

THE ROADS AUTHORITY ANNUAL REPORT

Constructing and
maintaining Namibia's
road network



SAFE ROADS TO PROSPERITY

2019/20

A low-angle photograph of a modern, multi-story building with a white facade and balconies, set against a clear blue sky. The building features a grid-like structure with balconies on each floor, and the balconies have metal railings. The building is illuminated by warm, golden light, suggesting it is either early morning or late afternoon. The sky is a solid, clear blue. The text is overlaid on the upper right portion of the image.

The Roads Authority, whose core business is to construct and maintain Namibia's road sector, plays a pivotal role towards road safety in Namibia. Namibia's road network has been ranked among the best quality, most efficient and sustainable in Africa and is the envy of many countries.

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LIST OF TERMS

ABIS	Automated Biometric Identification System
BMS	Bridge Management System
CBRTS	Cross Boarder Road Transport System
DR	District road
DRC	Disaster Recovery Centre
eNaTIS	Electronic National Traffic Information System
GVM	Gross Vehicle Mass
HDM4	Highway Development Model 4
IBMS	Integrated Business Management System
IRI	International Roughness Index
ITS	Intelligent Transport System
LOS	Levels of Service
MR	Main road
MTLRMP	Medium to Long Term Roads Master Plan
MV	Motor vehicle
NaTIS	National Traffic Information System
NCS	Namibia Correctional Services
OSHE	Occupational Safety, Health and Environment
PMS	Pavement Management System
PDC	Production Data Centre
RA	Roads Authority
RFA	Road Fund Administration
RMS	Road Management System
RPTM	Road Permit Transport Management
RRS	Road Referencing System
RUC	Road user cost
SME	Small and Medium Enterprise
TR	Trunk road
TRAFMAN	Traffic Management System
TSS	Traffic Surveillance System
VKT	Vehicle Kilometre Travelled
VOC	Vehicle Operating Cost

OUR VISION

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

OUR MISSION

To manage the national road network to achieve a safe and efficient road sector in support of socio-economic growth.

BRAND PROMISE

SAFE ROADS TO PROSPERITY

OUR CORE VALUES

The Roads Authority defined five (5) core values, illustrated by the acronym **ROADS**:

R

RESPECT

We believe that there is strength in diverse teams. Therefore, we respect people from all walks of life.

O

OPEN COMMUNICATION

We believe that people who connect and share information freely are enabled to align towards achieving shared goals. Therefore, we commit to share relevant information in an open and transparent manner.

A

ACCOUNTABILITY

We are uncompromisingly committed to good governance and therefore shall expect employees, at all levels of the organisation, to uphold ethical principles and shall hold them accountable for their decisions and actions.

D

DEDICATION

We are committed to work together as a team in our quest to deliver on our mandate, irrespective of the many obstacles we might face. We will always support one another and never give up.

S

SERVICE EXCELLENCE

We are in pursuit of excellence in everything we do. Therefore, we are always seeking new innovative solutions in providing quality service to our stakeholders.



SAFE ROADS TO PROSPERITY

BOARD OF DIRECTORS



Our Board of Directors comprises of a team of skilled individuals appointed to represent our shareholders. The Board's mandate is to provide strategic leadership and to establish policies for corporate management and oversight and to make decisions on corporate governance. —



Mr. Brian Katjaerua

Chairperson



Ms. Erna Motinga

Deputy Chairperson



Ms. Lily Brandt

Director



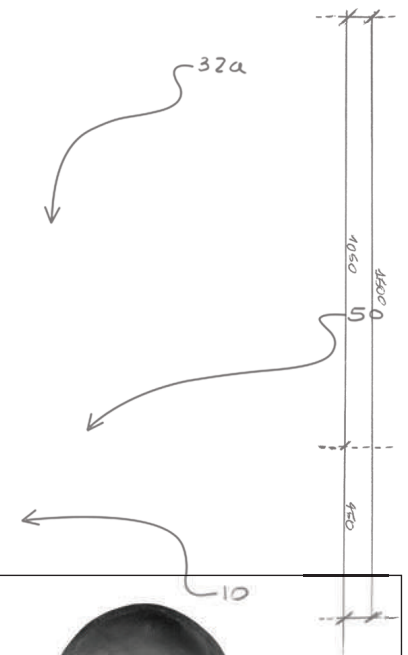
Mr. Clive Smith

Director



Mr. Tuli-Meameno Nashidengo

Director





CHAIRPERSON'S STATEMENT

As Chairperson, it gives me great pleasure to present the Annual Report for the period 1 April 2019 to 31 March 2020 on behalf of the Board of Directors of the Roads Authority (RA).

The current Board of Directors was appointed on 15 July 2017 by the Minister of Works and Transport to ensure that the RA continues to carry out its mandate of managing the national road network with a view to achieve a safe and efficient road sector.

During the reporting period, the RA received its budget proportion of N\$3,463,388,915. The amount consisted of the N\$1,494,018,000 budget allocation from the Government, representing 57%, supplemented by funding of N\$1,969,370,915 from the Road Fund Administration (RFA). The administration budget amounts to N\$490,066,210, which is 15% of the total RA budget. The financial management

of the RA's administrative expenditure stands at 16%, which is N\$526,836,080 of the overall RA expenditure of N\$3,343,126,400 for the 2019/2020 financial year.

The RA continues to set high standards in the fields of corporate management, accountability and financial integrity. The RA has once again received an unqualified audit report certified by the Auditor-General.

It is vital for the RA to be in full compliance with the National Affirmative Action policy. Thus, I am pleased to report that the RA attained its Affirmative Action Compliance Certificate for the 2019/2020 financial year from the Employment Equity Commission. The performance and governance agreements for all Board members, and the performance agreement for the Chief Executive Officer and Senior Management of the RA have

been signed and are in place. The RA showed its continued commitment to good corporate governance by strengthening the functions of Board Committees, namely the Audit, Risk and Compliance Committee and the Human Resources Committee. Furthermore, I am happy to report that the RA's financial statements for the period under review were sound, hence no qualification opinion was issued by the External Auditors, as mentioned earlier.

Enterprise-wide risk management is an integral part of the RA's fulfilment of its mandate and the Board has overall responsibility for risk management within the organisation. An enterprise-wide risk assessment exercise for the RA is in place and all risks pertaining to strategy, operations, and compliance or environmental were assessed, and mitigation strategies to reduce the risks will be implemented. During the period under review, the Board also approved the Risk Policy.

The implementation of the Public Procurement Act, 2015 (Act No. 15 of 2015) and regulations, as well as budget constraints, proved to be a challenge during the reporting period. This resulted in delayed implementation of both new and progress of old projects.

However, the RA with guidance from the Board, set targets in fulfilment of its core business objectives and during the 2019/2020 financial year, the entity endeavoured to meet expectations in some of its key responsibilities.

It is worth reporting that the construction of several access roads to schools and clinics in the Ohangwena and Omusati Region was also completed.

I am pleased to state that the implementation of the Harambee Prosperity Plan and National Development Plan 5 continued to be a top priority during the period under review. The construction of the Windhoek-Okahandja dual carriageway Section 4A was completed on 22 January 2020. Section 4A extension of the same road is progressing well.

Phase 1 of the Swakopmund-Walvis Bay dual carriageway was completed on 31 March 2020. Phase 1A extension has commenced. The Swakopmund-Henties Bay-Uis-Khorixas-Kamanjab road upgrade to bitumen standards, Section A was completed, except for the two bridges which are expected to be completed in 2021. The Windhoek-Hosea Kutako International Airport road project Phase 1 and Phase 2a are progressing well. The Okatana-Oshakati dual carriageway in Oshana has been completed.

As we reflect on these achievements, it is also imperative to be mindful of the challenges we faced. In light of the economic challenges facing the country, the RA was not spared the economic woes felt across all sectors of our economy; major financial challenges resulted in inadequate funding and delayed payments.

As a result, we are experiencing a backlog in the funding of rehabilitation of bitumen roads, construction of gravel roads and regravelling of gravel roads. Hence, going forward, the RA will have to focus on optimal funding for rehabilitation and

THE RA HAS ONCE AGAIN RECEIVED AN UNQUALIFIED AUDIT REPORT CERTIFIED BY THE AUDITOR-GENERAL.

must develop a strategy that will ensure efficient and sustainable utilisation of resources in the delivery of our core functions, which will bring effectiveness, so that we do more with fewer resources at our disposal.

Appreciation

As the Chairperson of the Board, the past 3 years have been inspirational. I have seen the organisation grow, not only in terms of the network but in its leadership and commitment to provide a safe and efficient road network to the Namibian people.

My sincere appreciation goes to the Honourable John Mutorwa, Minister of Works and Transport, for his leadership and guidance during the year under review. Your support and advice have assisted us to reach many milestones.

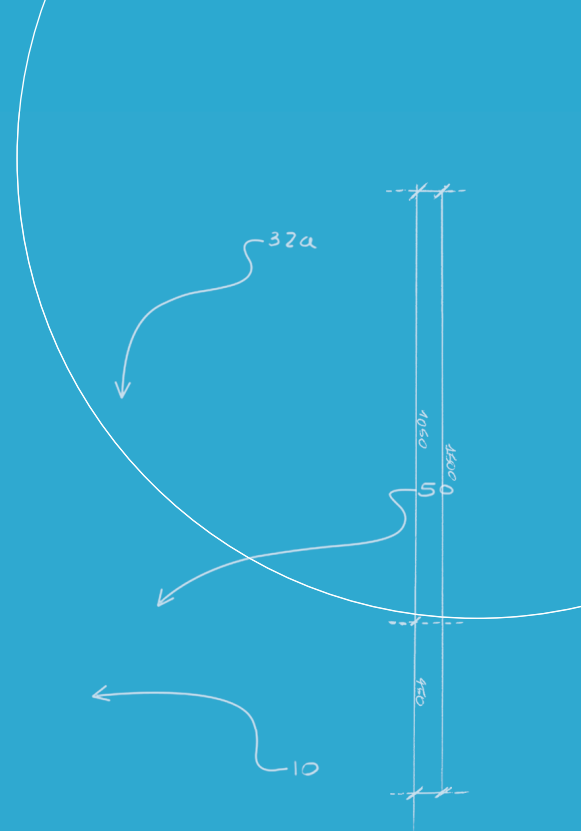
I would also like to thank my fellow Board members, the Chief Executive Officer, Senior Management and staff for their dedication and commitment to the goals we have set for ourselves during the past financial year. The team effort demonstrated by the entire RA staff is indeed commendable.

The RA Board looks forward to the new financial year with greater expectations and higher goals. Together with the dynamic RA team of management and staff, we remain committed to working hard to achieve our set plans.

Mr. Brian Katjaerua

Chairperson

CORPORATE GOVERNANCE



Corporate governance is the system of rules, practices, and processes by which an organisation is directed and controlled. Essentially, it involves balancing the interests of an organisation's stakeholders and provides the framework for attaining an organisation's objectives. It encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. Good corporate governance enables a Board of Directors to fulfil the organisation's mandate, to tackle challenges and to seize opportunities, in an environment of continual change, both internal and external to the organisation.

The Board of Directors of the Roads Authority keeps the governance structures and arrangements under review on an ongoing basis in order to ensure that the RA's processes remain at the forefront of best practice, are aligned to the RA's needs, manage risks and provide assurance and accountability in a transparent way for the benefit of RA shareholders and all stakeholders. _____

BOARD COMPOSITION

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

The Board of Directors for the Roads Authority is appointed by the Minister of Works and Transport. The current Board was appointed for the period 15 July 2017 to 15 July 2020. 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
Mr. Brian Katjaerua	Chairperson
Ms. Erna Motinga	Deputy Chairperson
Ms. Lily Brandt	Director
Mr. Clive Smith	Director
Mr. Tuli-Meamenno Nashidengo	Director

SCHEDULE OF BOARD MEETING ATTENDANCE DURING THE 2019/2020 FINANCIAL YEAR

The table below shows the attendance of directors at Board meetings during the 2019/2020 financial year. The attendance is expressed as the number of meetings attended out of the total number of meetings to be attended.

NAME	NUMBER OF MEETINGS ATTENDED (OUT OF 9 MEETINGS)
Mr. Brian Katjaerua	8/9
Ms. Erna Motinga	8/9
Ms. Lily Brandt	9/9
Mr. Clive Smith	8/9
Mr. Tuli-Meamenno Nashidengo	7/9

BOARD COMMITTEES

The Roads Authority has a governance structure comprised of the Board of Directors, with two Committees that assist the directors in the execution of their mandate. The Board Committees are the Audit, Risk and Compliance Committee and the Human Resources

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 needs of the organisation. The Committees are guided by their respective Terms of Reference, which are renewed annually.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance 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 Ms. L. Brandt as Chairperson, and Ms. E. Motinga, Mr. C. Smith and Mr. T. Nashidengo as members.

Human Resources Committee

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

The Committee comprises of Mr. C. Smith as Chairperson, and Ms. L. Brandt and Mr. T. Nashidengo as members.

DISCLOSURE OF INTERESTS

The Roads Authority considers it important that the Board makes all its decisions independently, transparently and without any conflicts of interest which could affect judgment or decisions. Disclosure of interests is a standard agenda item at every Board and Committee meeting.

In the event that there is a conflict of interest, the Director must recuse himself/herself 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 in the State-Owned Enterprises Governance Act, 2006 (Act No. 2 of 2006).

BOARD EVALUATION

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

EXECUTIVE COMMITTEE

The Executive Committee is a standing committee that acts as a steering committee for the Board of Directors. It prioritises issues for the Board to address. ____



Mr. Conrad Mutonga Lutombi

Chief Executive Officer



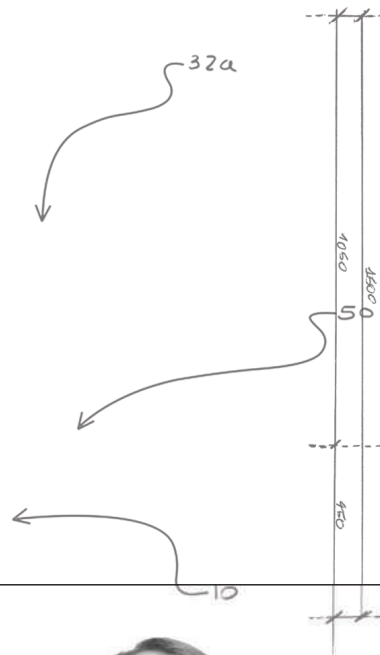
Ms. Rauna Hanghuwo

Executive Officer: Engineering



Mr. Wilfried Brock

Executive Officer: Transport Regulatory
and Inspectorate



Vacant

Executive Officer: Corporate Services



CHIEF EXECUTIVE OFFICER'S STATEMENT

The Roads Authority (RA) delivered a very strong performance during the 2019/2020 financial year. We continue to make good progress in building world-class road infrastructure in Namibia.

