	91,992	94,591	97,568	104,640	36.63%	7.25%
TOTAL	235,469	245,150	256,411	266,372	285,697	100.00%	7.25%
GROWTH		2012/13	2013/14	2014/15	2015/16		2016/17
Growth in numbers			37,349	9,681	11,261	9,961	19,325
Growth in [%]			18.85%	4.11%	4.59%	3.88%	7.25%

DRIVER POPULATION
GROWTH [NUMBER]



DRIVER POPULATION
DISTRIBUTION [%]

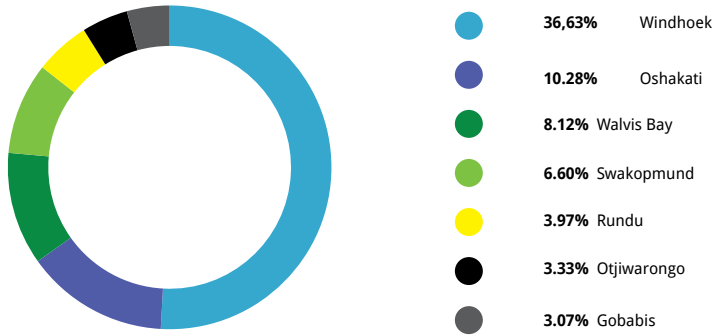


Figure 17: Driver Population

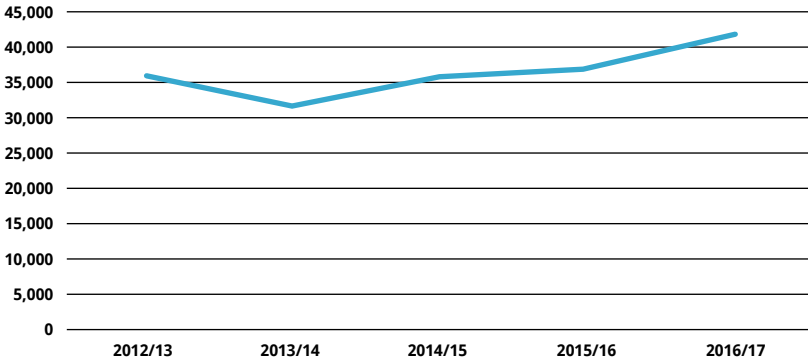
LEARNER DRIVER LICENSES ISSUED

Namibia's learner driver licences increased by 4,949, bringing the total number of learner licences issued during the period under review to 41,865. This represents an increase of 13.41% compared to the licences issued during the previous year 2015/2016.

Table 8: Learner Driver Licenses Issued

ALL AUTHORITIES	2012/13	2013/14	2014/15	2015/16	2016/17	DISTRI-BUTION	% GROWTH
Eenhana	846	1,048	970	1,404	1,235	2.95%	-12.04%
Gobabis	940	815	842	731	748	1.79%	2.33%
Grootfontein	804	851	937	856	1,068	2.55%	24.77%
Karasburg	252	414	401	357	338	0.81%	-5.32%
Karibib	529	498	233	331	440	1.05%	32.93%
Katima Mulilo	604	729	844	799	1,087	2.60%	36.05%
Keetmanshoop	506	348	370	687	885	2.11%	28.82%
Lüderitz	276	595	845	614	705	1.68%	14.82%
Mariental	788	628	588	561	665	1.59%	18.54%
Okahandja	1,895	1,706	2,347	2,313	2,592	6.19%	12.06%
Opuwo	504	256	348	501	551	1.32%	9.98%
Oranjemund	249	136	187	499	501	1.20%	0.40%
Oshakati	2,666	4,117	4,372	4,213	4,420	10.56%	4.91%
Otjiwarongo	654	600	920	939	936	2.24%	-0.32%
Outapi	811	1,070	1,264	1,225	1,449	3.46%	18.29%
Outjo	792	1,078	812	917	1,239	2.96%	35.11%
Rehoboth	0	137	1,233	1,203	1,383	3.30%	14.96%
Rundu	1,252	1,786	1,393	1,364	1,279	3.06%	-6.23%
Swakopmund	1,565	1,303	1,538	1,871	2,749	6.57%	46.93%
Tsumeb	718	779	785	870	1,179	2.82%	35.52%
Walvis Bay	3,589	2,752	2,564	1,725	1,986	4.74%	15.13%
Windhoek	15,557	10,700	11,967	12,936	14,430	34.47%	11.55%
TOTAL	35,797	32,346	35,760	36,916	41,865	100%	13.41%
GROWTH		2012/13	2013/14	2014/15	2015/16		2016/17
Growth in numbers		7,427	-3,451	3,414	1,156		4,949
Growth in [%]		26.18%	-9.64%	10.55%	3.23%		13.41%

LEARNER DRIVER POPULATION GROWTH [NUMBER]



LEARNER DRIVER POPULATION DISTRIBUTION [%]

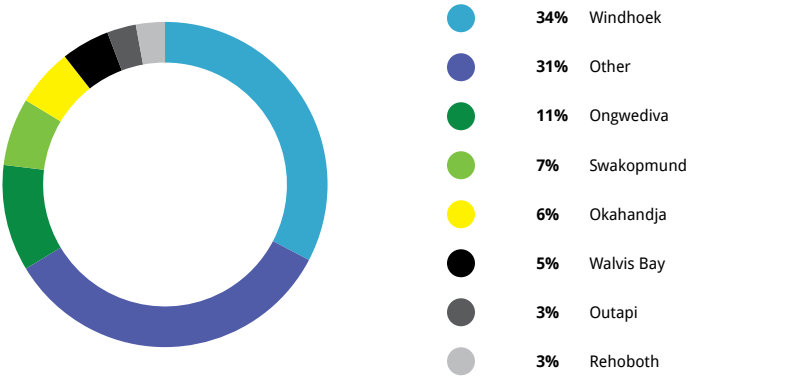


Figure 18: Learner Driver Licenses Issued

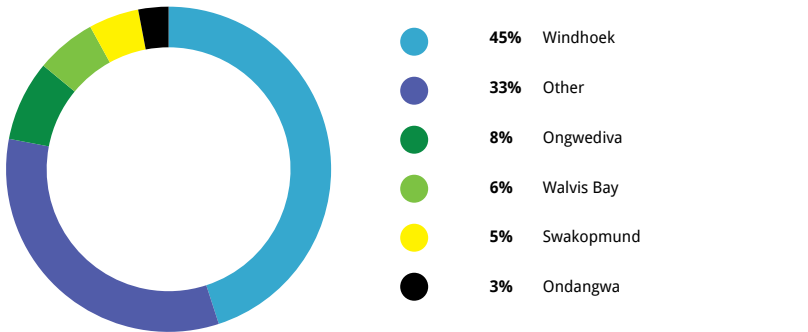
VEHICLE POPULATION

Namibia's registered vehicle population increased by 12,705 (3.51%) to 374,710. The following table summarises the growth and distribution of the vehicle population per Registering Authority.

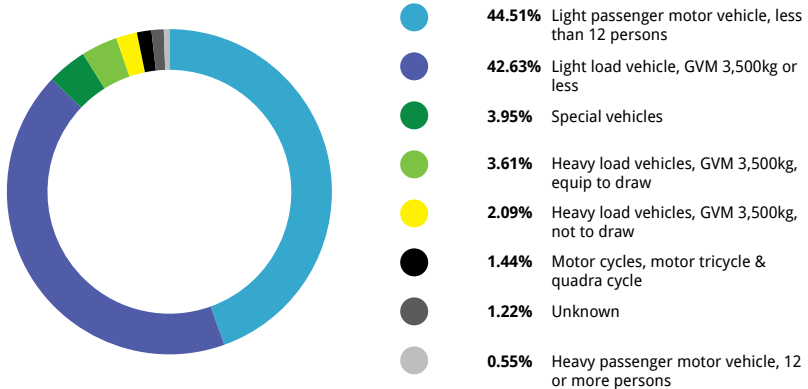
Table 9: Vehicle Population

ALL AUTHORITIES	2012/13	2013/14	2014/15	2015/16	2016/17	DISTRI-BUTION	% GROWTH
Aranos	1,233	1,194	1,178	1,064	941	0.25%	-11.56%
Bethanie	444	447	400	356	357	0.10%	0.28%
Eenhana	3,592	4,482	5,519	6,437	7,005	1.87%	8.82%
Gobabis	6,343	6,574	6,935	7,367	7,670	2.05%	4.11%
Government	7,542	8,351	10,061	9,748	9,447	2.52%	-3.09%
Grootfontein	4,254	4,608	4,967	5,487	5,723	1.53%	4.30%
Karasburg	1,953	2,035	2,191	2,314	2,412	0.64%	4.24%
Karibib	1,166	1,271	1,377	1,513	1,795	0.48%	18.64%
Katima Mulilo	3,599	3,942	4,607	5,488	5,876	1.57%	7.07%
Keetmanshoop	5,907	6,306	6,575	7,021	7,116	1.90%	1.35%
Khorixas	691	776	889	1,001	968	0.26%	-3.30%
Lüderitz	2,143	2,201	2,357	2,534	2,688	0.72%	6.08%
Maltahöhe	568	541	559	555	513	0.14%	-7.57%
Mariental	4,615	4,862	5,294	6,081	6,139	1.64%	0.95%
Nkurenkuru	0	0	0	0	528	0.14%	NA
Okahandja	5,532	5,976	6,426	6,858	7,035	1.88%	2.58%
Okakarara	631	627	665	740	803	0.21%	8.51%
Omaruru	2,263	2,435	2,443	2,508	2,532	0.68%	0.96%
Ondangwa	7,625	8,173	9,069	9,900	10,144	2.71%	2.46%
Opuwo	1,314	1,583	1,928	2,362	2,739	0.73%	15.96%
Oranjemund	2,394	2,593	2,817	2,910	3,174	0.85%	9.07%
Ongwediva	20,574	22,373	25,390	28,611	30,247	8.07%	5.72%
Otavi	1,108	1,043	1,013	985	874	0.23%	-11.27%
Otjinene	232	277	299	275	254	0.07%	-7.64%
Otjiwarongo	7,421	8,170	8,892	9,525	9,665	2.58%	1.47%
Outapi	5,504	6,333	7,441	8,351	9,040	2.41%	8.25%
Outjo	3,299	3,356	3,544	3,589	3,813	1.02%	6.24%
Pol/Nps	199	200	261	250	245	0.07%	-2.00%
Rehoboth	3,713	4,015	4,254	4,918	5,318	1.42%	8.13%
Ruacana	NA	NA	NA	559	922	0.25%	NA
Rundu	7,258	8,020	8,979	9,869	9,863	2.63%	-0.06%
Swakopmund	16,122	16,988	18,201	20,227	21,047	5.62%	4.05%
Tsumeb	5,583	6,048	6,636	7,266	7,478	2.00%	2.92%
Usakos	563	578	562	586	600	0.16%	2.39%
Walvis Bay	16,908	17,935	19,609	21,275	22,454	5.99%	5.54%
Windhoek	133,999	142,388	152,894	163,475	167,285	44.64%	2.33%
TOTAL	286,292	306,701	334,232	362,005	374,710	100.00%	3.51%