Transport is one of the most important enablers of socio-economic growth and prosperity. Thus, our objective is to address all factors that delay the delivery of road infrastructure so as to ensure that we achieve our aspiration to have a sustainable road sector, which is ahead of national and regional socio-economic needs in pursuit of Namibia's Vision 2030.

A well-maintained road network is a prerequisite for guaranteeing that our country's economic growth is achieved and social

services are delivered. I am, therefore, pleased to inform you that as part of our maintenance reseal programme, a total of 326 kilometres (km) of rejuvenation was completed. In addition, as part of our Low Volume Seal Standard Construction Initiative, we commenced with the upgrading of District Road 2102 and District Road 2172 to a low volume sealed standard. The project was divided into two phases. Phase 1 consists of the section from the B1 main road (Okahandja) to kilometre 16 (Professor Peter Katjavivi Bridge). Phase 2 will proceed from kilometre 16 to Okandjira Village for a total of 23 km. During the reporting period, 4.8 km into Okandjira Village were completed. The remaining kilometres will be completed during the 2020/2021 financial year.

Capacity building and Small and Medium Enterprise (SME) development is essential to the RA's activities. The RA has always and continues to create opportunities for SMEs to become active participants in the road construction industry, which will in turn enable them to achieve economic independence. During the reporting period, training courses in Basic Measurement and Calculations for Road Construction and Maintenance were offered to 50 participants. Through its procurement policy, the RA will continue to promote SME empowerment, as this is crucial for growing capacity in the construction industry.

As a caring corporate citizen, the RA granted 53 internship opportunities to students during the reporting period. The aim of the internship programme is to provide students enrolled at tertiary institutions with the necessary practical experience to complement the theoretical concepts gained in the classroom, and to provide unemployed graduates with practical exposure for future employment prospects in the wider labour market.

The organisation's efforts to build capacity in the roads sector also continued through the RA bursary scheme. We are currently sponsoring 27 students in various fields of study, with the majority of students studying civil engineering, geo-information science and transport management. Eight students are expected to complete their studies in the 2020 academic year.

In order to improve our service delivery and customer service, we implemented the Customer Service Charter at all NaTIS Centres nationwide. We also intensified our public awareness campaigns on learner licences at secondary schools and other NaTIS services on social, print and electronic media platforms. As part of our efforts to take NaTIS services closer to the people, we opened a NaTIS Office at Divundu in the Kavango East Region. Plans are at an advanced stage to open offices at Okongo, Omuthiya, Arandis and Henties Bay in the next financial year. Our intention is to ensure that we produce high quality and well informed drivers, who will adhere to road rules, which will in turn reduce the frequency of road accidents.

Our employees are our most valuable asset and the key to our success. Thus, it is important for the RA to cultivate a positive work environment by constantly developing our staff and creating a conducive work environment. The organisation continued to promote and encourage staff development through job specific training and development interventions and initiatives. The greater part of the skills development investment was made in project management and customer care training. I am happy to report that our engineers in training were offered coaching and mentorship programmes to enable them to obtain practical exposure in the workplace. These programmes play a critical role in enabling our engineering graduates to obtain professional registration with the Engineering Council of Namibia. During the reporting period, the RA registered two engineers under the programme.

DURING THE REPORTING PERIOD, NAMIBIA WAS ONCE AGAIN ACCORDED THE TOP POSITION FOR HAVING THE BEST ROADS IN AFRICA BY THE WORLD ECONOMIC FORUM (WEF).

Conclusion

The ongoing global economic crisis and the pressure it has put on our resources has delayed the commencement of some of our projects. Nonetheless, the RA remains positive and focused on fulfilling its mandate. Our aim is to continue current projects and to ensure that we complete them on time. Moving forward, we shall focus on our strategy to seal most of our gravel roads to Low Volume Seal standards.

I would like to thank our Board of Directors for their invaluable guidance during the year under review. Their support is greatly appreciated and was pivotal in helping us achieve most of our objectives. We are privileged to be associated with visionary Board members.

We continue to set high standards when it comes to road infrastructure in Africa. During the reporting period, Namibia was once again accorded the top position for having the best roads in Africa by the World Economic Forum (WEF). This is indeed an accolade of which we are extremely proud.

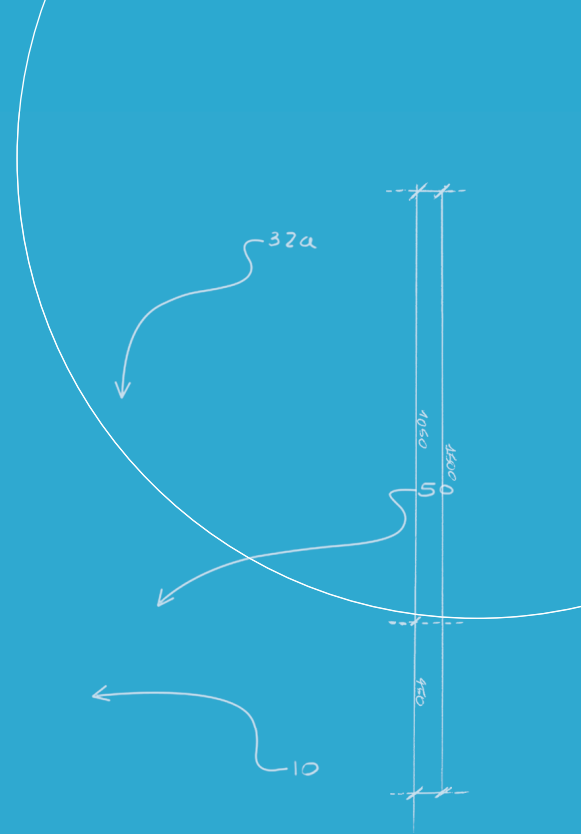
Please allow me to express my sincere gratitude to EXCO, Management and the entire staff of the RA for the team spirit displayed throughout the year.

Last but not least, I would like to wholeheartedly thank all our stakeholders and clients for their feedback, comments and suggestions throughout the year, which enables us to improve our service delivery.

Mr. Conrad Mutonga Lutombi

Chief Executive Officer

SUMMARY: RA PERFORMANCE 2019/2020



The following table summarises the RA's performance in relation to the targets that were set during the reporting period:

Key Performance Indicators	Set Target	Achieved	Comments
1. Upgrading of roads to bitumen standard	100 km	134.8 km	Target achieved and exceeded by 34.8 km
2. Construction of gravel roads	40 km	35.1 km	Target not achieved due to budgetary constraints and the moratorium on new construction projects
3. Rehabilitation of bitumen standard roads	10 km	9.7 km	Target not achieved due to budgetary constraints
4. Regravelling	300 km	236 km	Target not achieved due to budgetary constraints
5. Resurfacing	500 km	531 km	Target achieved and exceeded by 31 km
6. Rejuvenation	300 km	326 km	Target achieved and exceeded by 26 km
7. Blading	385,217.91 km	480,770.61 km	Target achieved (99.4%)
8. Bitumen standard roads in an unacceptable condition	10%	6.4%	Condition of road has improved to 6.4% due to extensive reseal works
9. Gravel roads in an unacceptable condition	46%	49%	Target exceeded
10. Overloading compliance	80%	100%	Target achieved and exceeded by 20%
11. Adherence to MLTRMP	77%	98%	Target achieved
12. Staff achieving performance targets	90%	91.4%	Target achieved and exceeded by 1.4%
13. Effective utilisation of budget (variance)	2% qualified/ unqualified audit opinion	1%	Target not achieved; 1% underspending mainly due to delays in regravelling projects planned for the 2019/2020 financial year
14. Stakeholder satisfaction	75%	78.9%	Stakeholder satisfaction target achieved and exceeded by 3.9%

HARAMBEE PROSPERITY PLAN (HPP)

In terms of the HPP, the RA is required to extend the bitumen standards road network with 526 kilometers, over a period of 5 years by the 2019/2020 financial year. The RA has already achieved and exceeded this target. The actual achieved kilometers were recorded at 644.5 km's during the period under review.



ENGINEERING SERVICES

CHAPTER 1 CONTENT

20 1.1 Maintenance of the Road Network

20 1.2 Network Planning and Consultation

21 1.3 Construction and Rehabilitation

24 1.4 Road Management System

1. ENGINEERING SERVICES

1.1 MAINTENANCE OF THE ROAD NETWORK

1.1.1 Mandate of the Division

The Maintenance Division is mandated with the preservation of the national road network of Namibia, which consists of 8,259 km of surfaced road and 39,438 km of unsurfaced road, to support economic growth through projects for both routine and

periodic maintenance works. Central to the successful execution of the mandate is the optimal utilisation of constrained financial and other resources in order to maintain the network in a condition that minimises road user costs while safeguarding road safety.

1.1.2 Performance and Achievements

Objectives: KRA	Measurements: PI	Annual Target 2019/20	Actual Performance at Tri-Annual Stage
Avail and preserve national road network	Kilometres of road network resurfaced (reseal)	500 km	531 km
	Kilometres of road network regavelled	300 km	236 km
Ensure organisational financial sustainability	% Utilisation of budget	100%	95%

The division initiated a research project to find alternative maintenance methods that could enhance the life span of unsurfaced roads and reduce maintenance costs. The process endeavours to improve the existing material properties by applying a Nano Modified Emulsion. During the reporting period, a section of 1.1 km was constructed on District Road 1040 in the Kalahari. The performance of this modified section of road will be monitored and documented over the next reporting period.

An investigation revealed that the underground water problem at a dual section on MR 92 (Ondangwa) persisted and that numerous attempts to alleviate the problem were only temporarily successful. Conventional Bitumen Maintenance Unit (BMU) works were done but proved only to treat surface symptoms instead of the root cause of the problem. The proposed remedial works comprised of the permanent installation of subsurface drainage structures and included accommodation of traffic, drains, concrete kerbing and channelling, mass earthworks and layer works, surfacing, road marking and finishing the road reserve. As a long-term solution to this problem, subsurface drainage structures were thus installed on the affected site of about 200 m. The use of proper subsurface drainage provided extensive cost savings and decreased the lifecycle costs, when compared to other structural solutions. This method has proven to be a useful alternative to BMU work in the area, which has soil with relatively low bearing capacity and a high water table.

1.2 NETWORK PLANNING AND CONSULTATION

1.2.1 Mandate of the Division

The Network Planning and Consultation Division carries out the overall planning of the road network through the compilation of Regional Master Plans, which in turn inform the Medium to Long Term Roads Master Plan (MTLRMP). Other core functions of the division include the preparation of five-year budgets for

capital and recurrent expenditure, carrying out feasibility studies, research and road infrastructure investigative studies, and monitoring of road network usage (which includes road safety initiatives). These activities require intensive consultations with the relevant stakeholders.

Furthermore, the division is tasked with overseeing Road Board functions, the administration of Road Ordinance 30 of 1960, and the coordination of the Overload Control Strategy, which includes the evaluation of abnormal vehicles/load permit applications. Other functions include road proclamations and de-proclamations, deviations and fencing of road reserves.

1.2.2 Performance and Achievements

1.2.2.1 Network Planning, Studies and Research Projects

- **Feasibility study for the upgrade of D0212 Noordoewer-Aussenkehr-Rosh Pinah (154 km):** The project was completed in March 2020.
- **Investigation for road preservation and rehabilitation of M0092 Oshakati-Ruacana:** The project was completed in March 2020.
- **Investigation for rehabilitation of TR 8/2 & TR 8/3 Taranaki-Mururani Veterinary Control Gate-Rundu (168.78 km):** The project was completed in March 2020.
- **Feasibility study for the upgrading to bitumen standard of MR 74 Grooffontein-Tsumkwe:** The project is scheduled to be completed in June 2020.
- **Revision of the Medium to Long Term Roads Master Plan:** The objective is to update the road development and preservation programmes for the medium and long term. These programmes will serve as a basis for the preparation of the Roads Authority

budgets and the Road Fund Administration business plans. The project is 98% complete and is expected to be completed during the 2020/2021 financial year.

1.2.2.2 Research and Development

- **Road Transport Sustainability Plan:** The sustainability plan addresses road safety, road infrastructure, capacity building and funding for road transportation. We are currently busy identifying key recommendations and a draft implementation plan structure.
- **Skills transfer (capacity building):** The Roads Authority, through its Technology Transfer Centre, has embarked on a skills transfer programme with the South African National Roads Agency (SANRAL).
- **Trial pilot project for solar road studs:** Five (5) different solar road studs were identified. This is to test and monitor a variety of products to identify one that would work for the road network. The project is envisaged to be advertised in June 2020.
- **Long term pavement experiments:** The project entails the assessment of pavement experiments. Assessments will be done on the experiments of TR 2/3 Omaruru-Karibib and TR 8/7 Katima Mulilo-Ngoma. The consultant has started with the material review of the two roads.
- **Technology Transfer Centre (TTC):** Classification of resource material for the TTC is operational with the purpose of allowing efficiency in information retrieval and dissemination.
- **Abnormal load software:** The division secured a contract for abnormal load software, which was developed by the Centre for Scientific and Industrial Research (CSIR), for the processing of abnormal load permits. The Memorandum of Understanding between the RA and CSIR is pending and the project is ongoing.
- **Research field trials:** Currently, three field trials are being monitored annually through visual inspection:
 - a) **Instant road repair:** This trial seeks to demonstrate innovative pothole repair technology. Monitoring and evaluation are ongoing.
 - b) **Jet patcher demonstration:** The demonstration site is situated on the road from Windhoek to Okahandja. Innovative

equipment is being used for pothole repair, surface patching and edge break repair. The project has yielded positive results, and monitoring and evaluation are ongoing.

c) Infra-red road repair system technology: This technology involves the 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. Monitoring and evaluation are ongoing.