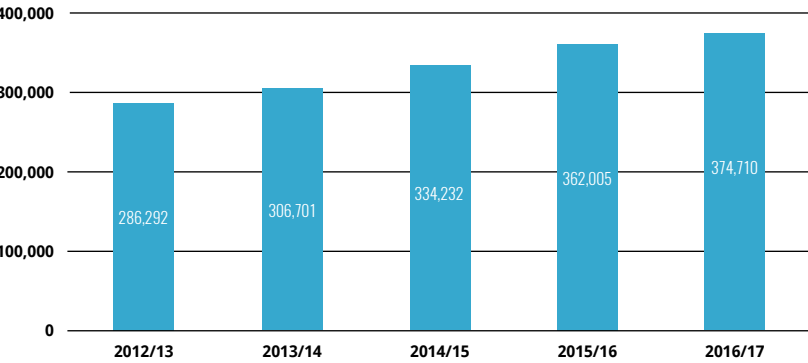
VEHICLE POPULATION DISTRIBUTION [%]



VEHICLE DISTRIBUTION BY TYPE [%]



VEHICLE POPULATION [NUMBER]



VEHICLE ANNUAL GROWTH NAMIBIA [%]

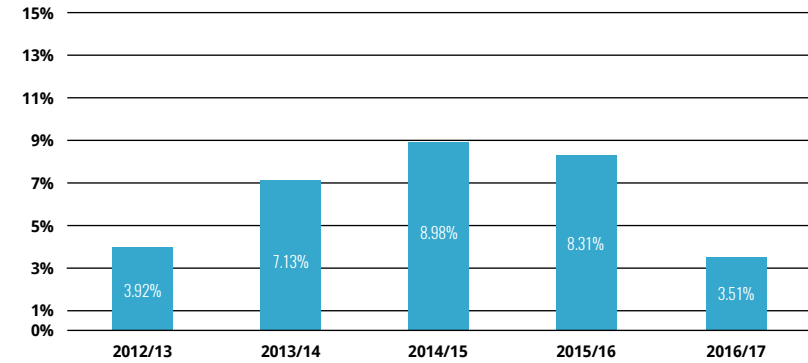


Figure 19: Vehicle Population

VEHICLE ROADWORTHY TESTING

The number of vehicle roadworthy tests increased by 8.81% to 93,807. The following table summarises the growth and distribution of the vehicle roadworthy tests per Vehicle Testing Station.

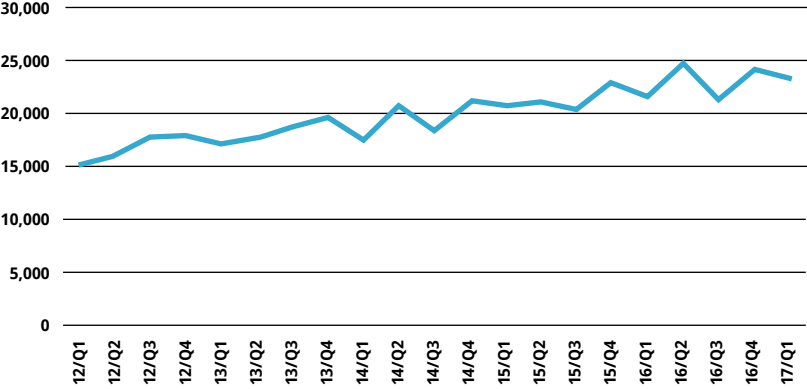
Table 10: Vehicle Roadworthy Testing

VEHICLE TESTING STATION	ALL VEHICLES (TESTS)					ALL VEHICLES (TRENDS)				
	Bus	Goods Vehicle	Motor Cycle	Other	Total	2013/ 14	2014/ 15	2015/ 16	2016/ 17	% Change
Eenhana	34	260	0	1,416	1,710	705	1,181	1,296	1,710	31.94%
Gobabis	24	397	9	1,816	2,246	1,832	1,884	2,407	2,246	-6.69%
Grootfontein	15	271	13	1,239	1,538	1,233	1,447	1,307	1,538	17.67%
Karasburg	31	97	1	333	462	322	428	400	462	15.50%
Karibib	77	292	8	805	1,182	401	479	534	1,182	121.35%
Katima Mulilo	34	0	0	999	1,033	717	834	999	1,033	3.40%
Keetmanshoop	17	46	10	1,407	1,480	1,113	1,340	1,249	1,480	18.49%
Lüderitz	91	114	8	487	700	463	630	718	700	-2.51%
Mariental	106	632	10	1,135	1,883	1,349	1,606	1,743	1,883	8.03%
Okahandja	0	20	4	3,071	3,095	2,757	3,255	2,822	3,095	9.67%
Opuwo	1	0	0	510	511	86	0	65	511	686.15%
Oranjemund	67	180	3	228	478	621	446	440	478	8.64%
Ongwediva	22	488	2	7,950	8,462	8,094	8,854	8,753	8,462	-3.32%
Otjiwarongo	69	1,280	9	2,485	3,843	2,481	2,933	3,376	3,843	13.83%
Outapi	13	37	0	1,346	1,396	0	303	1,018	1,396	37.13%
Outjo	62	659	9	799	1,529	1,030	1,284	1,370	1,529	11.61%
Rundu	16	3	1	2,507	2,527	2,538	2,761	2,760	2,527	-8.44%
Swakopmund	285	511	78	3,897	4,771	3,788	3,831	4,046	4,771	17.92%
Tsumeb	42	222	11	1,536	1,811	1,835	1,778	1,911	1,811	-5.23%
Walvis Bay	56	643	28	8,154	8,881	5,496	7,321	8,735	8,881	1.67%
Windhoek	934	1,984	202	41,149	44,269	36,497	38,263	40,265	44,269	9.94%
TOTAL	1,996	8,136	406	83,269	93,807	73,358	80,858	86,214	93,807	8.81%

Table 11: Vehicles tested per category

TEST PERIOD	BUS	GOODS VEHICLE	MOTOR CYCLE	OTHER	TOTAL
2016-Q2	626	2,954	109	21,234	24,923
2016-Q3	302	1,560	95	19,324	21,281
2016-Q4	644	1,606	123	21,864	24,237
2017-Q1	424	2,016	79	20,847	23,366
TOTAL	1,996	8,136	406	83,269	93,807
PERCENTAGE OF TOTAL	2.13%	8.67%	0.43%	88.77%	100%

ROAD WORTHY TESTS [QUARTERLY] [NUMBER]



DEMARICATION OF ROADWORTHY TESTS PER CATEGORY [% / NUMBER]

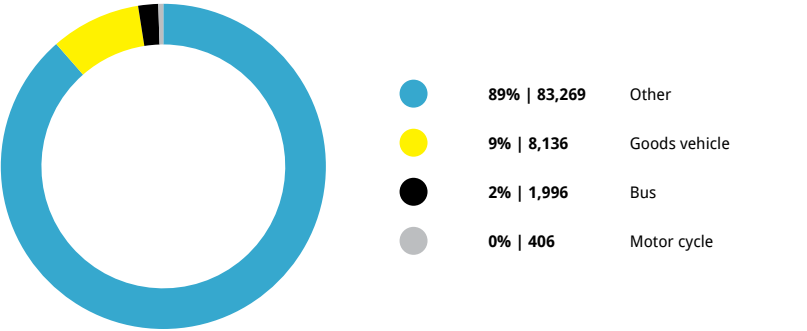


Figure 20: Vehicle Roadworthy Testing

ENATIS TRANSACTIONS + REVENUE COLLECTION

The eNaTIS recorded 1,272,796 transactions for which money was collected. An income of N\$ 608,093,829.66 was generated with an increase of 8.69% compared to 2015/16. The breakdown of this amount is indicated in the table below.

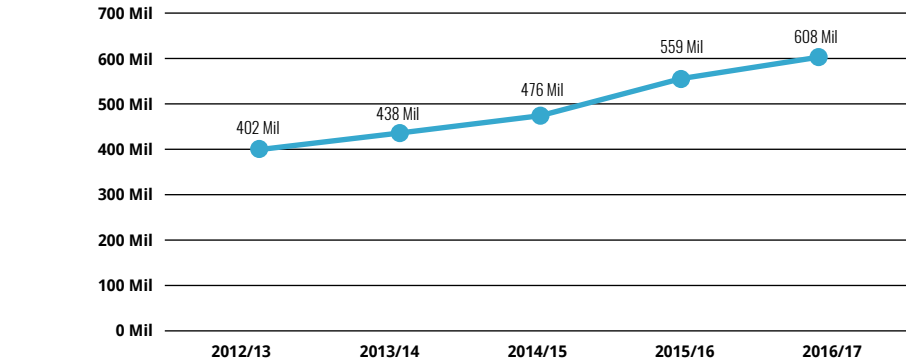
Table 12: eNaTIS Transactions and Revenue Collection

ROAD USER CHARGES	2015/16	2016/17	% INCREASE	INCREASE/DECREASE AMOUNT	# TRANS-ACTIONS
Vehicle Licensing, Temporary and Special Permits	N\$503,687,516.88	N\$550,133,110.06	9.22%	N\$46,445,593.18	672,912
NON ROAD USER CHARGES					
Vehicle Registration	N\$15,323,225.80	N\$16,454,916.60	7.39%	N\$1,131,690.80	109,160
Specific Licence Numbers	N\$2,163,248.00	N\$ 2,142,108.00	-0.98%	N\$ -21,140.00	7,884
Personalised Licence Numbers	N\$4,290,288.00	N\$3,880,512.00	-9.55%	N\$-409,776.00	2,653
Learner and Driver Testing and Licensing	N\$23,052,546.00	N\$23,844,785.00	3.44%	N\$792,239.00	312,720
Vehicle Roadworthy Certification	N\$10,821,290.00	N\$11,541,726.00	6.66%	N\$720,436.00	166,223
Person Transactions	N\$127,638.00	N\$96,672.00	-24.26%	N\$-30,966.00	1,244
TOTAL	N\$559,465,752.68	N\$608,093,829.66	8.69%	N\$48,628,076.98	1,272,796

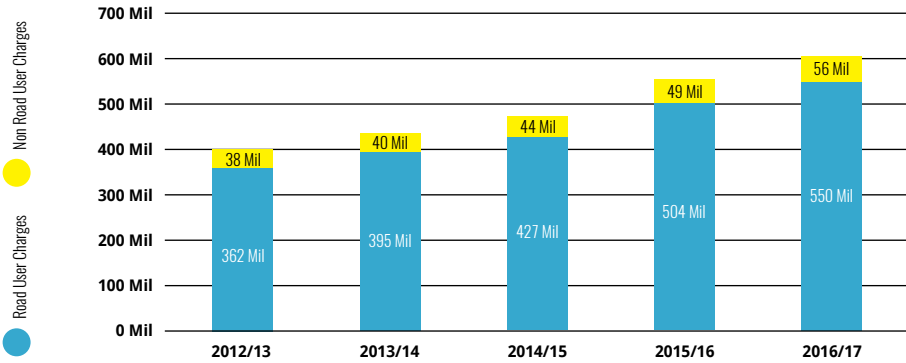
Table 13: eNaTIS Revenue Collection For The Last Five Financial Periods

ROAD USER CHARGES	2012/13	2013/14	2014/15	2015/16	2016/17
Vehicle Licensing, Temporary and Special Permits	361,842,361.40	394,505,226.90	426,738,847.30	503,687,516.90	550,133,110.06
NON ROAD USER CHARGES					
Vehicle Registration	9,773,221.00	10,927,166.00	13,648,717.00	15,323,225.80	16,454,916.60
Specific Licence Numbers	1,754,256.00	2,080,220.00	2,180,912.00	2,163,248.00	2,142,108.00
Personalised Licence Numbers	2,302,056.00	3,294,648.00	3,961,920.00	4,290,288.00	3,880,512.00
Learner and Driver Testing and Licensing	17,168,775.00	18,080,290.00	18,800,435.00	23,052,546.00	23,844,785.00
Vehicle Roadworthy Certification	8,706,456.00	9,327,000.00	10,139,614.00	10,821,290.00	11,541,726.00
Person Transactions	107,040.00	115,008.00	126,336.00	127,638.00	96,672.00
Manual Charges	96.00	0.00	0.00	0.00	0.00
TOTAL	401,654,261.40	438,329,558.90	475,596,781.30	559,465,752.70	608,093,829.66

ENATIS REVENUE COLLECTION [N\$]



REVENUE COLLECTED [ROAD USERS VS NON ROAD USERS] [N\$]



NATIS REVENUE COLLECTION DISTRIBUTION [%]

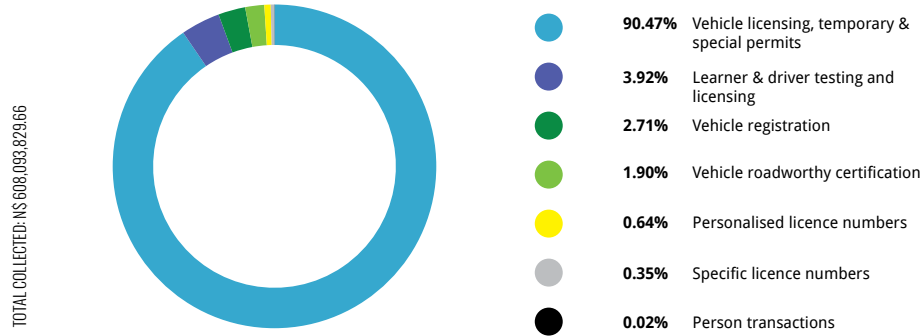


Figure 21: eNaTIS Transactions and Revenue Collection

TRANSPORT REGULATION

The RA 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 organisation also processes the application and issuing of abnormal permits.

STATISTICS OF CROSS BORDER ROAD CARRIER PERMITS

A total of 13,926 permits were issued representing an increase of only 13.46% compared to the previous year of 2015/16. The statistics per country is indicated in the table below.

Table 14: Statistics Of Cross Border Road Carrier Permits

COUNTRY	2012/13	2013/14	2014/15	2015/16	2016/17	GROWTH	% GROWTH
Botswana	211	217	269	304	363	59	19.41%
Lesotho	11	5	16	28	27	-1	-3.57%
South Africa	6,736	7,586	8,085	8,383	9,219	836	9.97%
Swaziland	50	114	169	222	246	24	10.81%
Zambia	2,078	2,257	2,347	2,037	2,499	462	22.68%
Zimbabwe	1,227	1,480	1,340	1,300	1,572	272	20.92%
TOTAL	10,313	11,659	12,226	12,274	13,926	1,652	13.46%

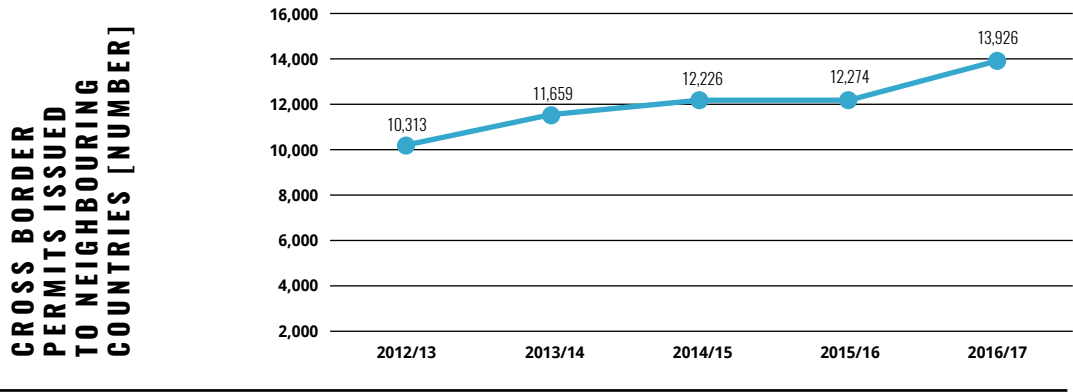


Figure 22 A: Statistics Of Cross Border Road Carrier Permits

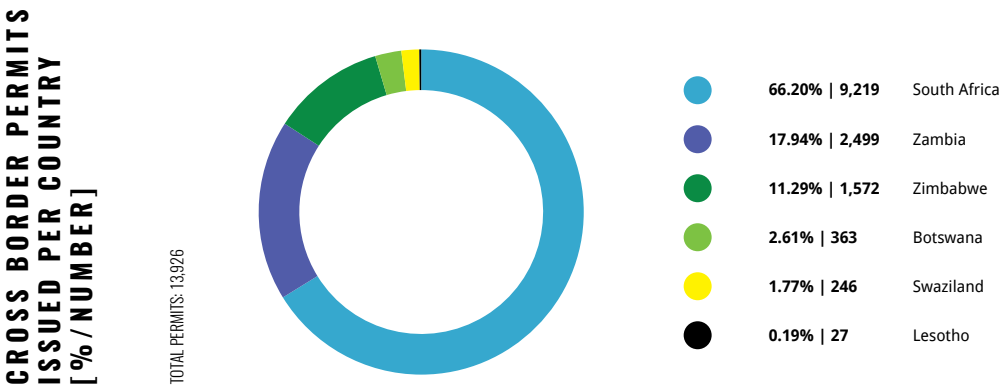


Figure 22 B: Statistics Of Cross Border Road Carrier Permits

STATISTICS OF DOMESTIC ROAD CARRIER PERMITS

A total of 14,207 domestic road carrier permits were issued representing a decrease of 4.5% compared to the previous year of 2015/2016. The statistics per type of applications/permits are indicated in the table below.

Table 15: Statistics Of Cross Border Road Carrier Permits

TYPE OF PERMIT	2012/13	2013/14	2014/15	2015/16	2016/17	GROWTH	% GROWTH
New Application	3,397	3,433	5,226	6,009	5,588	-421	-7.01%
Replacement of Vehicle Application	7	4	5	2	9	7	350.00%
Temporary Permit Application locals	854	717	778	756	1,003	247	32.67%
Transfer of Permit Application	91	105	107	101	101	0	0.00%
Duplicate Permit Application	360	818	1,289	1,545	1,073	-472	-30.55%
Change of Route Application	30	39	57	62	48	-14	-22.58%
Additional Vehicle Application	6	1	4	2	1	-1	-50.00%
Additional Authority Application	4	15	14	13	2	-11	-84.62%
Direct Replacement Application	6,314	4,379	4,342	5,865	6,189	324	5.52%
Temporary Permit foreign vehicles	278	362	346	522	193	-329	-63.03%
TOTAL	11,341	9,873	12,168	14,877	14,207	-670	-4.50%

DOMESTIC PERMITS PROCESSED [NUMBER]

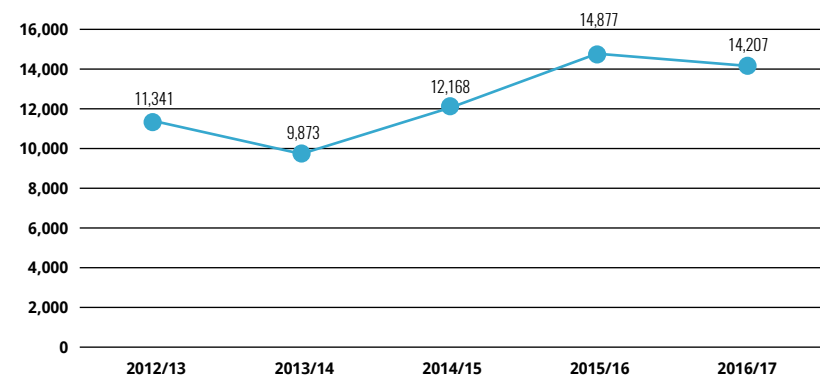


Figure 23: Statistics Of Domestic Road Carrier Permits

ISSUING OF ABNORMAL LOAD PERMITS

A total of 3,135 abnormal permit applications were processed, representing an increase of 13.79% in the number of applications compared to the previous financial year (2015/2016).