- **Assessment of the effects of heavy vehicles on the Namibian trunk road network:** The project aims to quantify the road wear caused by heavy vehicles on the paved road network. The development of the SMART Truck Rules for Namibia has been completed and the performance-based fee proposal has been submitted to the Road Fund Administration (RFA).

1.2.2.3 Proclamations, Fencing and Compensation

The RA is responsible for the assessment of compensation to parties affected by road development. Thereafter, the Ministry of Works and Transport is responsible for the payment of this compensation. The RA processes applications for fencing along proclaimed roads and affects payments thereof, as per legislation. The proclamation, closure, deviation and reclassification of roads is processed as per applications and requests through Road Boards and submitted to the Ministry of Works and Transport for approval.

1.3 CONSTRUCTION AND REHABILITATION

1.3.1 Mandate of the Division

The Construction and Rehabilitation Division is responsible for managing and implementing the design, construction and rehabilitation of all national road projects. In addition, it has to ensure proper quality control of materials required for the construction and maintenance of all national road infrastructure to the best interest of road users in an economically and efficient manner, with due consideration to safety and technical standards.

1.3.2 Completed Roads Construction Projects

Table 1 provides a summary of the roads construction projects completed during the reporting period.

TABLE 1: Roads construction projects completed in the 2019/2020 financial year

Project	Contract Value (in N\$)	Contractor	Start Date	Completion Date
Otiwarongo Resurfacing Programme: Okavango road via Grootfontein Town, rehabilitation and widening to dual carriageway (1.7 km)	48,257,924.35	China Henan International Cooperation Group (CHICO)	January 2019	18 August 2019
TR 1/6: Windhoek-Okahandja (Section 4A), road upgrade to dual carriage-freeway, Döbra River to Omakunde Interchange (27 km)	1,085,073,452.28	CMC/Otesa Joint Venture	January 2016	January 2020

TABLE 1: Roads construction projects completed in the 2019/2020 financial year (continued)

Project	Contract Value (in N\$)	Contractor	Start Date	Completion Date
MR 120 & MR 92: Oshakati-Okatana, road upgrade to dual carriageway (4.4 km)	248,754,955.36	Otesa Civil Engineering	August 2016	20 March 2020
Rural access roads in Omusati Region, labour-based construction (100 km)	122,931,721.30	Five (5) local emerging contractors	December 2017	November 2019
B0250: Rehabilitation of road over rail bridge, Swakopmund	22,070,621.86	Adaptive Building/China State Joint Venture	5 March 2019	3 March 2020
MR 44, MR 36 & TR 2/1: Swakopmund-Walvis Bay (behind Dune 7) (Phase 1), road upgrade to dual carriage-freeway (30 km)	1,006,590,502.45	UNIK/Thohi Joint Venture	June 2016	February 2020

1.3.3 Ongoing Roads Projects

Table 2 provides a summary of the roads construction projects that will continue into the next reporting period.

TABLE 2: Ongoing roads construction projects in the 2019/2020 financial year

Project	Contract Value (in N\$)	Contractor	Start Date	Estimated Completion Date	Percentage Completed
TR 1/6: Windhoek-Okahandja (Section 4A Extension, Omakunde Interchange to Otjiwarongo Interchange), road upgrade to dual carriage-freeway (21 km)	997,082,367.00	CMC/Otesa Joint Venture	July 2019	July 2022	16%
TR 9/1: Windhoek-Hosea Kutako International Airport (Phase 1 between Western Bypass circle to Sam Nujoma Drive), road upgrade to dual carriage-freeway (10 km) (will be extended to connect to police roadblock on Rehoboth road)	826,596,171.11	China Railway Seventh Group/Onamagongwa Trading Enterprises Joint Venture	January 2016	December 2020	75%
TR 9/1: Windhoek-Hosea Kutako International Airport (Phase 2, Section 2A between Sam Nujoma Interchange and Dordabis Interchange), road upgrade to dual carriage-freeway (19.5 km)	949,992,389.16	AVIC-INTL Project Engineering Company	March 2020	September 2023	2%
MR 44 & MR 76: Swakopmund-Henties Bay-Uis-Kamanjab (Phase 1, Section A between Swakopmund and Henties Bay), road upgrade to bitumen standard (92 km)	879,062,245.70	Roads Contractor Company (RCC)	January 2016	11 February 2021	85%

TABLE 2: Ongoing roads construction projects in the 2019/2020 financial year (continued)

Project	Contract Value (in N\$)	Contractor	Start Date	Estimated Completion Date	Percentage Completed
MR 91: Gobabis-Aminus-Aranos (Section B, between Onderombapa and Aranos), road upgrade to bitumen (136 km)	649,186,050.36	RCC/ Teichmann Joint Venture	1 October 2019	September 2021	?
MR 44, MR 36 & TR 2/1: Swakopmund-Walvis Bay, (Phase 1 Extension, behind Dune 7 and Coastal Road), road upgrade to dual carriage-freeway (12 km)	435,048,692.42	UNIK/Thohi Joint Venture	28 February 2020	February 2022	5%
DR 3508: Namalubi-Isise Luhonono, road upgrade to bitumen standards (55 km)	629,557,664.00	Nexus Civils & 13 SME contractors	January 2015	June 2021	78%
DR 3610: Mangetti West Phase 2, labour-based road construction (50 km)	60,379,733.06	Namibbeton/KL Construction Joint Venture & 1 SME contractor	April 2020	August 2021	-

1.3.4 Planned Construction Projects (Roads, Bridges and Rehabilitation)

The following projects are at the construction works procurement level and construction is set to commence in the 2020/2021 financial year:

- **TR 1/2 & TR 1/3:** Grünau-Keetmanshoop-Mariental (Section A), road rehabilitation (78 km)
- **TR 10/2:** Onhuno-Eenhana, road rehabilitation (47km)
- **DR 4113:** Endola-Eemboo, labour-based gravel road construction (19 km)

The designs of the following projects have been completed and construction is envisaged to commence in the 2020/2021 financial year, upon availability of funds:

- **Keetmanshoop Weighbridge**
- **DR 3650:** Epinga-Onakalunga, labour-based gravel road construction (12 km)
- **Rural access roads in Ohangwena and Omusati Regions:** Lot 3, 7 and 8 to start 18 May 2020 and estimated to be completed by 18 August 2021 (40.3 km)
- **DR 3524:** Nakabolelwa-Mbalasinte-Kasika (Phase 2), gravel road (34 km)
- **TR 1/5:** Windhoek-Rehoboth, upgrade to dual carriage-freeway (10 km)
- **TR 1/11:** Omuthiya-Ondangwa-Ongwediva-Oshakati (Section A & B between Omuthiya and Onethindi), road rehabilitation and upgrade to dual carriage-freeway (145 km)
- **MR 44 & MR 76:** Swakopmund-Henties Bay-Uis-Kamanjab

(Phase 1, Section B between Henties Bay and Uis), road upgrade (96 km)

- **MR 44 & MR 76:** Swakopmund-Henties Bay-Uis-Kamanjab (Phase 2, Section A between Kamanjab and Khorixas), road upgrade (105 km)
 - **MR 44 & MR 76:** Swakopmund-Henties Bay-Uis-Kamanjab (Phase 2, Section B between Khorixas and Uis), road upgrade (115 km)
 - **TR 7/1:** Karibib-Usakos, road rehabilitation and upgrade (36 km)
 - **TR 2/3:** Karibib-Omaruru, road rehabilitation and upgrade (62 km)
 - **TR 1/12:** Oshikango bypass, road upgrade (20 km)
 - **DR 1635 & DR 1668:** Du Plessis Plaas-Epukiro, road upgrade (47 km)
 - **MR 124:** Opuwo-Sesfontein, road upgrade (150 km)
 - **DR 3639:** Oshikango-Odibo-Edundja-Ondombe, road upgrade (30 km)
 - **DR 3424:** Mungunda-Shakambu, gravel road construction (37 km)
 - **TR 9/1:** Windhoek-Hosea Kutako International Airport (Section 2B between Dordabis Interchange and Hosea Kutako International Airport), road upgrade to dual carriage-freeway (20 km)
- The following project is at design level:
- **DR 3546/7:** Impalila Island access road (20 km)

1.3.5 Control Laboratory

The critical responsibility of the Control Laboratory is to respond to the Roads Authority Act, 1999 (Act No. 17 of 1999) through the proper quality control of materials required for the construction and maintenance of road infrastructure, with special consideration to a safe and efficient transport sector that will drive the economy of Namibia. In addition, the Control Laboratory is mandated to further develop the quality control and assurance of materials required for the development and preservation of roads in every aspect, with the aim of achieving high durability, economic viability, safety and environmentally forgiving roads.

As part of its strategic framework, the Control Laboratory is mandated to, inter alia:

- (a) promote quality control and assurance;
- (b) implement laboratories that make and test materials as well as indoor and outdoor experimental facilities to promote new construction and maintenance methods with the aim to certify non-traditional stabilisers through short-term, medium-term and long-term experimental research programmes;
- (c) improve collaboration with all engineering divisions to enhance extensive quality-assured measurements and analysis that shall lay an important foundation for comprehensive construction, rehabilitation and maintenance of the road network;
- (d) promote capacity building, especially of Small and Medium Enterprises (SMEs).

In fulfilling its mandate, the Control Laboratory will increase research and development with special focus on materials planning and design standards that allow for the creation of new knowledge and provide innovative and alternative solutions to enhance the impact of road research at national and regional level and contribute towards regional road asset development.

1.3.5.1 Completed research and trial sections

- Armaseal laboratory testing was completed in December 2019; trial sections were done during the period under review: 1.5 km on T0802 at 63,000 km to 64,500 km and 0.5 km on T0804 at 27,500 km to 28,000 km
- Polymer Modified Bitumen Stabilising Materials (PMBSM) in the Northern regions (design module)

1.4 ROAD MANAGEMENT SYSTEM

1.4.1 Mandate of the Division

The Road Management System (RMS) Division enables the organisation to develop and operate coordinated and integrated support tools or systems to facilitate the efficient management of the road network. This includes collecting and analysing data, identifying and prioritising projects through the application of different objective functions and to analyse the impact of funding constraints on the road network and road users.

1.4.2 Performance and Achievements

The following section highlights components of the different sub-systems of the RMS and results obtained during 2019/2020.

The Road Referencing System (RRS) furnishes the RA with one process through which all features, attributes and data are provided spatial reference using the Geographic Information System (GIS). It condenses the processes related to road definition and inventory into one system, thereby allowing the entry and updating of information regarding proclamations, road definition, nodes, road links, lane configuration and cross section details. The RRS also displays information online and allows printing of reports for selected roads or areas.

The utilisation of the GIS ensures that all spatial information related to the national road network of Namibia is maintained. All changes to the national road network received from the RA's Proclamation System are captured and verified within the GIS before importing and incorporating into the RRS/RMS.

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, update maps annually and to provide information to all stakeholders. The current network statistics have been compiled, as seen in Figure 1, which indicates all the changes to the network from 2017 to 2020. Changes include new proclamations, surface upgrades from gravel to bituminous standards, reclassifications and de-proclamations (closing) of roads by the Minister of Works and Transport.

1.4.2.1 Pavement Management System

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

From 2000 to 2012, the surfaced road network of Namibia deteriorated rapidly. Therefore, the RA started an extensive reseat programme in 2012. The effort resulted in a significant improvement in the bituminous surfacing condition and reduced the rate of pavement structural deterioration.

1.4.3 Current Situation of the Namibian Road Network

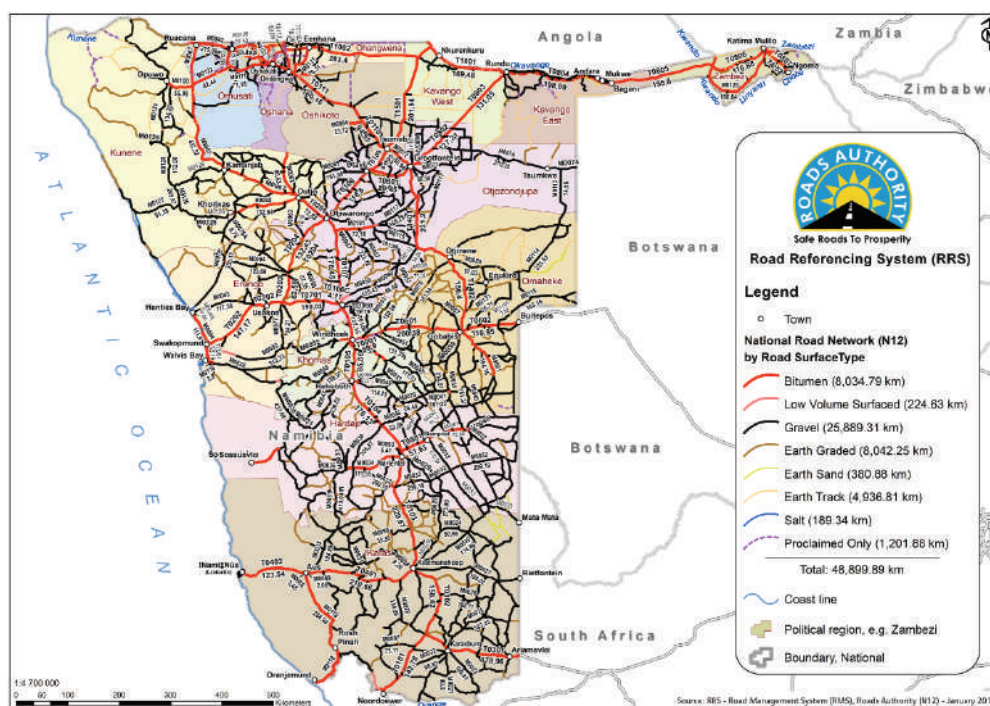
1.4.3.1 Replacement value of pavement structures

A conservative calculation indicates that replacing only the top layers and bituminous surfacing of paved roads would cost approximately N\$77,916 million. This does not include the value of the land, earth works, bridge structures, road furniture or the value of unsealed roads.

OUR SITUATION: 60% of Namibia's total paved road network is more than 20 years old.

Due to dry conditions, good road building materials and relatively

FIGURE 1:
National road network by road surface types



light traffic loads, the expected life of the road network can be extended with timeous routine maintenance (crack sealing, patching etc.) and periodic maintenance (reseal).