Table 16: Issuing of Abnormal Load Permits

CATEGORY	2012/13	2013/14	2014/15	2015/16	2016/17	GROWTH	% GROWTH
APPLICATIONS RECEIVED	2,012	3,399	3,769	2,755	3,135	380	13.79%
Applications not issued/cancelled	263	1,127	828	686	892	206	30.03%
Applications issued	1,749	2,272	2,941	2,068	2,243	175	8.46%
Paid	1,743	2,269	2,935	2,068	2,243	175	8.46%
GRN not paid	6	3	6	1	4	3	300.00%

ABNORMAL LOAD PERMITS PROCESSED [NUMBER]

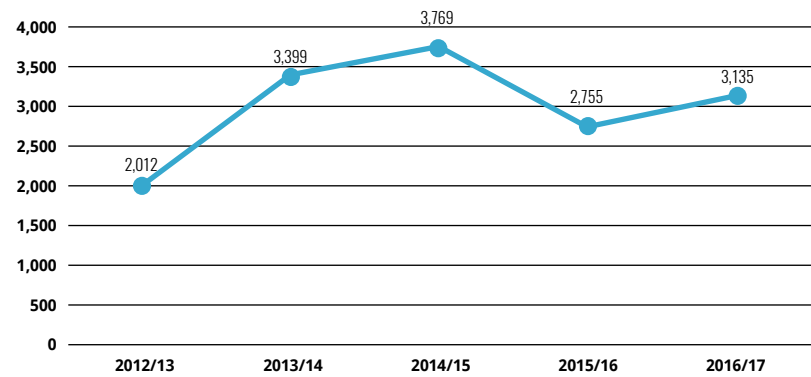


Figure 24: Issuing of Abnormal Load Permits

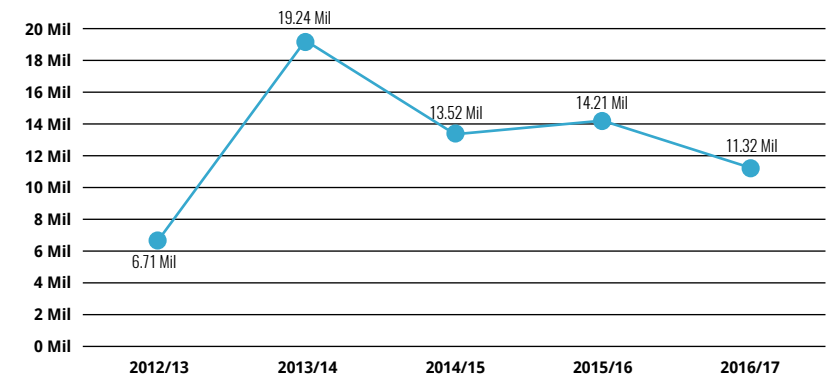
REVENUE COLLECTION FOR TRANSPORT REGULATION

The 20.4% decrease in the revenue is directly related to the cost of the abnormal permits transactions that were processed of which the cost per abnormal permit is determined by the RA's engineers for the damage of the overload on the road network.

Table 17: Revenue Collection For Transport Regulation

CATEGORY	2012/13	2013/14	2014/15	2015/16	2016/17	GROWTH	% GROWTH
Cross border	N\$ 480,550	N\$ 538,160	N\$ 530,700	N\$ 539,930	N\$ 545,020	N\$ 5,090	0.94%
Domestic	N\$ 366,475	N\$ 465,745	N\$ 548,185	N\$ 605,195	N\$ 596,605	N\$ -8,590	-1.42%
Abnormal	N\$ 5,862,428	N\$ 18,232,287	N\$ 12,442,766	N\$ 13,064,526	N\$ 10,175,865	N\$ -2,888,661	-22.1%
TOTAL	N\$ 6,709,453	N\$ 19,236,192	N\$ 13,521,651	N\$ 14,209,651	N\$ 11,317,490	N\$ -2,892,161	-20.4%

TRANSPORT REGULATION REVENUE COLLECTION [N\$]



REVENUE COLLECTION DISTRIBUTION [%/N\$]

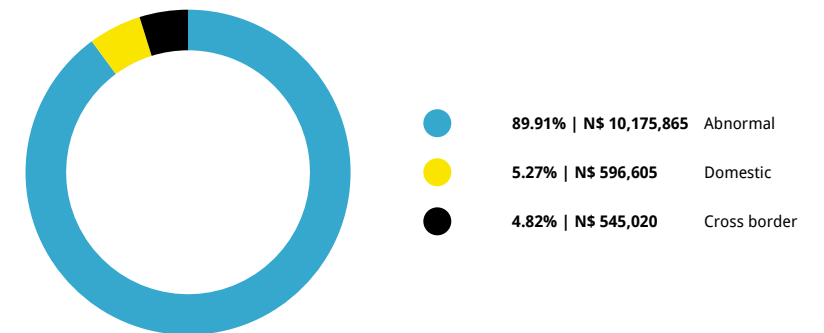
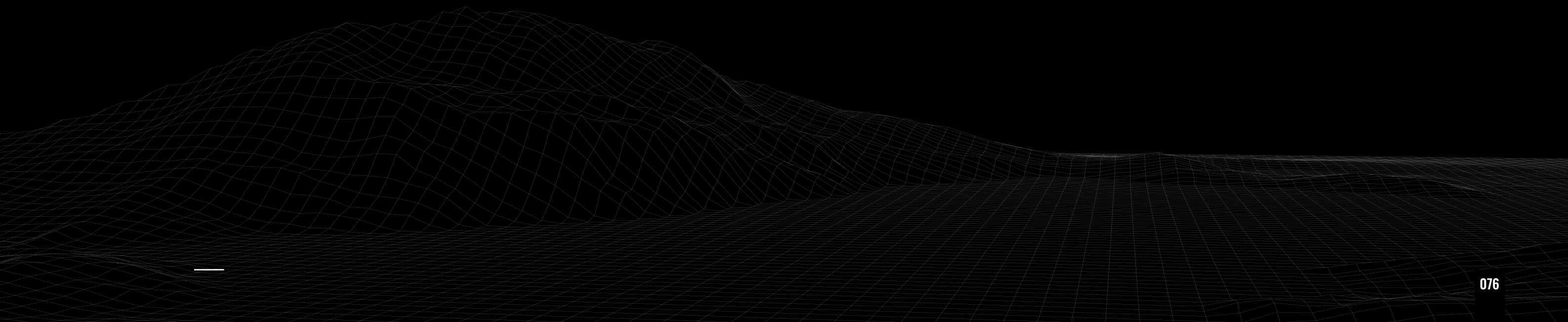


Figure 25: Revenue Collection For Transport Regulation

C O R P O R A T E S E R V I C E S 008



MANDATE

Corporate Services is responsible for the provision of support services to the RA in the area of Human Resource Management, Administration Support, Information Communication Technology and Finance Management.

During the period under review, the Division carried out activities that revolved around the coordination of the implementation of the Strategic Plan, Performance Management, learning and skills development as well staffing of key positions. Other activities carried out are the completion of the construction of RA Head Office in Windhoek, continuous registration of immovable Assets from the Government in the name of RA Auctioning obsoletes, renovating of some Regional and District Offices country wide, provision of Security and cleaning services to RA properties.

HUMAN RESOURCES

The RA staff compliment, turnover and establishment during the period under review is highlighted below.

Table 18: 2016 /17 RA Staff Complement & Staff Turnover	
POSITIONS ON STRUCTURE	772
STAFF IN SERVICE	583
EXPATRIATES	6
APPOINTMENTS	67
APPOINTMENTS: EXTERNAL	59
APPOINTMENT: PROMOTIONS	14
RESIGNATIONS	21
DISMISSALS	3
CONTRACT EXPIRY	4
RETIREMENT	0

Table 19: Staff Establishment, New Positions	
EXECUTIVES	6
CEO'S OFFICE	34
CORPORATE SERVICE	72
C&R	52
MAINTENANCE	101
RMS	35
NPC	27
TI & RS	284
RTTI	161
TOTAL	772

HUMAN RESOURCES MANAGEMENT AND ORGANISATIONAL TRANSFORMATION

During the period under review, the organisation continued with efforts and initiatives of organisational development and transformation. The following projects were completed and some are on-going.

EMPLOYEE RELATIONS, OSHE + WELLNESS HUMAN RESOURCES

DISCIPLINARY CASES

In general, the rate of disciplinary hearings within the organisation has reduced significantly compared to previous years. Only eight (8) cases were reported during the 2016/17 reporting period:

- Two (2) final written warnings were issued and 1 was set aside upon appeal;
- Two (2) resignations were received during the disciplinary process;
- One (1) case of abscondment;
- Two (2) disciplinary hearing cases are still pending.

GRIEVANCES

On overall, the rate of grievance hearings within the organisation has reduced significantly compared to previous periods. Only three grievances were handled during this period:

- One (1) employee reported 2 separate grievances for alleged victimisation and forceful transfer. One of them was resolved while the other one is still pending.
- Another grievance for alleged victimisation was reported but the matter was resolved amicably.

INDUSTRIAL ACTIONS (STRIKES)

During this period, no work stoppages or industrial actions such as strikes (legal or illegal, go-slow, etc.) were experience or reported.

NEGOTIATIONS AND MANAGEMENT/SHOP- STEWARDS CONSULTATIVE MEETINGS

Salary negotiations did not take place during the period under review as there is a substantive agreement in terms of the RA Remuneration Policy entered between Authority and NAPWU to negotiate only after every second year and the

other year a remuneration benchmarking study has to be conducted. Negotiations on the recognition agreement and employing a full-time shop-steward were done with relative parties. A benchmarking study on a full-time shop-steward was done and then presented during negotiations.

Five shop-stewards/management consultative meetings took place during the period under review and issues of mutual interest which dealt with conditions of employment were discussed, clarified and resolved at this platform.

These meetings enable the two social partners to engage and on any issue of mutual interest and further assist the two parties to enhance the employer/employee relationship in the spirit of smart partnership.

CONCILIATION/ARBITRATION

Two (2) cases were reported at the Office of the Labour Commissioner during the period under review and one (1) case was withdrawn while the other is still pending.

AFFIRMATIVE ACTION

- Affirmative Action Compliance certificate was issued for the period 2015/2016.
- Members of the Affirmative Action Committee were trained and actively involved in the implementation of the Act, AA Plan and AA Reports.
- Affirmative Action Committee members now also serve on the interview panels.

OSHE & WELLNESS

The organisation continued providing quality OSHE & Wellness services to its management and employees to sustain compliance in keeping up with international standards and best practices.

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

During the period under review, the RA ICT department continued to deliver optimum and adequate ICT services to the organisation in support of its strategic objectives and operations. Maintenance and upgrading of ICT core infrastructure took place in the following ICT areas:

- IBMS extension and enhancement to cater for the procurement act and new procurement unit by reconfiguration, redeployment and customisation of the IBMS functionality.
- Upgrading of the outdated RA website in order to accommodate the new corporate image and effectively communicate with our stakeholders.
- Upgrading of the core server infrastructure to replace obsolete servers from HP to IBM Flex Systems at both Production and Disaster Recovery Site to cater for expanding ICT resource needs.
- Upgrading of the data communication network to high bandwidth capacity to cater for the RFA system that is deployed across RA, NaTIS offices countrywide.

The RA ICT department continues to engage in ICT research to provide RA and its stakeholders with state of the art, fit-for-purpose and secure ICT solution and services at all times, DATA Transmission and Communication Networks.

The RA Multiprotocol Label Switching Virtual Private Networks (MPLS/VPN) is a high-performing network, consisting of approximately 82 branches countrywide comprising of eNaTIS centers, Weighbridges, District Offices and Regional offices securely interconnected in order to share business-critical network services 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 Boarder Road Transport System (CBRTS).

In this respect, the RA ICT has continued to maintain network availability and uptime of 99% and a

minimum throughput of 512 Kilobits per second. Additionally, owing to excellent scalability qualities of the network, the organisation seamlessly added three new branches, NaTIS Ruacana, NaTIS Nkurenkuru, Outapi District Road Maintenance office and RTTI Erongo, to the network.

INTEGRATED BUSINESS MANAGEMENT SYSTEM

The Integrated Business Management System (IBMS), which supports financial management, human resource management, project management and asset management, continues to assist the organisation to render quality and effective services to our stakeholders by ensuring accurate transactions processing and providing quality information for decision-making and service delivery.

During the period under review, the RA ICT made endeavors to get up-to-date information on the latest IBMS technological platform (Microsoft Dynamics AX) in order to ensure continued product life support from Microsoft for IBMS maintenance.

In addition, improvements of the IBMS were finalised. These include the new bank EFT formats, self-service portal, new procurement procedures, redeveloping and redeploying the improved workflow and reporting capability for financial and payroll compliance reporting needs.

RA PRODUCTION DATA CENTRE (PDC) & DISASTER RECOVERY CENTRE(DRC)

The RA ICT continues to maintain the Production Data Centre (PDC) and Disaster Recovery Centre (DRC) to an industry standard to ensure data security and minimize data loss in the event of a disaster. The architecture makes provision for a disaster recovery data center and a fully replicated production data center. These data centers are running leading technology in virtualisation and industry recognised storage area networks (SAN). To ensure high availability of ICT services, the data centers are further enhanced and optimised using Fibre Channels to interface the SAN and the server infrastructure.

The RA ICT has established a robust backup system for the PDC and DRC to protect RA data and systems. A radio link is installed and monitored daily solely for eNaTIS data and application replication, to mitigate and address any associated risks and disaster recovery scenarios to ensure high availability of this critical application.

Both the RA Production Data Center (PDC) and Disaster Recovery Center (DRC) have environmental monitoring units installed for proactive monitoring of external factors such as temperature, humidity and power outages. This allows ICT support team to proactively monitor these external factors, identify and reduce any imminent risks that might compromise the availability of services to the Roads Authority stakeholders.

The RA ICT has also installed emergency power generators at both the PDC and DRC to provide redundant power in case of any outages, which when combined with the use of GSM technology, provides real-time notifications.

The RA ICT has installed Regional Servers to ensure that all Regional Offices are well equipped with new and updated hardware. Providing efficient distribution and sharing of information regarding RA's Road Infrastructure on tailor-made Road Management System.

ICT SERVICE DELIVERY AND SUPPORT

As for internal client support, with limited resources and the diverse dispensation of offices countrywide, the organisation has implemented Remote Control Management Tools to provide remote support. This has decreased the amount of time an ICT Technician/ Staff member would have to be away from the office and the associated travel costs. These tools are also used to distribute critical software and system updates over limited network bandwidths.

The RA ICT has also provided new office with all the related ICT equipment needed at the various offices (Nkurenkuru NaTIS Office, Ruacana NaTIS Office, Outapi District Maintenance Office, Walvis Bay Weighbridge Regional Office.

ADMINISTRATION + SHARED SERVICES

The design concepts for the construction of the Mariental district office were completed and approved. The appointment for the construction of Mariental was halted due to financial constraints and deferred to financial year 2018/19.

In the course of this period, one of the properties was registered in the RA's and another one was valued and rezoned. The organisation also carried out preventive maintenance and construction work at the RA offices mentioned in the table below.

Table 20: Administration & Shared Services

OFFICE	SME	DESCRIPTION	AMOUNT
Katima Mulilo District Office	Kettu Trading Enterprises cc	Construction work	N\$ 58,420.00
Rundu District Office	Afro Wits Engineering	Construction work	N\$ 31,970.00
Ongwediva Regional Office	Afro Wits Engineering	Construction work	N\$ 74,750.00
Ongwediva regional Office	Kettu Trading Enterprises cc	Storage facilities	N\$ 1,149,076.55
Outapi Satellite Office	Affordable Containers & Mobile Prefab co.	Prefab office	N\$ 131,000.00
Eenhana Satellite Office	Affordable Containers & Mobile Prefab co.	Prefab Office	N\$ 131,000.00
TOTAL			N\$ 1,576,216.55



AUDIT CERTIFICATION 009



**AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS
OF THE ROADS AUTHORITY
FOR THE YEAR ENDED 31 MARCH 2017**

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 2017"*

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

WINDHOEK, November 2017

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**



**A N N U A L F I N A N C I A L
S T A T E M E N T S F O R T H E Y E A R
E N D E D 3 1 M A R C H 2 0 1 7**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Namibia
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Management of the National Road Network of Namibia
DIRECTORS	B. Katjaerua (Chairperson) E. Motinga (Deputy chairperson) L. Brandt C. Smith T. Nashidengo
REGISTERED OFFICE	Cnr David Meroro & Mandume Ndemufayo street Windhoek Namibia
BUSINESS ADDRESS	Cnr David Meroro & Mandume Ndemufayo street Windhoek Namibia
POSTAL ADDRESS	Private Bag 12030 Ausspannplatz Windhoek Namibia
HOLDING AUTHORITY	The Ministry of Works and Transport
BANKER	Bank Windhoek Limited
AUDITOR	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)

CONTENTS

The reports and statements set out below comprise the financial statements presented to the shareholder:

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DIRECTORS' RESPONSIBILITIES + 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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon 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 control 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

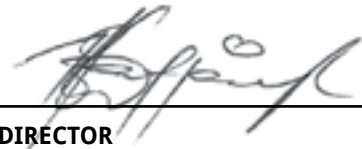
the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and 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 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 2018 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 authority's financial statements. The financial statements have been examined by the authority's external auditors and their report is presented on pages 89 to 90.

The financial statements set out on pages 91-117, which have been prepared on the going concern basis, were approved by the board and were signed on their behalf by:



DIRECTOR

Windhoek
22 November 2017



DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Roads Authority

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Roads Authority (the Authority) as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Roads Authority Act, Act 17 of 1999.

WHAT WE HAVE AUDITED

Roads Authority's financial statements set out on pages 93-119 comprise:

- the directors' report for the year ended 31 March 2017;
- the statement of financial position as at 31 March 2017;
- the statement of surplus or deficit and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

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

INDEPENDENCE

We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with this and in accordance with other ethical requirements applicable to performing audits in Namibia.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the general information and the statement of responsibility of the directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PRICEWATERHOUSECOOPERS

Per: Samuel N Ndahangwapo (Partner)

Windhoek
24 November 2017

DIRECTORS’ REPORT

The directors have pleasure in submitting their report on the financial statements of Roads Authority for the year ended 31 March 2017.

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 MEETINGS (10 MEETINGS HELD DURING THE FINANCIAL YEAR	AUDIT BOARD COMMITTEE (4 MEETINGS HELD DURING THE FINANCIAL YEAR	BOARD TENDER COMMITTEE (10 MEETINGS HELD DURING THE FINANCIAL YEAR	HR BOARD COMMITTEE (2 MEETINGS HELD DURING THE FINANCIAL YEAR
Ms H. Kaifanua	10	-	10	-
Ms M.E Hanekom	10	-	10	-
Mr L. Likando	10	4	10	2
Mr B. Katjaerua	10	4	10	2
Ms. E. Haipinge	10	4	10	2

4. DIRECTORS

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

DIRECTORS	NATIONALITY	CHANGES
B. Katjaerua (Chairperson)	Namibian	Re-appointed 15 July 2017
E. Motinga (Deputy chairperson)	Namibian	Appointed 15 July 2017
L. Brandt	Namibian	Appointed 15 July 2017
C. Smith	Namibian	Appointed 15 July 201
T. Nashidengo	Namibian	Appointed 01 October 2017
H. Kaifanua	Namibian	Term expired 14 July 2017
M.E Hanekom	Namibian	Term expired 14 July 2017
L. Likando	Namibian	Term expired 14 July 2017
E.S.T Haipinge	Namibian	Term expired 14 July 2017

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 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 non- compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Authority.

7. AUDITOR

PricewaterhouseCoopers continued in office as the auditor for the Authority for 2017.

8. SECRETARY

The Authority had no secretary during the year under review.