1.4.3.2 Bituminous surfacing (seals)

The purpose of 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 to 15 years. Deterioration on lower volume roads occurs mainly due to

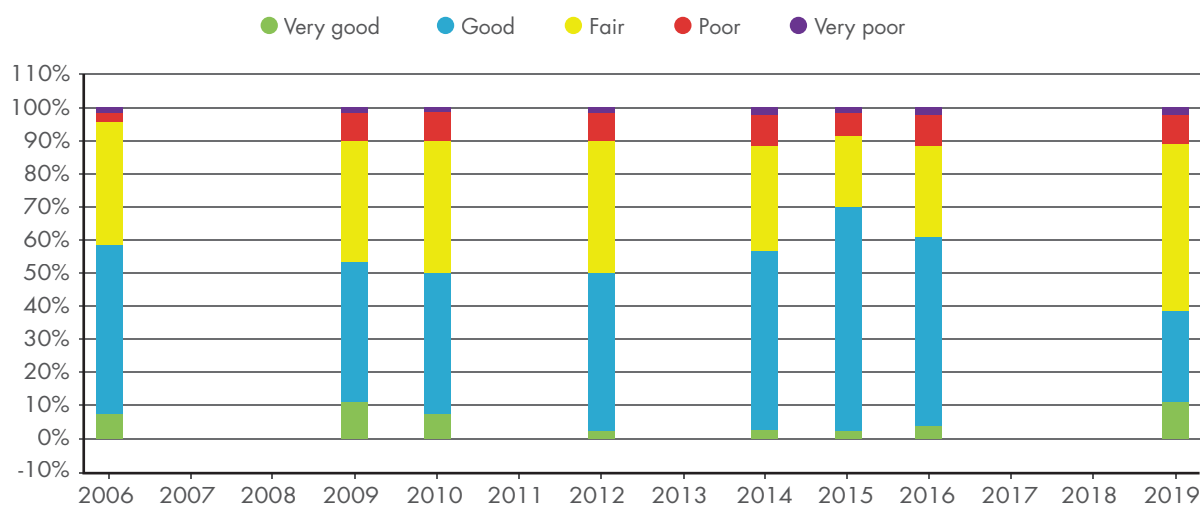
oxidation and hardening, making this layer water permeable.

OUR SITUATION: Despite the efforts to reseal and rejuvenate our roads from 2012 to 2019, 30.5% of the bituminous surfacing is still older than 10 years and 13% older than 15 years.

1.4.3.3 Pavement structure condition

The current condition of the road pavement structures and the trend of deterioration are displayed in Figure 2.

FIGURE 2:
Pavement structural condition change
2006 – 2019



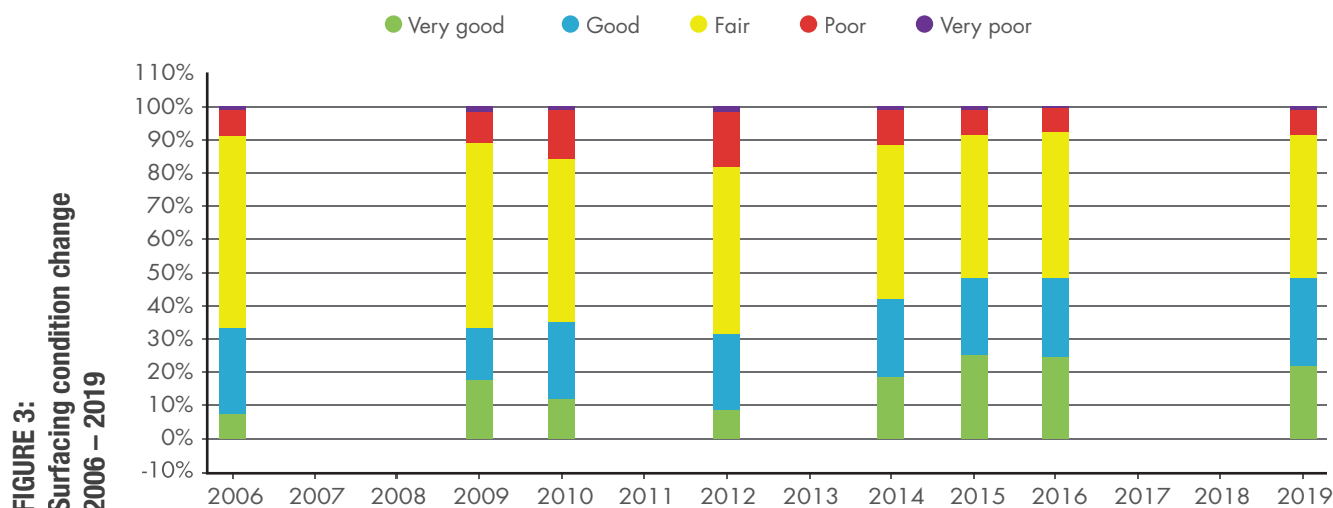
The 2019 assessments show:

- An increase in the "Very Good" category. This is mainly due to the construction of 367 km of new surfaced roads between 2016 and 2019.
- An apparent slight decrease in the "Poor to Very Poor" category. This is the result of the increase in new surfaced roads. The distance in this category has increased from 814 km to 842 km since 2016.
- An increase in the "Fair" condition and a decrease in the "Good" condition categories.

- Since 2012, the reseal programme, which included rut filling, has significantly reduced the rate of pavement deterioration.

1.4.3.4 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 is summarised in Figure 3. The impact of the kilometres treated from 2012 to 2019 is visible in terms of maintaining and preserving the network condition.



Key Performance Indicators for the Namibian road network, correlating targets and achievements, are shown in Table 3.

TABLE 3: Key Performance Indicators

Financial Year	Surfaced Roads	
	Surfacing Condition (% Poor - Very poor)	Surfacing Condition (% Poor - Very poor)
Target	10	10
2007/2008	8	6
2008/2009	No assessment	No assessment
2009/2010	11	9
2010/2011	13	9
2011/2012	17	10
2012/2013	No assessment	No assessment
2013/2014	12	11
2014/2015	9	8
2015/2016	7	11
2016/2017	No assessment	No assessment

TABLE 3: Key Performance Indicators (continued)

Financial Year	Surfaced Roads	
	Surfacing Condition (% Poor - Very poor)	Surfacing Condition (% Poor - Very poor)
Target	10	10
2017/2018	No assessment	No assessment
2018/2019	6	11
2019/2020	6.4	10.6

1.4.3 Changing Needs of the Namibian Road Network

Figure 4 highlights, from the HDM4 tactical analyses, the changes in total economic funding requirement since 2011 (per annum for the first 5 years) and the optimal distribution thereof.

Due to insufficient funding and actual distribution of the available funding, the total optimum funding requirement increased

dramatically, e.g. insufficient regravelling and cost increases since 2011 resulted in regravelling now requiring the most funding of all capital projects.

The optimal economic distribution changes as the available funding changes. Figure 5 highlights that upgrading should be significantly reduced if the total funding is reduced to 40% less than the optimal.

FIGURE 4:
Changes in funding requirements
and distribution

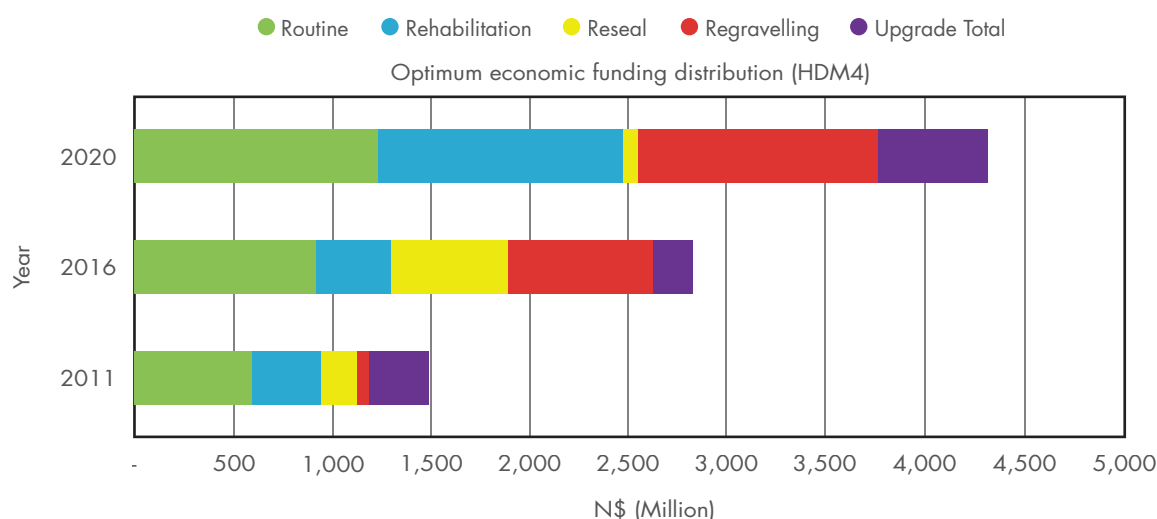
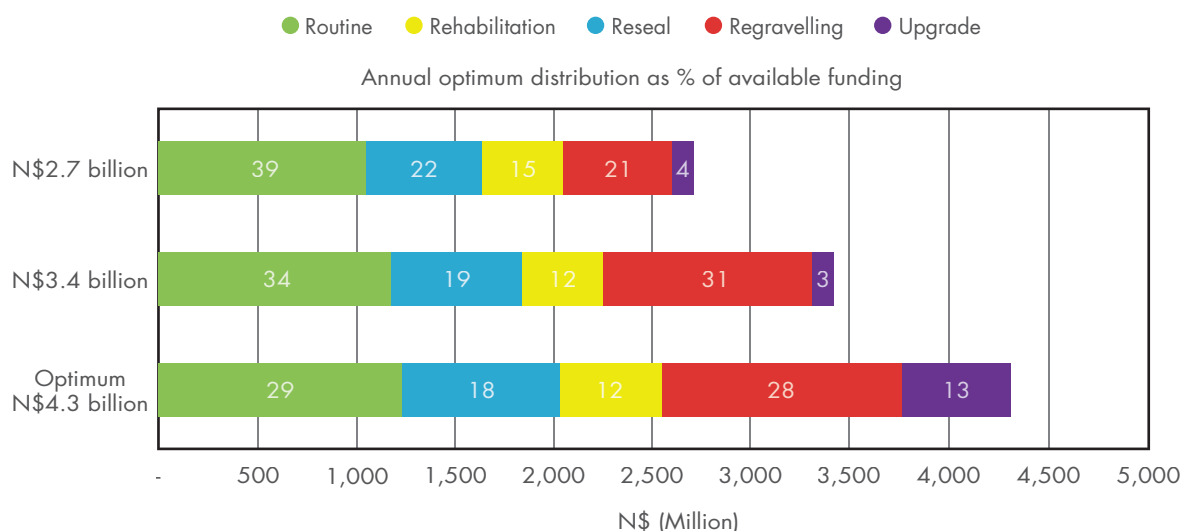


FIGURE 5:
Change in optimal distribution
due to funding constraints



1.4.3.1 Surfaced road network

The surfacing condition of the sealed road network (2004 – 2019) is shown in Figure 6, highlighting the impact of insufficient and sufficient periodic maintenance (reseal) over time. A drastic

improvement was observed from 2012 to 2015 due to resealing a high proportion (approximately 8% per annum) of the road network (refer to Figure 6).



The current RA target of a maximum of 10% of roads in an unacceptable condition ("Poor" and "Very Poor") is considered acceptable and could be motivated in terms of international approaches. This target can be maintained in Namibia, with the proviso that:

- 156 km should be rehabilitated per annum
- 660 km should be resealed per annum

The current approved budget for 2020 – 2025 only allows for resealing of approximately 75 km per annum (<1% of the surfaced road network). This will certainly result in a drastic deterioration of the sealed road network.

1.4.3.2 Unsealed road network

The condition of earth graded and gravel roads in Namibia has deteriorated rapidly over the past decade. In 2016, 46% of the roads were in an unacceptable condition and the average gravel thickness was 43 mm.

Using the kilometres regavelled per annum during 2016, 2017, 2018 and 2019, the estimated remaining gravel thickness at the beginning of 2020 was 17 mm. The approved RA budget for regaveling for the current (2019/2020) and next five years is displayed in Table 4. The impact of the estimated gravel thickness is shown in Figure 7 (refer to dark blue line).

TABLE 4: Approved RA budget for 2020 – 2025

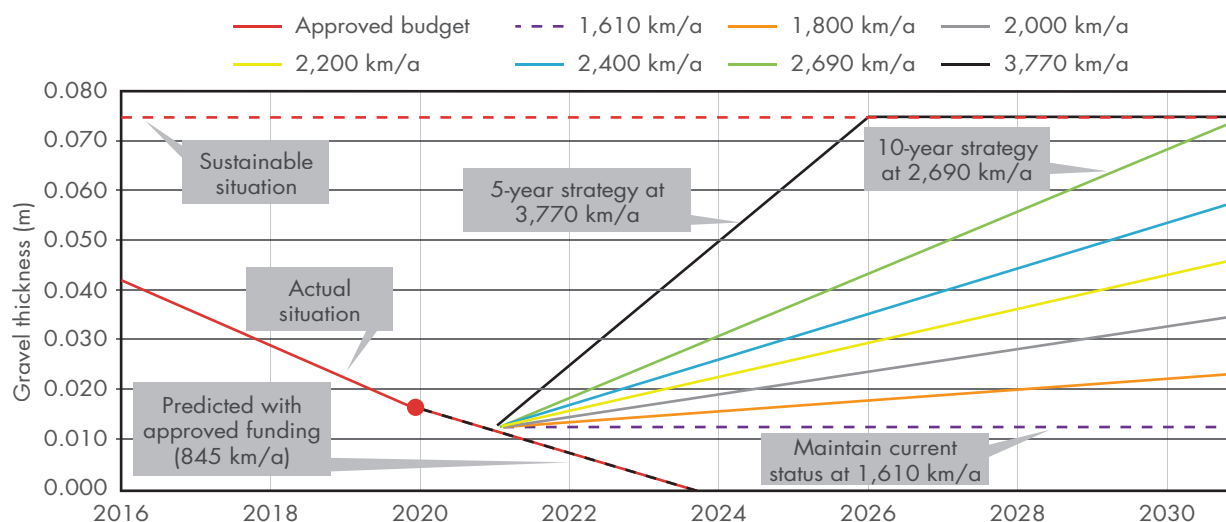
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Regravel budget (in N\$)	175,854,511	274,322,351	257,977,452	283,775,197	312,152,717	343,367,988
Unit cost/km @ 8% per annum (in N\$)	275,400	297,432	321,227	346,925	374,679	404,653
Approximate km regravel	639	922	803	818	833	849

Figure 7 also indicates that if the RA were to start in 2021 by regaveling 2,690 km per annum for the next ten years, the remaining gravel thickness at the end of 2031 would be 75 mm, i.e. the ideal thickness.