9. DIRECTORS’ INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into which directors or officers of the Authority had an interest and which significantly affected the business of the Authority.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTE(S)	2017 N\$ '000	2016 N\$ '000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	340,305	215,480
Intangible assets	5	1,085	2,890
Prepayments	6	32,911	42,187
		374,301	260,557
CURRENT ASSETS			
Trade and other receivables	7	238,144	310,802
Cash and cash equivalents	8	86,482	67,361
		324,626	378,163
Total Assets		698,927	638,720
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 obligations	9	8,341	5,570
Retirement benefit obligation	10	99,181	105,652
Deferred income	11	343,882	232,733
		451,404	343,955
Current Liabilities			
Trade and other payables	12	212,077	222,289
Finance lease obligations	9	4,602	4,356
Deferred income	11	19,166	56,442
		235,845	283,087
Total Liabilities		687,249	627,042
TOTAL EQUITY AND LIABILITIES		698,927	638,720

STATEMENT OF SURPLUS OR DEFICIT + OTHER COMPREHENSIVE INCOME

	NOTE(S)	2017 N\$ '000	2016 N\$ '000
REVENUE			
Grants received: Road Fund Administration		1,627,001	1,342,677
OTHER INCOME			
Guarantees claimed on default contracts		-	6,313
Tender documents		1,225	1,080
Sundry income		3,057	988
	17	4,282	8,381
OPERATING EXPENSES			
Other administration expenses		(114,523)	(99,273)
Auditors remuneration	21	(328)	(454)
Amortisation		(1,805)	(1,856)
Depreciation		(12,257)	(10,752)
Employee costs		(269,242)	(235,566)
		(398,155)	(347,901)
OTHER OPERATING EXPENSES			
Project administrative expenses		(11,799)	(10,137)
Weigh bridge maintenance		(5,990)	(6,083)
Namibian Traffic Information Systems		(38,986)	(44,445)
Road management system		(32,968)	(19,960)
Research,development and feasibility studies		(15,074)	(474)
Routine and periodic maintenance		(996,050)	(716,085)
Construction and rehabilitation		(172,586)	(183,953)
Fencing and compensation		(5,765)	(23,913)
		(1,279,218)	(1,005,050)
		(1,677,373)	(1,352,951)
OPERATING SURPLUS / (DEFICIT)	21	(46,090)	(1,893)
Interest received	14	2,951	3,657
Finance costs	18	(1,211)	(1,119)
(LOSS) PROFIT FOR THE YEAR		(44,350)	645
Transfer surplus/ (deficit) to Roads Fund Administration		44,350	(645)
SURPLUS / (DEFICIT) FOR THE YEAR		-	-
Items that will not be reclassified to surplus or deficit:			
Remeasurements on net defined benefit liability/asset		20,839	457
Transfer of other comprehensive surplus/ (deficit) to Roads Fund Administration		(20,839)	(457)
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-

STATEMENT OF CHANGES IN EQUITY

	GOVERNMENT CONTRIBUTION N\$ '000	RETAINED INCOME N\$ '000	TOTAL EQUITY N\$ '000
Balance at 01 April 2015	8,992	2,686	11,678
Balance at 01 April 2016	8,992	2,686	11,678
Balance at 31 March 2017	8,992	2,686	11,678

STATEMENT OF CASH FLOWS

	NOTE(S)	2017 N\$ '000	2016 N\$ '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Road Fund Administration		1,757,625	1,261,909
Cash paid to suppliers and employees		(1,606,179)	(1,142,794)
Cash generated from operations	22	151,446	119,115
Interest income	14	2,951	3,657
Finance costs	18	(1,211)	(1,119)
NET CASH FROM OPERATING ACTIVITIES		153,186	121,653
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(137,082)	(106,383)
Purchase of other intangible assets	5	-	(82)
NET CASH FROM INVESTING ACTIVITIES		(137,082)	(106,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments capital redemption	9	3,017	(167)
TOTAL CASH AND CASH EQUIVALENTS MOVEMENT FOR THE YEAR		19,121	15,021
Cash and cash equivalents at the beginning of the year		67,361	52,340
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	8	86,482	67,361

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Roads Authority Act, Act 17 of 1999.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the Authority's functional currency.

These accounting policies are consistent with the previous period.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Trade receivables

The Authority assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Authority makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment of non-financial 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. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Residual values and useful lives of property, plant and equipment

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.

Post-employment benefit obligations

Actuarial valuations used to value post-employment benefits obligations are based on assumptions which include employee turnover, 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.

1.3 PROPERTY, PLANT AND EQUIPMENT

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

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the authority, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Authority and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Authority. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	2%
Plant and machinery	Straight line	6.66% - 33.33%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Computer equipment	Straight line	33.33%
Cellular phones	Straight line	50%

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Land is not depreciated.

1.4 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

1.5 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 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 (more than 30 days overdue) 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.

1.6 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 discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

1.7 TAXATION

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

1.8 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.
- tests goodwill acquired in a business combination for impairment annually.

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. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 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.

If the Authority 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 Authority's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.10 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Authority'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.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

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

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Authority is demonstrably committed to curtailment or settlement.

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.

1.11 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 .

1.12 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).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.13 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 back to the Road Fund Administration.

1.14 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.

NOTES TO THE FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the Authority 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 July 2015	The impact of the standard is not material.
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016	The impact of the standard is not material.
Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
Amendment to IAS 19: Employee Benefits: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the amendment is not material.

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The Authority has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Authority’s accounting periods beginning on or after 01 April 2017 or later periods:

STANDARD/ INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
Amendments to IAS 7: Disclosure initiative	01 January 2017	Unlikely there will be a material impact
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	01 January 2017	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, and on such conditions as the Ministry may determine, have transferred to the Roads Authority, with effect from 1 April 2000, such 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 retention's for various projects and routine maintenance performed by the Authority. The main purpose of these financial liabilities is to maintain adequate cashflows 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 cashflow 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 2017 based on contractual undiscounted payments.

AT 31 MARCH 2017	LESS THAN 1 YEAR	MORE THAN 1 YEAR
Trade and other payables	177,537	-
Finance lease obligations	4,602	8,341

AT 31 MARCH 2016	LESS THAN 1 YEAR	MORE THAN 1 YEAR
Trade and other payables	222,289	-
Finance lease obligations	4,356	5,570

INTEREST RATE RISK

The Authority is not exposed to a material 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 a material 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	2017 N\$ '000	2016 N\$ '000
Trade and other receivables	227,944	262,027
Cash and cash equivalents	84,896	67,361

FOREIGN EXCHANGE RISK

The Authority is not exposed to foreign exchange risk.

PRICE RISK

The Authority is not exposed to equity securities and thus not exposed to price risk.

4. PROPERTY, PLANT AND EQUIPMENT

	2017 N\$ '000		
	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
Land and buildings	313,501	(4,991)	308,510
Plant and machinery	11,713	(8,697)	3,016
Furniture and fixtures	22,056	(10,236)	11,820
Motor vehicles	1,637	(1,261)	376
Computer equipment	35,901	(31,319)	4,582
Leased vehicles	33,650	(21,649)	12,001
Work in progress - Head office	-	-	-
TOTAL	418,458	(78,153)	340,305

	2016 N\$ '000		
	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
Land and buildings	27,451	(3,991)	23,460
Plant and machinery	9,885	(7,097)	2,788
Furniture and fixtures	13,721	(9,018)	4,703
Motor vehicles	1,637	(1,234)	403
Computer equipment	31,548	(28,004)	3,544
Leased vehicles	31,411	(22,356)	9,055
Work in progress - Head office	171,527	-	171,527
TOTAL	287,180	(71,700)	215,480

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2017 - N\$ '000

	OPENING BALANCE	ADDITIONS	TRANSFERS	DEPRECIATION	TOTAL
Land and buildings	23,460	114,523	171,527	(1,000)	308,510
Plant and machinery	2,788	1,828	-	(1,600)	3,016
Furniture and fixtures	4,703	8,335	-	(1,218)	11,820
Motor vehicles	403	-	-	(27)	376
Computer equipment	3,544	4,352	-	(3,314)	4,582
Leased vehicles	9,055	8,044	-	(5,098)	12,001
Work in progress - Head office	171,527	-	(171,527)	-	-
TOTAL	215,480	137,082	-	(12,257)	340,305

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
TOTAL	119,843	106,383	6	(10,752)	215,480

OTHER INFORMATION

List of property, plant and equipment are available for inspection at the registered office.

5. INTANGIBLE ASSETS

2017 N\$ '000			
	COST / VALUATION	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer software	11,240	(10,155)	1,085
2016 N\$ '000			
	COST / VALUATION	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer software	11,240	(8,350)	2,890

RECONCILIATION OF INTANGIBLE ASSETS - 2017 - N\$ '000

	OPENING BALANCE	AMORTISATION	TOTAL
Computer software	2,890	(1,805)	1,085

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

6. PRE-PAYMENTS

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 installments, starting six months before the contract completion date.

	2017 N\$ '000	2016 N\$ '000
Prepayments	32,911	42,187

7. TRADE AND OTHER RECEIVABLES

	2017 N\$ '000	2016 N\$ '000
Road Fund Administration	225,124	257,227
Prepayments to contractors	10,200	48,775
Other debtors	2,820	4,800
TOTAL	238,144	310,802

CREDIT QUALITY OF TRADE AND OTHER RECEIVABLES

The credit quality of trade and other receivables that are neither past nor due 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	2017 N\$ '000	2016 N\$ '000
Other receivables	238,144	310,802

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2017 N\$ '000	2016 N\$ '000
Cash on hand	16	16
Bank balances	86,466	67,345
TOTAL	86,482	67,361

CREDIT QUALITY OF CASH AT BANK, EXCLUDING CASH ON HAND

The credit quality of cash at bank, 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	2017 N\$ '000	2016 N\$ '000
Bank Windhoek Limited (A1+)	86,466	67,345

9. FINANCE LEASE OBLIGATIONS

MINIMUM LEASE PAYMENTS DUE	2017 N\$ '000	2016 N\$ '000
- within one year	4,602	4,356
- in second to fifth year inclusive	8,341	5,570
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	12,943	9,926

	2017 N\$ '000	2016 N\$ '000
Non-current liabilities	8,341	5,570
Current liabilities	4,602	4,356
TOTAL	12,943	9,926

10. RETIREMENT BENEFITS

DEFINED BENEFIT PLAN

The Authority provides post-retirement medical benefits to retired staff members under certain conditions. The defined plan is unfunded.

CARRYING VALUE

	2017 N\$ '000	2016 N\$ '000
Present value of the defined benefit obligation-partially or wholly funded	(99,181)	(105,652)

MOVEMENTS FOR THE YEAR

	2017 N\$ '000	2016 N\$ '000
Opening balance	105,652	91,636
Benefits paid	(898)	(805)
Actuarial (gain)/losses	(20,839)	(457)
Net expense recognised in profit or loss	15,266	15,278
TOTAL	99,181	105,652

NET EXPENSE RECOGNISED IN THE INCOME STATEMENT

	2017 N\$ '000	2016 N\$ '000
Interest cost	9,672	7,031
Current service cost	5,594	8,247
TOTAL	15,266	15,278

KEY ASSUMPTIONS USED

Assumptions used on last valuation.

	2017 N\$ '000	2016 N\$ '000
Discount rates used	9.96 %	7.00 %
Medical aid contribution inflation	9.96 %	7.00 %

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% (2016: 1%) increase/decrease in the Medical Aid inflation assumption; and
A 20% (2016: 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.

We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20% (2016: 20%). The effect is as follows:

2017 - N\$ '000

	-20% MORTALITY RATE	VALUATION ASSUMPTION	+20% MORTALITY RATE
Total accrued liability	108,343	99,181	91,785
Interest cost	12,504	11,439	10,580
Service cost	6,632	6,054	5,585
TOTAL	127,479	116,674	107,950

2016 - N\$ '000

	-20% MORTALITY RATE	VALUATION ASSUMPTION	+20% MORTALITY RATE
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
TOTAL	100,769	122,597	150,835

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% (2016: 1%) p.a. change in the medical aid inflation assumption. The effect is as follows:

2017 - N\$ '000

	-1% MEDICAL AID INFLATION	VALUATION ASSUMPTION	+1% MEDICAL AID INFLATION
Total accrued liability	83,452	99,181	119,033
Interest cost	9,605	11,439	13,756
Service cost	4,946	6,054	7,479
TOTAL	98,003	116,674	140,268

2016 - N\$ '000

	-1% MEDICAL AID INFLATION	VALUATION ASSUMPTION	+1% MEDICAL AID INFLATION
Total accrued liability	97,447	105,652	115,872
Interest cost	8,138	8,856	9,749
Service cost	7,456	8,089	8,877
TOTAL	113,041	122,597	134,498

11. DEFERRED INCOME

	2017 N\$ '000	2016 N\$ '000
Non-current liabilities	343,882	232,733
Current liabilities	19,166	56,442
TOTAL	363,048	289,175

	PIARC N\$ 000	MWT N\$000	RFA N\$000	RA BOOK N\$000	TOTAL N\$000
Balance at 31 March 2017	304	2,169	286,702	-	289,175
Received during the year	-	-	131,987	-	131,987
Released to the statement of comprehensive income	-	-	(58,114)	-	(58,114)
TOTAL	304	2,169	360,575	-	363,048

	PIARC N\$ 000	MWT N\$000	RFA N\$000	RA BOOK N\$000	TOTAL N\$000
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)
TOTAL	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 Roads Authority 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

	2017 N\$ '000	2016 N\$ '000
Trade payables	164,671	186,156
Leave accrual	26,280	22,922
Accrual provisions payments	-	121
Bonus accruals	2,995	2,782
Other payables	18,131	10,308
TOTAL	212,077	222,289

13. REVENUE

	2017 N\$ '000	2016 N\$ '000
Grants received: Road Fund Administration	1,627,001	1,342,677

14. INVESTMENT INCOME

INTEREST INCOME
FROM INVESTMENTS IN FINANCIAL ASSETS:

	2017 N\$ '000	2016 N\$ '000
Bank and other cash	2,951	3,657

15. COMMITMENTS

ROAD NETWORK COMMITMENTS

	2017 N\$ '000	2016 N\$ '000
Contracted for	4,106,329	4,937,267
Not contracted for	889,920	2,152,118

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	2017 N\$ '000	2016 N\$ '000
- within one year	2,237	3,807
- in second to fifth year inclusive	3,848	1,573
TOTAL	6,085	5,380

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

16. RELATED PARTIES

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

	2017 N\$ '000	2016 N\$ '000
Road Fund Administration (grants receivable at year end)	225,124	257,227
Deferred Income (relating to grants received from RFA for capital projects and prepayments to contractors)	(360,575)	(286,702)
Roads Contractor Company	(1,042)	(2,896)

RELATED PARTY TRANSACTIONS

	2017 N\$ '000	2016 N\$ '000
Grants received during the year	1,627,001	1,342,677
Transfer to Road Fund Administration	(23,511)	(1,102)
Roads Contractor Company	(11,242)	(49,109)

KEY MANAGEMENT

	2017 N\$ '000	2016 N\$ '000
Key management remuneration	14,977	11,200

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

COMPENSATION TO DIRECTORS

	2017 N\$ '000	2016 N\$ '000
Short-term employee benefits	777	702

17. OTHER INCOME

	2017 N\$ '000	2016 N\$ '000
Guarantees claimed on default contracts	-	6,313
Tender documents	1,225	1,080
Other income	3,057	988
TOTAL	4,282	8,381

18. FINANCE COSTS

	2017 N\$ '000	2016 N\$ '000
Finance leases	1,211	1,119

19. FINANCIAL ASSETS BY CATEGORY

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

	2017 N\$ '000	
	LOANS AND RECEIVABLES	TOTAL
Trade and other receivables	227,944	227,944
Cash and cash equivalents	86,482	86,482
TOTAL	314,426	314,426

	2016 N\$ '000	
	LOANS AND RECEIVABLES	TOTAL
Trade and other receivables	262,027	262,027
Cash and cash equivalents	67,361	67,361
TOTAL	329,388	329,388

20. FINANCIAL LIABILITIES BY CATEGORY

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

	2017 N\$ '000	
	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
Retirement benefit obligation	104,754	104,754
Trade and other payables	177,537	177,537
Deferred income	289,175	289,175
Finance lease obligation	9,926	9,926
TOTAL	581,392	581,392

	2016 N\$ '000	
	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
Retirement benefit obligation	105,652	105,652
Trade and other payables	222,289	222,289
Deferred income	289,175	289,175
Finance lease obligation	9,926	9,926
TOTAL	627,042	627,042

21. OPERATING (DEFICIT) / SURPLUS

Operating (deficit)/surplus for the year is stated after charging (crediting) the following, amongst others:

AUDITOR'S REMUNERATION - EXTERNAL

	2017 N\$ '000	2016 N\$ '000
Audit fees	328	454

REMUNERATION, OTHER THAN TO EMPLOYEES

	2017 N\$ '000	2016 N\$ '000
Administrative and managerial services	114,523	99,273

EMPLOYEE COSTS

	2017 N\$ '000	2016 N\$ '000
Salaries, wages, bonuses and other benefits	269,242	235,566

DEPRECIATION AND AMORTISATION

	2017 N\$ '000	2016 N\$ '000
Depreciation of property, plant and equipment	12,257	10,752
Amortisation of intangible assets	1,805	1,856
TOTAL DEPRECIATION AND AMORTISATION	14,062	12,608,153

EXPENSES BY NATURE

The total administrative expenses and other operating expenses are analysed by nature as follows:

	2017 N\$ '000	2016 N\$ '000
Employee costs	269,242	235,566
Depreciation and amortisation	14,062	12,608
Other expenses	398,019	388,692
Routine and periodic maintenance	996,050	716,085
TOTAL	1,677,373	1,352,951

22. CASH GENERATED FROM OPERATIONS

	2017 N\$ '000	2016 N\$ '000
Surplus for the year before transfers	(44,350)	645
ADJUSTMENTS FOR:		
Depreciation and amortisation	14,062	12,608
Interest income	(2,951)	(3,657)
Finance costs	1,211	1,119
Movements in retirement benefit assets and liabilities	14,368	14,473
Transfer of surplus to RFA	44,350	(645)
CHANGES IN WORKING CAPITAL:		
Trade and other receivables	51,819	(81,209)
Prepayments	9,276	(8,619)
Trade and other payables	(10,212)	54,211
Deferred income	73,873	130,189
TOTAL	151,446	119,115



SUPPLEMENTARY SCHEDULE: CONSTRUCTION + REHABILITATION PROJECTS

ROADS AUTHORITY SUPPLEMENTARY SCHEDULE NOT FORMING PART OF THE ANNUAL FINANCIAL STATEMENTS
AS AT 31 MARCH 2017.

PROJECT NAME	STATUS	TOTAL ESTIMATED COST	EXPENDITURE UP TO 31 MARCH 2016	TOTAL EXPENDITURE FINANCIAL YEAR 2016/2017			EXPENDITURE UP TO 31 MARCH 2017	LIST OF CONTINGENT LIABILITIES			
				RA EXPENDITURE 2016-2017	DIRECT DISBURSEMENTS 2016-2017			TOTAL OUTSTANDING LIABILITY	OUTSTANDING CONTRACTED AMOUNT	OUTSTANDING NON- CONTRACTED AMOUNT	CALCULATION COMPLETION %
TR1/6: Windhoek - Okahandja Rehabilitation	Section 3A completed	374,260,434.00	232,193,113.36	74,807,283.93	0.00	RFA	307,000,397.29	67,260,036.71	-	67,260,036.71	82%
TR1/6: Windhoek - Okahandja Rehabilitation	On-going, practical completion for Sec 4A expected end of January 2019 (30% completed)	1,085,073,452.28	119,336,683.85	82,011,153.17	22,960,238.66	RFA/ GRN	224,308,075.68	860,765,376.60	860,765,376.60	-	21%
MR120: Okatana - Endola - Onunho	21km completed. 10km on-going	163,981,307.36	49,329,038.63	9,665,450.72	33,751,411.56	RFA/ GRN	92,745,900.91	71,235,406.45	71,235,406.45	-	57%
	4km Dual Carriage-Way	196,186,616.35	188,705,779.38	0.00	0.00	RFA	188,705,779.38	7,480,836.97	7,480,836.97	-	96%
TR10/2: Onhuno - Eenhana	Ongoing, Design completed, (No tender awarded)	16,258,711.00	2,433,454.53	0.00	932,309.44	RFA/ GRN	3,365,763.97	12,892,947.03	12,892,947.03	-	21%
MR44/76: Swakopmund - Henties Bay - Uis - Kamanjab	Ongoing.(Phase I,section A 10% completed	801,272,610.89	61,985,821.60	0.00	96,714,463.80	GRN	158,700,285.40	642,572,325.49	642,572,325.49	-	20%
MR44/76: Swakopmund - Henties Bay - Uis - Kamanjab	Ongoing.(Phase II Section A)	46,247,049.24	0.00	0.00	3,486,246.22	GRN	3,486,246.22	42,760,803.02	42,760,803.02	-	8%
MR44/76: Swakopmund - Henties Bay - Uis - Kamanjab	Ongoing.(Phase II Section B)	39,137,666.21	0.00	0.00	2,000,619.65	GRN	2,000,619.65	37,137,046.56	37,137,046.56	-	5%
MR91: Gobabis - Aminuis - Aranos	Ongoing, practical completion of construction for Sec A expected end of October 2017 (95% completed)	596,766,526.03	294,178,116.73	0.00	123,370,996.34	GRN	417,549,113.07	179,217,412.96	179,217,412.96	-	70%
TR7/1: Karibib - Usakos - Swakopmund	Design Completed	12,886,568.59	0.00	0.00	3,156,913.91	GRN	3,156,913.91	9,729,654.68	9,729,654.68	-	24%
DR3615: Onamutuku - Oshikuku	Completed	100,000,000.00	85,997,482.53	3,436,176.80	0.00	RFA	89,433,659.33	10,566,340.67	-	10,566,340.67	89%
DR3524: Ngoma (Izimwe) - Nakabolelwa	Completed	66,057,340.65	56,799,572.84	0.00	9,257,767.81	GRN	66,057,340.65	-	-	-	100%
MR125: Liselo - Linyanti - Kongola - Singalamwe	Completed	893,776,644.75	816,998,168.02	0.00	30,830,964.38	GRN	847,829,132.40	45,947,512.35	-	45,947,512.35	95%
TR1/2 & TR1/3: Grunau - Keetmanshoop - Mariental Road Rehabilitation	Design & Documentation	28,330,388.77	6,440,770.26	0.00	2,418,291.76	GRN	8,859,062.02	19,471,326.75	19,471,326.75	-	31%
TR9/1: Windhoek - Hosea Kutako road to dual carriage	ongoing, phase 1 (19% completed)	888,471,938.74	87,099,749.70	0.00	96,361,808.46	GRN	183,461,558.16	705,010,380.58	705,010,380.58	-	21%
DR3427: Kamupupu - Mbururu	Completed	34,932,439.13	30,867,253.99	0.00	4,065,185.14	GRN	34,932,439.13	-	-	-	100%
Okandjengedi Bridge	Completed	40,702,966.40	39,951,856.30	751,110.10	0.00	RFA	40,702,966.40	-	-	-	100%
Keetmanshoop Weighbridge	On-going ,Design completed	4,712,210.42	250,370.03	333,284.10	0.00	RFA	583,654.13	4,128,556.29	4,128,556.29	-	12%
Updating and Revising Roads Authority Manuals	100% complete	380,000.00	247,189.00		0.00	RFA	247,189.00	132,811.00	132,811.00	-	65%