The current RA strategy predicts disaster with a theoretical remaining average gravel thickness of 0 mm by 2024.

Should a strategy be implemented to achieve an average of 75 mm within 5 years, 3,770 km will have to be regavelled per annum for the next 5 years.

FIGURE 7:
Estimated gravel thickness 2021 – 2031

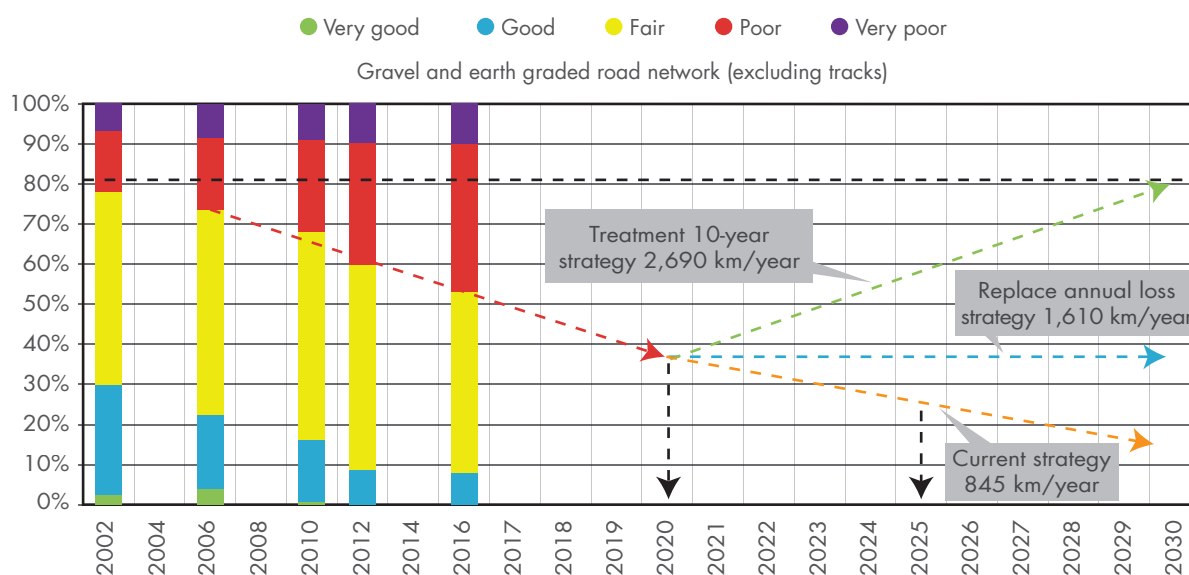


1.4.3.3 Sustainable condition and 10-year turnaround strategy

A sustainable situation is when the average thickness is 75 mm, which relates to 20% of the unsealed road network in "Poor" and "Very Poor" condition. If a 10-year strategy is put in place to achieve this, 2,690 km would have to be regravelled per annum

for the next ten years. The estimated condition deterioration with different regravelling strategies is shown in Figure 8. Applying only the approved RA budget, predicts 75% of the unsealed network to be in a "Poor to Very Poor" condition by 2025.

FIGURE 8:
Expected condition with different regravelling strategies



1.4.3.4 Impact on road user costs

Table 5 indicates the comparison between the costs incurred by the RA over the 20-year analysis and the corresponding savings in terms of vehicle operating costs (VOC) and travel time costs under the selected optimum budget scenario.

TABLE 5: Roads Authority costs and road user savings under the three budget scenarios

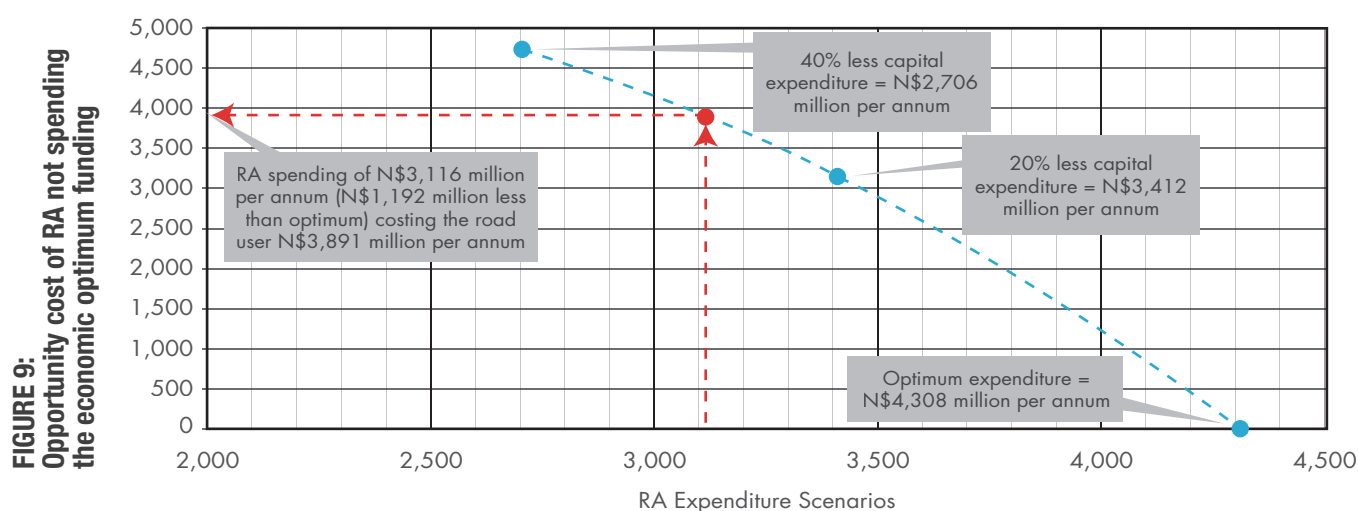
Budget Scenario	Costs and Savings in N\$ million					
	RA Costs			Road User Savings		
	RA Capital Cost	RA Routine Cost	RA Total Cost	VOC Savings	Travel Time Savings	Total Savings
Optimum	31,389	25,114	56,503	275,987	59,081	335,068
Less 20%	25,107	20,087	45,194	223,871	48,336	272,208
Less 40%	18,935	15,150	34,086	198,301	42,851	241,153

The table shows that under the optimum budget, the total road user cost (RUC) savings is N\$335,068 million for a total 20-year RA spend of N\$56,503 million.

However, not implementing the optimum road maintenance strategy will cause the economy to lose this opportunity by spending this cost through additional road user costs, such as an

increase in fuel and parts consumption, vehicle maintenance and depreciation, etc.

Figure 9 illustrates the impact of budget reduction on road user savings and, in particular, the impact of the current budget projected by the RA over the next 5 years.



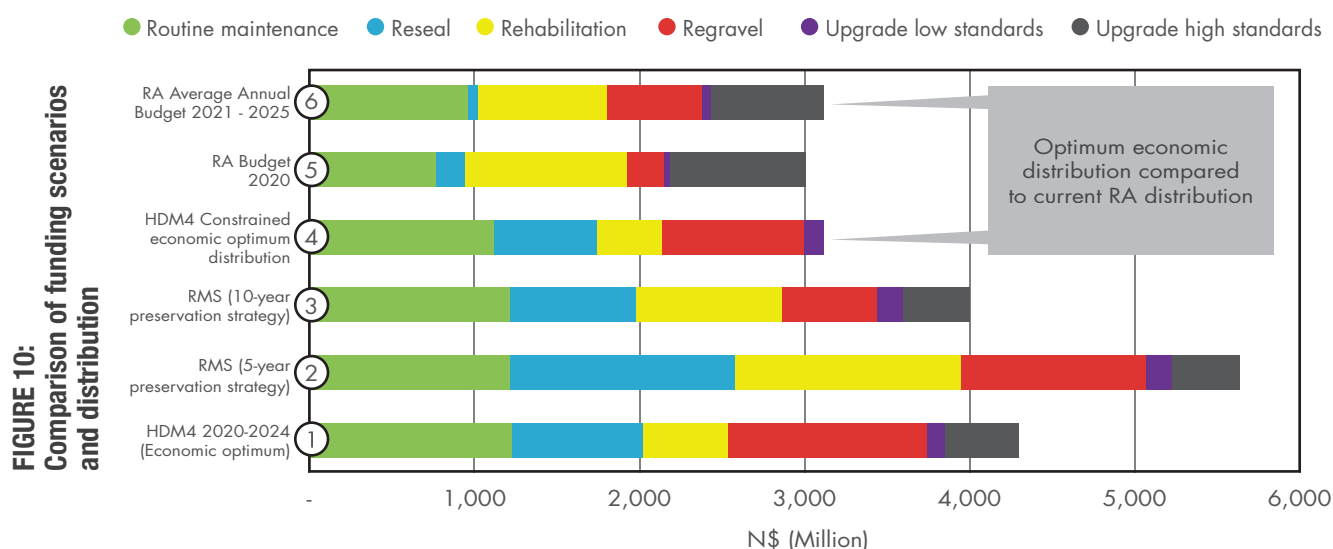
If it is assumed that only N\$3,116 million per annum will be spent for the first 5 years, instead of the N\$4,308 million indicated in the optimum budget scenario, and that RA expenditure will stay in a similar proportion to the HDM4 optimum for years 6 to 20, then the additional cost to the road user will be N\$3,891 million per annum.

Figure 9 shows that if the current RA budget plan (N\$3,116 million per annum) is implemented, the cost to the Namibian road

user will amount to around N\$3,891 million per annum. In other words, the savings in terms of road maintenance from the optimum of N\$1,192 million will cost the Namibian road user N\$3,891 million per annum, with a ratio of N\$3.26 for every dollar saved.

1.4.4 Funding Requirement, Distribution and Impacts

Relevant funding scenarios analysed for further discussion are presented in Figure 10.



Key aspects of importance are as follows:

- The economic optimum annual funding for the first 5 years is N\$4,308 million
- The RMS 5-year preservation strategy requires more funding than the economic optimum due to non-economic projects being included in this scenario (Total = N\$5,641 million)
- The RMS 10-year preservation strategy is considered more practical for bringing and maintaining the existing network into an acceptable condition (KPI targets)
- The approved RA budget (refer to 5 & 6 in Figure 10) is insufficient and also not distributed optimally, when compared to the HDM4 constrained optimum distribution
- The main difference lies in too little reseal work and too much upgrading for this limited funding scenario

NB: It should be noted that the annual increase in construction costs should be provided for.

In summary, current funding for the RA is insufficient to maintain the existing road network and will result in a high proportion of very poor and inaccessible roads within a 5-year period.

1.4.5 Bridge Management System

The Bridge Management System (BMS) was developed and implemented as part of the Integrated Road Management System. The BMS enables the RA to keep an inventory of all structures under its control; to know what the condition of these structures is; to know what the structures' maintenance needs are; and to know if there are any structures in a critical condition and what the consequences of failure would be. Therefore, the BMS provides a systematic approach, whereby the RA can objectively assess which structures under its control should be repaired and when.

The RA carried out principal inspections on 1,430 structures during the financial year 2007/2008. For the past 12 years, the structures network has not been inspected and thus the general condition of the structures at present cannot be reported. This is a huge concern and risk as deterioration would be expected over time and possible collapses can occur.

Listing bridges in condition category from "Good" to "Warning" to "Critical" gives an indication of which bridges should be repaired first.

1.4.6 Traffic Surveillance System

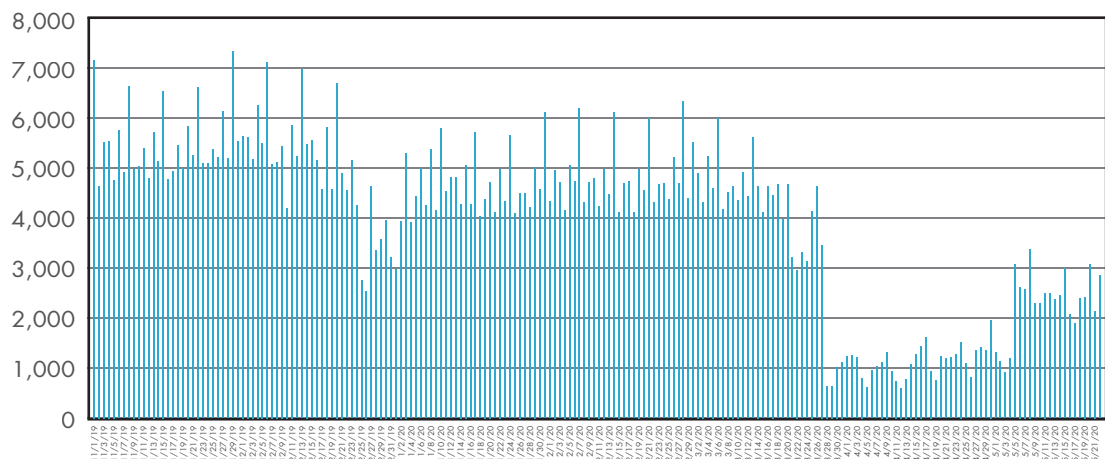
The Road Management System, through its Traffic Surveillance System (TSS), collects, summarises and interprets information on traffic on Namibia's road network. The data are used to assess transportation needs, network performance, activity prioritisation and design through the Integrated Road Management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

Currently, there are approximately 150 base and 250 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.

Efforts are underway to transform the TSS into an Intelligent Transport System (ITS), which could be valuable for improvement of road safety, road infrastructure preservation, crime prevention, determination of road user charges and revenue collection. It is noteworthy that traffic trends mirror the socio-economic development of a nation.

The TSS monitored the impact of the COVID-19 pandemic on Namibia's economy from the traffic perspective. The volume of traffic on our national roads showed a significant reduction during the COVID-19 lockdown. Figure 11 illustrates the trend of traffic on one of Namibia's roads before and during the lockdown period.

FIGURE 11:
The effect of COVID-19 lockdown on
traffic on the Windhoek-HKO
Airport road



The RMS is in possession of more detailed traffic data, which can be used in efforts geared towards curbing the spread of contagions such as COVID-19.

The estimated Vehicle Kilometre Travelled (VKT) is an indicator of the road use in Namibia and essential for a variety of purposes in transport planning and management of the national road network. The annual total VKT reached 3.98 billion in 2018, of which 83% was recorded on the bituminous road network of 8,262 km. Although unsealed roads constitute 83% of the national road network, their contribution to the VKT is only 17%. This is a reflection of the traffic distribution typical to Namibia, where the majority of the national road network (60%) carries less than 50 vehicles per day. Furthermore, only 5% of the network carries more than 1,000 vehicles per day, and only 1.3% of the road network carries more than 3,000 vehicles per day.

The bituminous trunk roads connecting Namibia to neighbouring countries and to the port of Walvis Bay carry the highest volume of traffic. Heavy vehicles constitute close to 19% of the total traffic in the country. The increase in traffic volumes per annum and VKT is a good sign of a growing economy.

1.4.7 Summary of Achievements

1.4.7.1 Mobile Inspection

The RMS developed a mobile inspection application to capture district inspections and complaints with the details of the inspection or complaint, the GPS location and geotagging of photographs on a mobile device such as a tablet or cellular phone. The system automatically determines the location of the complaint in relation to the RRS.

The application is cloud enabled with location tracking ability using GPS. This digital method of inspection saves a huge amount of time as it eliminates paperwork. Data are saved on the cloud. Responsible persons within the RA can then view the district inspections and complaints through the RMS.

1.4.7.2 Dashboard

The RMS Division has successfully implemented a dashboard that collates information from various modules with the click of a button. The importance of the management dashboard should be highlighted, as it features a user-friendly tool to be utilised by all system users. Given the advancements of the system, it is now possible to show an aggregation of information to visually highlight patterns and relationships between data, for instance road network growth and network condition. The dashboard engine is a Business Intelligence (BI) tool that consolidates information across the RMS database and shows it at a very high level for aiding the decision-making process.

Figure 12 shows an example of one of the dashboard outputs highlighting the road network with the growth of the road network over time.

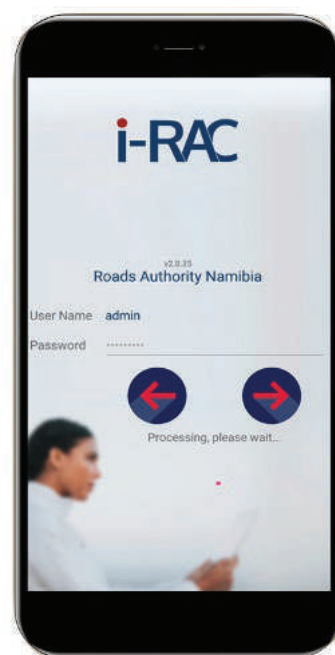
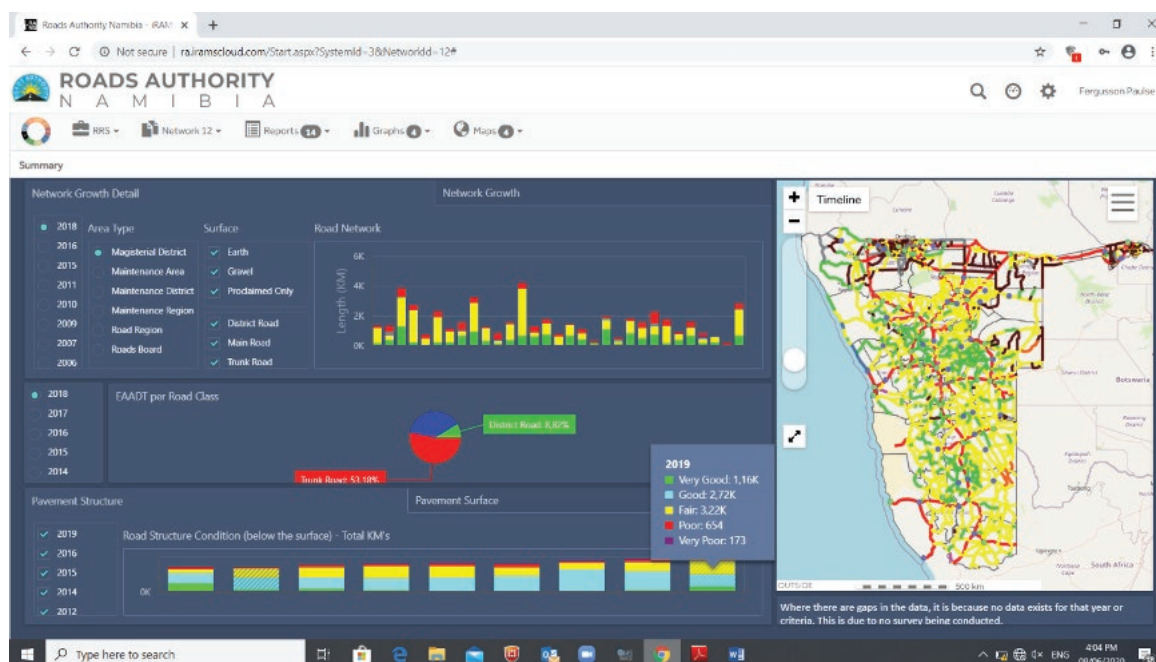


FIGURE 12:
Dashboard image of network growth,
traffic and condition information map



The power of the dashboard lies in the fact that it can provide extremely valuable additional information.

1.4.7.3 Roughness Survey

In 2019, the RMS Division carried out a network road roughness survey internally for the first time, after having previously outsourced the work in 2016. Riding quality surveys are conducted to identify road condition information, which helps to detect maintenance and rehabilitation needs on the road network. The IRI is not only used to monitor the road network, but also for quality assurance purposes and for bonus penalty scheme implementation on new road constructions. All data are contained in the RMS database and available for further analysis.

Additional lasers will be installed to enable measuring texture depth, cross fall and rut depth, in addition to the already acquired IRI measuring sensors.

1.4.7.4 Unsealed Roads LOS

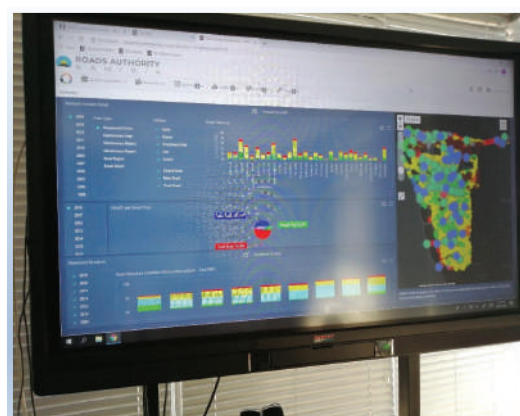
RMS is tasked to assist with the sub-classification of the unsealed road network. The purpose is to assign different target Levels of Service (LOS) to different roads performing different functions. Multi-criteria analysis is used, incorporating location of hospitals, education institutions, economic development potential and sensitivity of agricultural produce, to classify the unsealed road network. Sub-classification will assist in prioritisation of upgrading

and maintenance activities. Otjiwarongo and Oshakati maintenance regions have been completed.

1.4.7.5 RMS Kiosk

All new developments and enhancements to the system culminated in the deployment of a dedicated RMS Kiosk (see Figure 13). This kiosk permanently displays the RMS Dashboard and allows any user within the RA to immediately obtain relevant information about the Namibian road network.

FIGURE 13:
RMS Kiosk with real-time dashboard





TRANSPORT REGULATORY SERVICES

CHAPTER 2 CONTENT

36 2.1 Road Traffic and Transport Inspectorate

37 2.2 Transport Information and Regulatory Services

2. TRANSPORT REGULATORY SERVICES

2.1 ROAD TRAFFIC AND TRANSPORT INSPECTORATE

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

2.1.1 Reduction of Damage due to Overloading

During the period under review, the RA weighed 533,530 heavy vehicles, exceeding its annual target of 460,270 vehicles

by 13.7% (73,260 vehicles). The enhanced performance was attributed to the optimum coverage of 24-hour weighing operations at strategic weighbridges.

Of the vehicles weighed, 10.8% (57,941 vehicles) were overloaded. Of these, 0.6% (2,870 vehicles) were overloaded above the 5% tolerance, while 10.2% (54,405 vehicles) were overloaded within the 5% tolerance. The level of overloading decreased to 10.8% from 14.4% in the previous year, with a compliance rate on prosecutable overloading standing at 99.4%.

TABLE 6: Overload control statistics

Weighbridge	Number of vehicles weighed	Number of vehicles overloaded within 5%	Number of vehicles overloaded above 5%	Total number of vehicles overloaded
Brakwater	159,782	13,585	813	14,398
Aris	117,561	4,312	586	4,898
Gobabis	95,877	10,461	257	10,718
Walvis Bay	78,661	17,664	570	18,898
Onhuno	21,188	760	152	911
Noordoewer	8,489	276	25	301
Ariamsvlei	10,623	1,853	84	1,940
Rosh Pinah	5,819	149	19	168
Oshivelo	0	0	0	0
Katima Mulilo	35,530	5,345	364	5,709
TOTAL	533,530	54,405	2,870	57,941

2.1.2 Road Traffic Regulations

The RA inspected 213,223 vehicles for compliance to road traffic regulations on road safety and vehicle/load dimensions. Of these, 1.4% (2,993 vehicles) were not compliant and were charged. During the reporting period, the vehicle compliance rate stood at 98.6%, compared to 99.2% in the previous year.

TABLE 7: Road traffic statistics

Weighbridge	Number of vehicles inspected	Number of vehicles charged
Brakwater	12,244	601
Aris	33,711	212
Gobabis	8,126	212
Walvis Bay	33,099	295
Onhuno	17,599	413
Noordoewer	8,418	236
Ariamsvlei	6,794	45
Rosh Pinah	4,997	65
Oshivelo	58,358	131
Katima Mulilo	29,877	783
TOTAL	213,223	2,993

2.1.3 Road Transportation

The RA inspected 202,493 vehicles for cross-border transport permits, domestic road carrier permits, cross-border entry fee permits and compliance to mass distance charges. Of the vehicles inspected, 0.5% (969 vehicles) were not compliant and were charged. The vehicle compliance rate of 99.5% remained the same as in the previous year.

TABLE 8: Road transportation statistics

Weighbridge	Number of vehicles inspected	Number of vehicles charged
Brakwater	13,190	39
Aris	29,311	26
Gobabis	30,218	99
Walvis Bay	10,991	51
Onhuno	18,066	40
Noordoewer	8,105	47
Ariamsvlei	6,794	21
Rosh Pinah	5,943	11
Oshivelo	57,932	393
Katima Mulilo	21,943	242
TOTAL	202,493	969

2.1.4 Fines Collection

The RA generated a total amount of N\$8,717,629.00 in admission of guilt fines, of which N\$5,314,675.00 (61%) was paid to the government account through lower courts and police stations. Warrants of arrest were issued for the unpaid fines and the division has arrangements in place to trace the accused.

2.2 TRANSPORT INFORMATION AND REGULATORY SERVICES

2.2.1 Mandate of the Division

The mandate of the Transport Information and Regulatory Services Division is to regulate road transportation, vehicle and driver registration, testing and licensing for quality mobility and road safety.

The key functional activities are as follows:

- Vehicle registration, licensing and roadworthy testing
- Driver testing and licensing
- Management of Registering Authorities
- Administration of the National Traffic Information System (eNaTIS)
- Issuance of national (domestic) and cross-border road transportation permits

The division provides the above services to vehicle owners, operators and drivers as assigned functions to the Roads Authority by the Ministry of Works and Transport in terms of Section 111 of the Road Traffic and Transport Act, 1999 (Act No. 22 of 1999).

2.2.2 Performance and Achievements

2.2.2.1 Stakeholder engagements

During the reporting period, stakeholder engagements were held with the motor dealer industry, corporate clients, i.e. agriculture, Ministry of Health, the Government garage, Ministry of Finance on customs documents, law enforcement and private transport companies.

The Audit and Investigation Unit of the division held road shows in Otjiwarongo, Grootfontein, Rundu, Swakopmund and Walvis Bay.

Finally, dissemination of information continued on Oshiwambo radio, and public awareness drives about learner licences were held at secondary schools.

2.2.2.2 Driving licence card production project

The new driving licence card (DLC) design was finalised and approved. DLC servers have been installed and fully commissioned. The first and second migration of customer data were successfully performed and staff were trained to handle client records that form part of the ABIS fingerprint and portrait records. The development of the new interface with the eNaTIS system was finalised and tested.

2.2.2.3 Increment of miscellaneous fees

The increase for miscellaneous fees in terms of Road Traffic and Transport Regulations was gazetted during the period under review. The new fees will be implemented in the next financial year, as from 01 June 2020.

2.2.3 Driver Population

Namibia's driver population increased by 13,338 drivers, bringing the total driver population to 311,841 drivers. This represents an increase of 4.47% compared to the driver population of the previous financial year. Table 9 details the number of drivers per Issuing Authority.