PROJECT NAME	STATUS	TOTAL ESTIMATED COST	EXPENDITURE UP TO 31 MARCH 2016	TOTAL EXPENDITURE FINANCIAL YEAR 2016/2017			EXPENDITURE UP TO 31 MARCH 2017	LIST OF CONTINGENT LIABILITIES			
				RA EXPENDITURE 2016-2017	DIRECT DISBURSEMENTS 2016-2017			TOTAL OUTSTANDING LIABILITY	OUTSTANDING CONTRACTED AMOUNT	OUTSTANDING NON- CONTRACTED AMOUNT	CALCULATION COMPLETION %
Bridge 157 Rehoboth - Mariental	Completed	33,353,466.85	33,246,437.79	107,029.06	0.00	RFA	33,353,466.85	-	-	-	100%
DR3670: Oshandi - Eembahu	Completed	69,566,852.75	41,341,684.62	0.00		GRN/ KfW	41,341,684.62	28,225,168.13	250,000.00	27,975,168.13	59%
DR3670: Eembahu - Oshiweda	Completed	58,550,668.88	25,909,195.12			GRN	25,909,195.12	32,641,473.76	-	32,641,473.76	44%
		20,204,745.88	109,167.00			KfW	109,167.00	20,095,578.88	-	20,095,578.88	1%
MR67: Omakange - Ruacana	Completed	478,767,151.10	193,754,762.10		0.00	GRN/ ADB	193,754,762.10	285,012,389.00	-	285,012,389.00	40%
	Phase 1: 100% completed	173,697,140.90	173,697,140.90			ADB	173,697,140.90	-	-	-	100%
	Phase 2 : 100% completed	180,174,330.40	180,174,330.40	0.00	0.00	GRN	180,174,330.40	-	-	-	100%
DR3608: Omafo - Ongenga - Outapi (VAT)	Completed	296,088,546.32	296,088,546.32		0.00	GRN	296,088,546.32	-	-	-	100%
DR3603: Onayena - Onankali (DR 3674: Onayena - Omahenge)	Completed	53,609,767.32	53,609,767.32	0.00		GRN	53,609,767.32	-	-	-	100%
Socio-economic Impact Study on three LB-Projects	60% complete	2,502,493.15	307,075.85	0.00	1,501,495.89	KFW	1,808,571.74	693,921.41	693,921.41	-	72%
TR10/2: Elundu - Eenhana	100% Completed	106,731,466.79	85,282,294.83	0.00	2,101,718.49	GRN	87,384,013.32	19,347,453.47	-	19,347,453.47	82%
MR121: Oshigambo - Eenanha	Completed	210,445,020.99	192,252,857.37	0.00	2,190,091.90	GRN	194,442,949.27	16,002,071.72	-	16,002,071.72	92%
DR3635: Amwaanda - Omutambo - Omaove	Completed	132,142,101.26	68,800,725.26		6,877,611.80	GRN	75,678,337.06	56,463,764.20	-	56,463,764.20	57%
MR111: Epato - Onkani (Onaushe)	85% Completed	76,440,221.22	28,419,302.44	0.00	14,048,761.18	GRN	42,468,063.62	33,972,157.60	33,972,157.60	-	56%
DR3609: Oshakati - Omungwelumwe - Ongenga	Completed	228,721,216.51	88,378,047.63	0.00	95,936,432.39	GRN	184,314,480.02	44,406,736.49	-	44,406,736.49	81%
DR3688: Epako - Omuvelo Wakasamane	Completed	45,440,538.31	24,161,013.58	0.00	16,565,937.21	GRN	40,726,950.79	4,713,587.52	-	4,713,587.52	90%
MR118: Roshpinah - Oranjemund	Ongoing (89% complete)	674,554,212.60	410,459,713.45	0.00	254,443,355.69	GRN	664,903,069.14	9,651,143.46	9,651,143.46	-	99%
DR3508: Isize - Sifuha - Malindi - Schuckmannburg	Ongoing (40% complete)	602,666,170.64	125,065,075.85	0.00	71,257,703.75	GRN	196,322,779.60	406,343,391.04	406,343,391.04	-	33%
MR44 ,MR36 TR2/1: Swakopmund - Walvisbay (Freeway)	Phase 1 ongoing (10% Complete)	1,015,334,021.35	48,680,983.00	0.00	148,324,307.33	GRN	197,005,290.33	818,328,731.02	818,328,731.02	-	19%
DR3624: Etomba - Omundaungilo	Construction ongoing (98% completed)	127,875,721.06	46,785,211.76	0.00	61,376,562.94	GRN	108,161,774.70	19,713,946.36	19,713,946.36	-	85%
Oshikango Border Bypass	Design stage (100% completed)	8,427,154.06	1,289,594.71	0.00	891,385.25	GRN	2,180,979.96	6,246,174.10	6,246,174.10	-	26%
TR14/2: Otjinene - Okamatapati: Section 1	100% Completed	607,264,739.74	388,107,735.55	0.00	205,117,290.03	GRN	593,225,025.58	14,039,714.16	-	14,039,714.16	98%
TR14/2: Okamatapati - Grootfontein: Section 2	85% Completed but currently on-hold due to lack of funds	537,547,940.75	180,635,314.02	0.00	228,355,058.80	GRN	408,990,372.82	128,557,567.93	128,557,567.93	-	76%
DR3424: Mungunda - Shakambu	Design stage	90,000,000.00	900,587.18	0.00	174,800.00	GRN	1,075,387.18	88,924,612.82	-	88,924,612.82	1%
TR1/11: Omuthiya - Ongwediva Road Rehabilitation	Design ongoing	88,920,751.56	5,724,225.10	0.00	3,067,053.03	GRN	8,791,278.13	80,129,473.43	-	80,129,473.43	10%
TR1/ 4: Windhoek - Rehoboth dual carriageways	Design Ongoing but onhold due to lack of funds	96,060,992.70	17,648,914.67	0.00	2,017,846.35	GRN	19,666,761.02	76,394,231.68	-	76,394,231.68	20%
DR3683: Uukwiyuushona - Omuntele - Amilema (Extension)	Construction ongoing	162,325,878.65	28,419,726.41	0.00	109,947,859.80	GRN	138,367,586.21	23,958,292.44	23,958,292.44	-	85%
DR3650: Onakalunga Epingana	Tender stage	4,188,354.97	121,545.58	0.00	1,462,264.15	GRN	1,583,809.73	2,604,545.24	2,604,545.24	-	38%

PROJECT NAME	STATUS	TOTAL ESTIMATED COST	EXPENDITURE UP TO 31 MARCH 2016	TOTAL EXPENDITURE FINANCIAL YEAR 2016/2017			EXPENDITURE UP TO 31 MARCH 2017	LIST OF CONTINGENT LIABILITIES			
				RA EXPENDITURE 2016-2017	DIRECT DISBURSEMENTS 2016-2017			TOTAL OUTSTANDING LIABILITY	OUTSTANDING CONTRACTED AMOUNT	OUTSTANDING NON- CONTRACTED AMOUNT	CALCULATION COMPLETION %
DR4113: Endola - Eembo (19 KM)	Tender stage	4,188,354.97	0.00	0.00	1,199,137.13	GRN	1,199,137.13	2,989,217.84	2,989,217.84	-	29%
DR1635: Duplessis Plaas - DR1668 Epukiro	Design & Tender Documentation 98% Completed	18,145,937.45	0.00	0.00	3,447,119.25	GRN	3,447,119.25	14,698,818.20	14,698,818.20	-	19%
DR3639 Oshikango - Ondobe	Design & Tender Documentation 95% Completed	15,968,050.91	0.00	0.00	2,272,643.44	GRN	2,272,643.44	13,695,407.47	13,695,407.47	-	14%
Rural Access Roads in Omusati and Ohangwena	Advanced Tender stage	9,897,052.08	1,566,269.35	0.00	1,980,828.98	GRN/ KfW	3,547,098.33	6,349,953.75	6,349,953.75	-	36%
DR3649: Onalulago - Epembe	Completed	54,767,730.17	53,727,639.12	0.00	1,040,091.05	GRN	54,767,730.17	-	-	-	100%
TR2/3: Omaruru - Karibib	Design Completed	24,350,162.45	0.00	0.00	2,388,993.68	GRN	2,388,993.68	21,961,168.77	21,961,168.77	-	10%
T0202:B250 Road over Rail Bridge Swakopmund Detail Design	Design Completed	5,254,000.00	0.00	1,474,497.46	0.00	RFA	1,474,497.46	3,779,502.54	3,779,502.54	-	28%
TOTAL		11,703,607,825.55	4,867,479,305.03	172,585,985.34	1,667,293,566.64		6,707,358,857.01	4,996,248,968.54	4,106,328,823.55	889,920,144.99	57%
COMPLETED PROJECTS								9,992,497,937.08	8,212,657,647.10	1,779,840,289.98	

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.

DLP = Defects Liability Period
LBC = Labour-Based Construction



S A F E R O A D S T O P R O S P E R I T Y