TABLE 9: Driver population

Issuing Authority	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Eenhana	4,859	4,887	5,192	7,348	7,740	2.48%	5.33%
Gobabis	8,639	8,762	9,020	7,331	7,630	2.45%	4.08%
Grootfontein	6,507	7,086	7,164	5,629	5,763	1.85%	2.38%
Karasburg	2,036	2,230	2,244	2,108	2,211	0.71%	4.89%
Karibib	6,601	7,059	7,059	4,791	4,931	1.58%	2.92%
Katima Mulilo	4,311	4,439	4,552	5,177	5,566	1.78%	7.51%
Keetmanshoop	6,560	7,439	7,453	6,697	6,772	2.17%	1.12%
Lüderitz	3,254	3,352	3,429	2,862	2,783	0.89%	-2.76%
Mariental	6,818	7,291	7,441	6,302	6,522	2.09%	3.49%
Okahandja	5,914	6,813	6,764	7,032	7,868	2.52%	11.89%
Opuwo	2,734	3,073	3,073	3,908	4,301	1.38%	10.06%
Oranjemund	3,722	4,129	4,153	3,344	3,440	1.10%	2.87%
Ongwediva	27,596	29,371	30,085	32,669	34,263	10.99%	4.88%
Otjiwarongo	8,703	9,523	9,569	9,620	9,800	3.14%	1.87%
Outapi	6,190	6,214	6,502	8,963	9,847	3.16%	9.86%
Outjo	3,056	3,619	3,532	4,073	4,174	1.34%	2.48%
Rehoboth	3,094	4,237	2,337	5,386	6,013	1.93%	11.64%
Rundu	11,086	11,356	11,858	9,995	10,592	3.40%	5.97%
Swakopmund	17,426	18,844	19,037	20,638	21,687	6.95%	5.08%
Tsumeb	7,568	8,132	8,362	7,401	7,681	2.46%	3.78%
Walvis Bay	22,130	23,201	23,753	21,157	22,246	7.13%	5.15%
Windhoek	97,568	104,640	106,283	116,072	120,011	38.48%	3.39%
TOTAL	266,372	285,697	288,862	298,503	311,841	100%	4.47%
Growth in numbers	9,961	19,325	3,165	9,641	13,338		
Growth in %	3.88%	7.25%	1.11%	3.34%	4.47%		

FIGURE 14:
Driver population growth
2015/2016 – 2019/2020

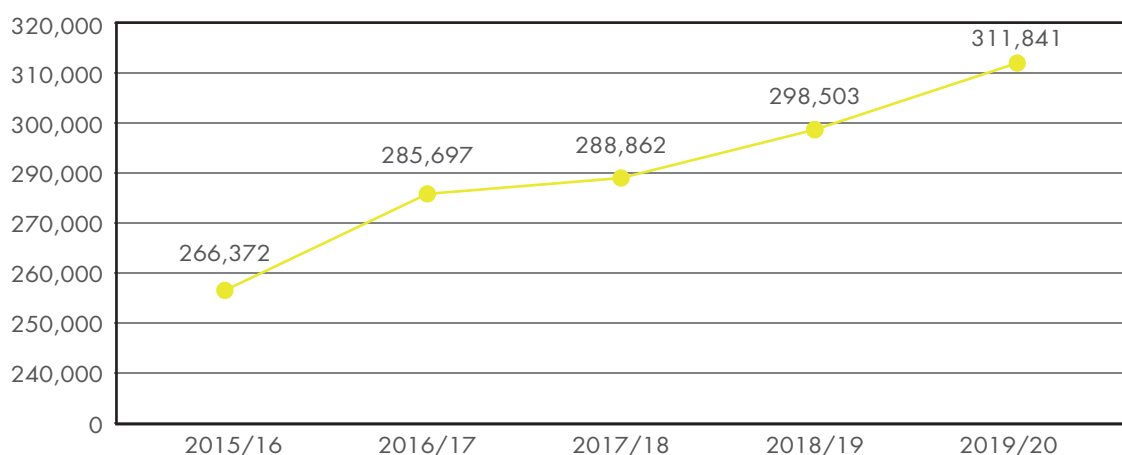
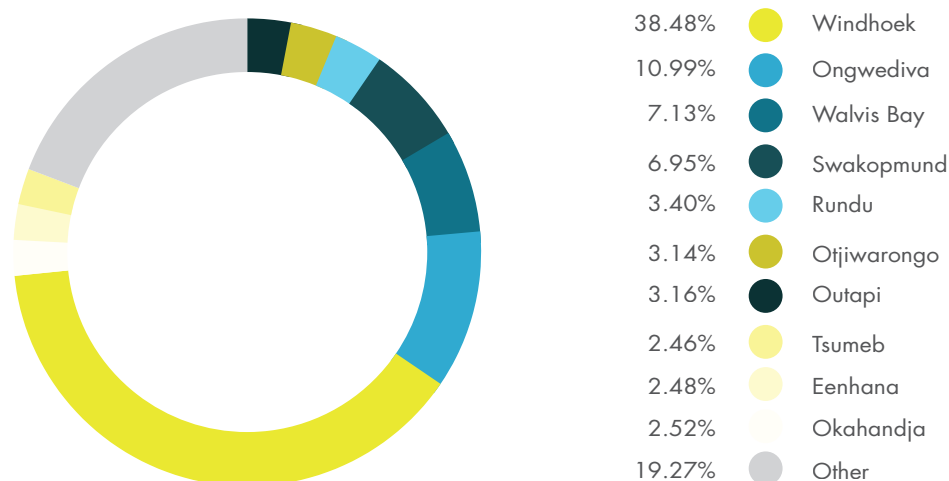


FIGURE 15:
Driver population distribution

2.2.3 Learner Licences (Issued)

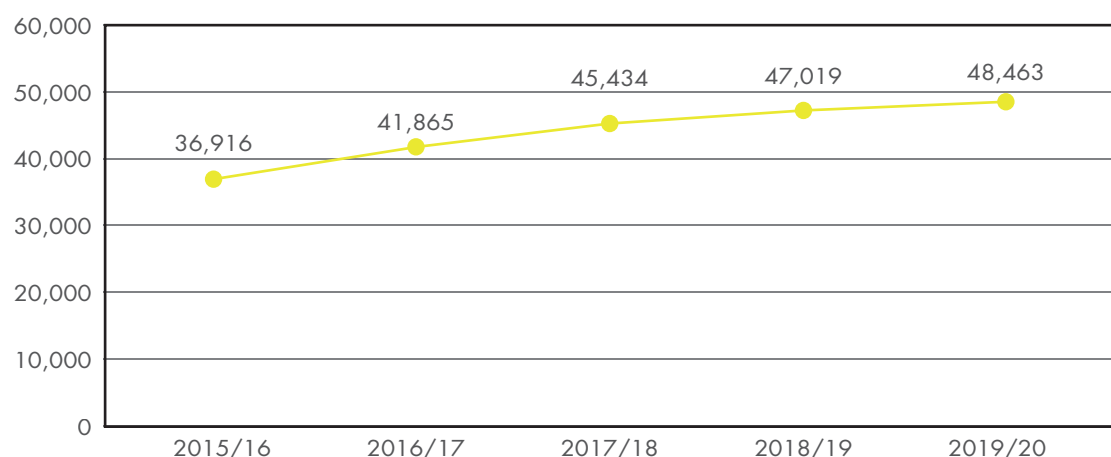
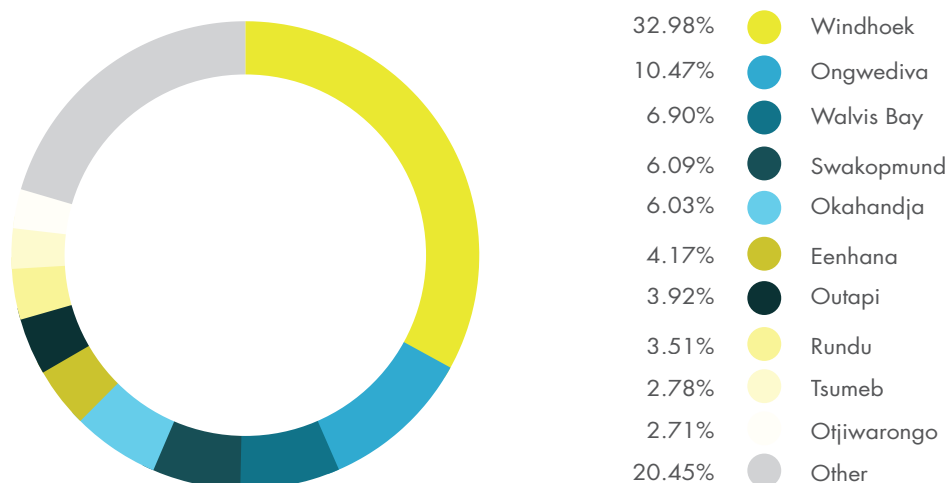
The number of learner licences issued in Namibia increased by 1,444, bringing the total number of learner licences issued to 48,463. This represents an increase of 3.1% compared to the number of learner licences issued during the previous financial year.

TABLE 10: Learner licences (issued)

Issuing Authority	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Eenhana	1,048	970	1,404	1,235	1,932	1,374	2,021	4.2%	47.1%
Gobabis	815	842	731	748	728	683	664	1.4%	-2.8%
Grootfontein	851	937	856	1,068	1,192	1,031	1,153	2.4%	11.8%
Karasburg	414	401	357	338	409	338	359	0.7%	6.2%
Karibib	498	233	331	440	410	284	482	1.0%	69.7%
Katima Mulilo	729	844	799	1,087	1,187	1,357	1,017	2.1%	-25.1%
Keetmanshoop	348	370	687	885	878	930	783	1.6%	-15.8%
Lüderitz	595	845	614	705	826	658	602	1.2%	-8.5%
Mariental	628	588	561	665	698	710	816	1.7%	14.9%
Nkurenkuru	0	0	0	0	0	92	534	1.1%	480.4%
Okahandja	1,706	2,347	2,313	2,592	3,150	3,017	2,920	6.0%	-3.2%
Opuwo	256	348	501	551	782	862	852	1.8%	-1.2%
Oranjemund	136	187	499	501	569	687	655	1.4%	-4.7%
Ongwediva	4,117	4,372	4,213	4,420	4,610	4,909	5,072	10.5%	3.3%
Otjiwarongo	600	920	939	936	1,037	1,059	1,314	2.7%	24.1%
Outapi	1,070	1,264	1,225	1,449	1,807	1,798	1,900	3.9%	5.7%
Outjo	1,078	812	917	1,239	691	415	686	1.4%	65.3%
Rehoboth	137	1,233	1,203	1,383	1,480	1,413	1,308	2.7%	-7.4%
Rundu	1,786	1,393	1,364	1,279	1,778	1,934	1,701	3.5%	-12.0%
Swakopmund	1,303	1,538	1,871	2,749	3,162	3,089	2,953	6.1%	-4.4%
Tsumeb	779	785	870	1,179	1,279	1,343	1,347	2.8%	0.3%
Walvis Bay	2,752	2,564	1,725	1,986	2,245	3,029	3,342	6.9%	10.3%

TABLE 10: Learner licences (issued) (continued)

Issuing Authority	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Windhoek	10,700	11,967	12,936	14,430	14,584	16,007	15,982	33.0%	-0.2%
TOTAL	32,346	35,760	32,346	35,760	36,916	41,865	48,463	100%	3.1%
Growth in numbers	-3,451	3,414	1,156	4,949	3,569	1,585	1,444		
Growth in %	-9.64%	10.55%	3.23%	13.41%	8.53%	3.49%	3.07%		

FIGURE 16:
Learner driver population growth
2015/2016 – 2019/2020**FIGURE 17:**
Learner driver population distribution

2.2.5 Vehicle Population

Namibia's registered vehicle population increased by 6,502, bringing the total vehicle population to 40,1476. This represents an increase of 1.65% compared to the vehicle population of the previous financial year. Table 11 summarises the growth and distribution of the vehicle population per Registering Authority.

TABLE 11: Vehicle population

Registering Authority	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Aranos	1,064	941	1,033	1,048	1,106	0.28%	5.53%
Bethanie	356	357	340	333	333	0.08%	0.00%
Divundu	0	0	0	0	133	0.03%	NA
Eenhana	6,437	7,005	7,720	8,242	8,756	2.18%	6.24%
Ex-Presidential	0	0	0	0	2	0.00%	NA
Gobabis	7,367	7,670	8,219	8,298	8,490	2.11%	2.31%
Government	9,748	9,447	6,673	6,362	6,100	1.52%	-4.12%
Grootfontein	5,487	5,723	6,141	6,211	6,304	1.57%	1.50%
Judiciary	0	0	0	109	108	0.03%	-0.92%
Karasburg	2,314	2,412	2,512	2,547	2,636	0.66%	3.49%
Karibib	1,513	1,795	2,169	2,140	2,144	0.53%	0.19%
Katima Mulilo	5,488	5,876	6,441	7,072	7,512	1.87%	6.22%
Keetmanshoop	7,021	7,116	7,560	7,688	7,566	1.88%	-1.59%
Khorixas	1,001	968	938	825	747	0.19%	-9.45%
Lüderitz	2,534	2,688	2,801	2,743	2,724	0.68%	-0.69%
Maltahöhe	555	513	532	538	520	0.13%	-3.35%
Mariental	6,081	6,139	6,233	6,433	6,567	1.64%	2.08%
NCS	250	245	245	232	224	0.06%	-3.45%
Nkurenkuru	0	528	831	1,029	1,337	0.33%	29.93%
Okahandja	6,858	7,035	7,414	8,010	8,327	2.07%	3.96%
Okakarara	740	803	886	906	831	0.21%	-8.28%
Omaruru	2,508	2,532	2,458	2,611	2,637	0.66%	1.00%
Ondangwa	9,900	10,144	11,215	11,702	1,261	3.14%	7.81%
Opuwo	2,362	2,739	3,235	3,648	3,818	0.95%	4.66%
Oranjemund	2,910	3,174	3,484	3,517	3,483	0.87%	-0.97%
Oshakati	28,611	30,247	31,431	33,771	34,514	8.60%	2.20%
Otavi	985	874	972	1,022	993	0.25%	-2.84%
Otjinene	275	254	295	335	303	0.08%	-9.55%
Otjiwarongo	9,525	9,665	9,909	10,168	10,075	2.51%	-0.91%
Outapi	8,351	9,040	9,992	10,687	11,328	2.82%	6.00%
Outjo	3,589	3,813	3,976	4,052	4,065	1.01%	0.32%
Rehoboth	4,918	5,318	5,633	5,891	5,970	1.49%	1.34%
Ruacana	559	922	1,110	1,216	1,323	0.33%	8.80%
Rundu	9,869	9,863	10,487	10,757	10,823	2.70%	0.61%
Swakopmund	20,227	21,047	21,838	22,409	22,893	5.70%	2.16%
Tsumeb	7,266	7,478	7,669	8,013	8,192	2.04%	2.23%
Usakos	586	600	644	583	524	0.13%	-10.12%
Walvis Bay	21,275	22,454	23,363	24,316	24,725	6.16%	1.68%
Windhoek	163,475	167,285	169,086	169,512	170,727	42.52%	0.72%
TOTAL	362,005	374,710	385,485	394,976	401,476	100.00%	1.65%

TABLE 11: Vehicle population (continued)

Registering Authority	2015/16	2016/17	2017/18	2018/19	2019/20
Population	33,4232	36,2005	37,4710	385,485	394,976
Growth	27,531	27,773	12,705	10,775	6,502.00
Percentage	8.98%	8.31%	3.51%	2.46%	1.65%

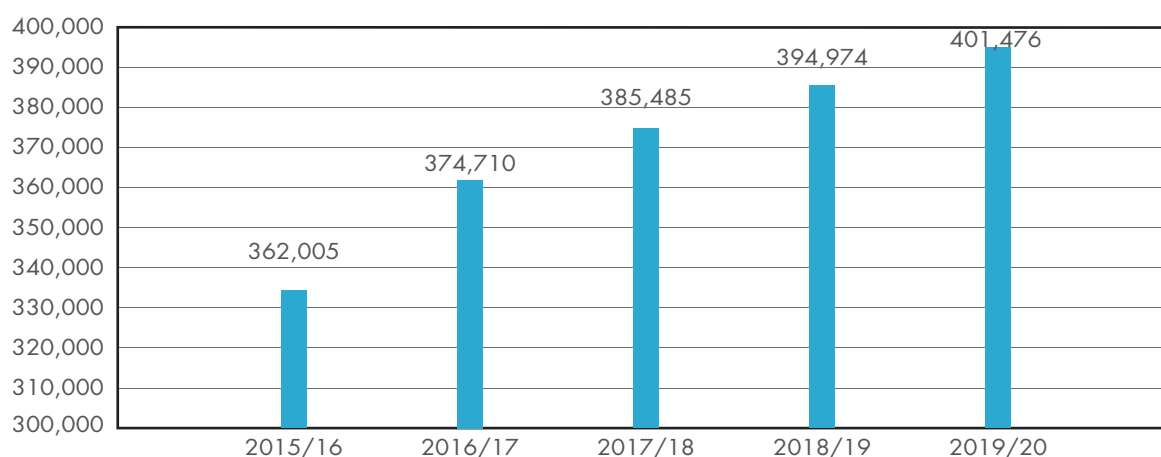
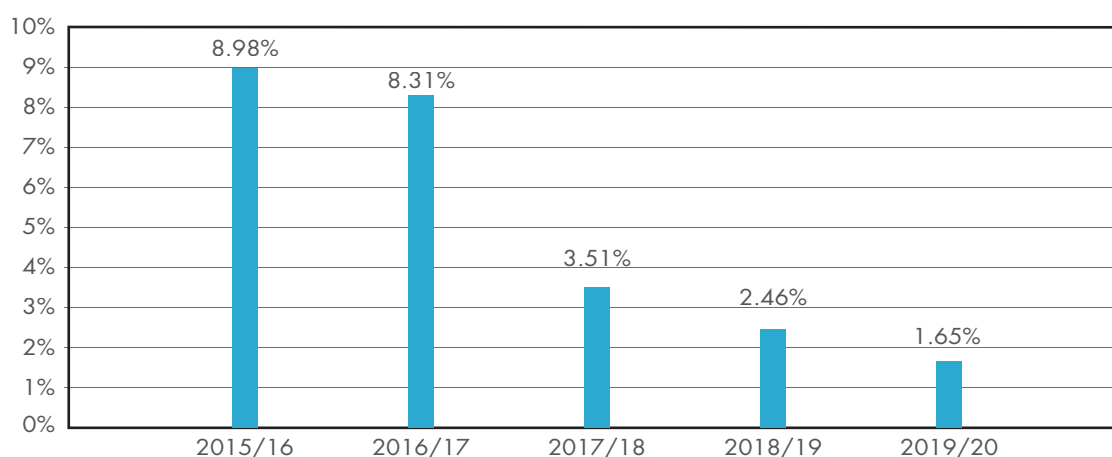
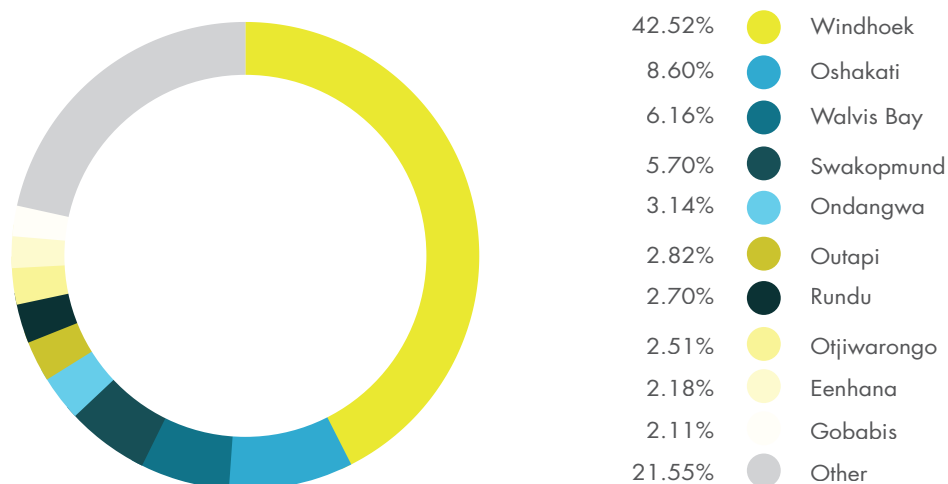
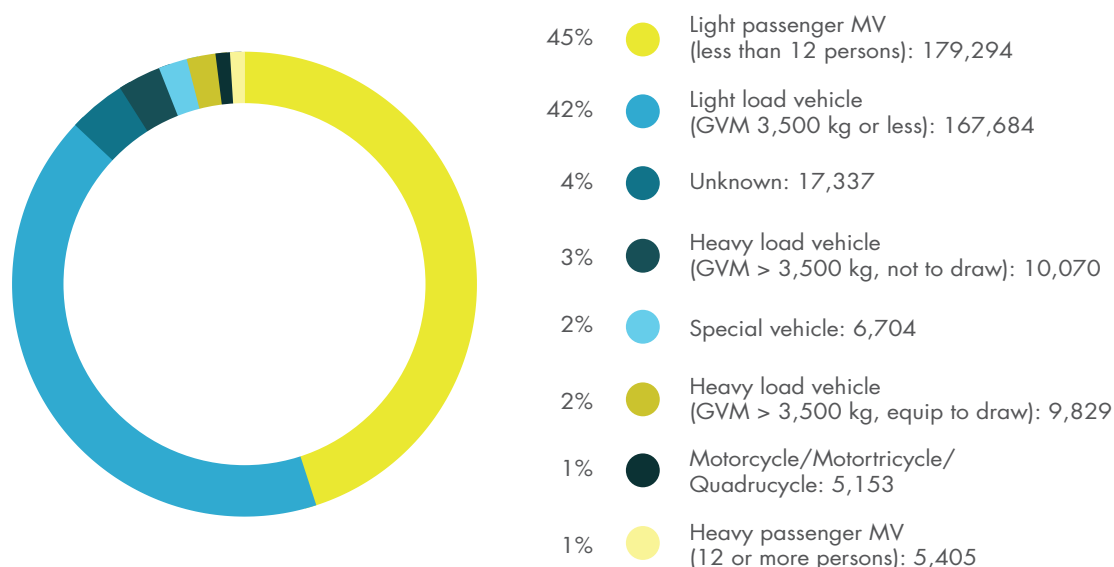
FIGURE 18:
Total vehicle population
2015/2016 – 2019/2020**FIGURE 19:**
Annual vehicle population growth
(percentage) 2015/2016 – 2019/2020**FIGURE 20:**
Vehicle population distribution

TABLE 12: Vehicle population by type

Registering Authority	Heavy load vehicle (GVM >3500 kg, equip to draw)	Heavy load vehicle (GVM >3500 kg, not to draw)	Heavy passenger MV (12 or more persons)	Light load vehicle (GVM 3500 kg or less)	Light passenger MV (less than 12 persons)	Motorcycle / Motortricycle / Quadrucycle	Special Vehicle	Unknown	Grand Total
Aranos	35	31	0	726	244	14	26	30	1,106
Bethanie	21	17	3	198	73	5	10	6	333
Divundu	0	0	3	62	56	0	1	11	133
Eenhana	56	64	61	4,852	3,072	5	55	591	8,756
Ex-Presidential	0	0	0	0	2	0	0	0	2
Gobabis	256	271	53	4,720	2,552	104	259	275	8,490
Government	107	86	308	3,531	1,600	139	295	34	6,100
Grootfontein	141	158	52	2,981	2,640	70	132	130	6,304
Judiciary	0	1	6	46	55	0	0	0	108
Karasburg	113	109	63	1,368	827	34	46	76	2,636
Karibib	22	23	16	1,065	876	38	28	76	2,144
Katima Mulilo	83	80	87	2,509	4,477	24	82	170	7,512
Keetmanshoop	178	148	100	3,760	2,950	124	122	184	7,566
Khorixas	4	1	7	418	274	3	4	36	747
Lüderitz	76	117	64	1,037	1,310	49	29	42	2,724
Maltahöhe	6	9	6	329	146	4	8	12	520
Mariental	225	252	44	3,473	2,055	80	218	220	6,567
NCS	9	6	31	96	76	4		1	224
Nkurenkuru	7	14	16	552	623	4	16	105	1,337
Okahandja	311	435	80	3,517	3,362	133	177	312	8,327
Okakarara	14	18	3	491	244	1	15	45	831
Omaruru	110	93	15	1,259	971	49	49	91	2,637
Ondangwa	169	237	85	6,090	5,022	11	137	865	12,616
Opuwo	35	18	59	2,275	1,285	14	32	100	3,818
Oranjemund	55	46	60	1,566	1,519	68	86	83	3,483
Oshakati	432	438	246	17,093	14,276	64	341	1,624	34,514
Otavi	74	103	2	436	299	8	40	31	993
Otjinene	2	4	8	214	61	0	2	12	303
Otjiwarongo	280	354	92	4,613	4,180	116	249	191	10,075
Outapi	87	106	60	6,841	3,615	11	177	491	11,328
Outjo	195	178	33	2,039	1,327	53	98	142	4,065
Rehoboth	40	50	85	2,651	2,811	45	38	250	5,970
Ruacana	8	8	9	724	502	2	11	59	1,323
Rundu	135	200	193	4,032	5,090	33	85	1,055	10,823
Swakopmund	503	387	368	8,432	11,386	611	409	797	22,893
Tsumeb	242	352	94	3,637	3,263	170	174	260	8,192
Usakos	12	15	4	237	214	6	15	21	524

TABLE 12: Vehicle population by type (continued)

Registering Authority	Heavy load vehicle (GVM >3500 kg, equip to draw)	Heavy load vehicle (GVM >3500 kg, not to draw)	Heavy passenger MV (12 or more persons)	Light load vehicle (GVM 3500 kg or less)	Light passenger MV (less than 12 persons)	Motorcycle / Motortricycle / Quadricycle	Special Vehicle	Unknown	Grand Total
Walvis Bay	1,060	1,398	311	8,158	12,082	465	554	697	24,725
Windhoek	4,726	4,243	2,677	61,656	83,877	2,592	2,744	8,212	170,727
TOTAL	9,829	10,070	5,405	167,684	179,294	5,153	6,704	17,337	401,476

FIGURE 21:
Vehicle distribution by type

2.2.6 Vehicle Roadworthy Testing

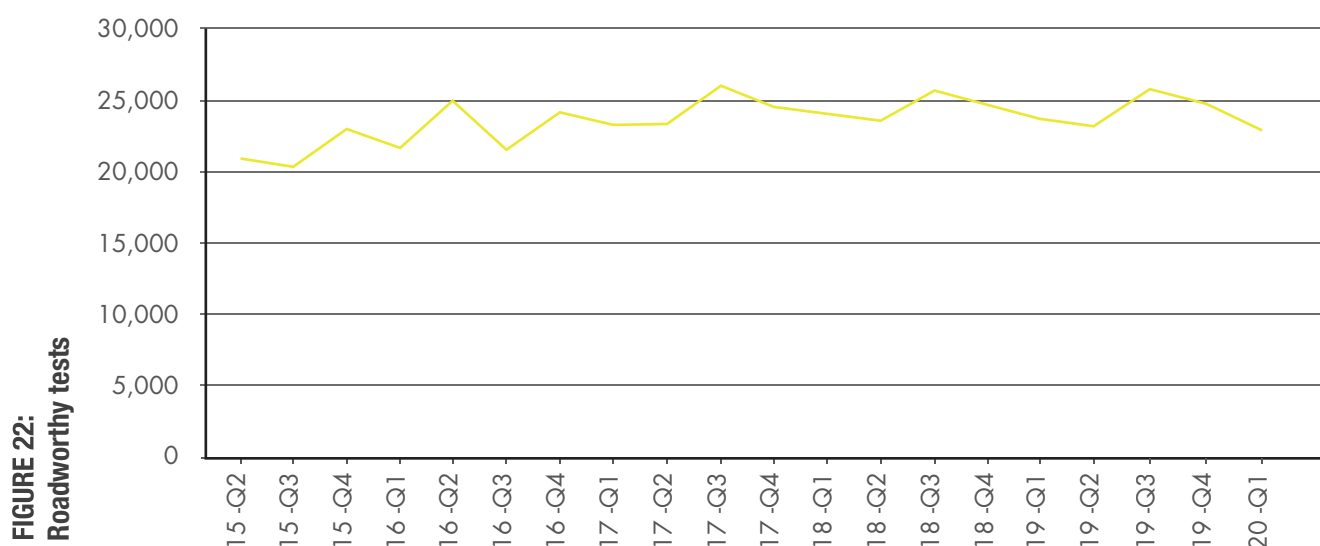
The number of vehicle roadworthy tests decreased by 0.23% to 95,958. Table 13 summarises the growth and distribution of the vehicle roadworthy tests per Vehicle Testing Station.

TABLE 13: Vehicle roadworthy testing

Vehicle Testing Station	All Vehicles (Tests)					All Vehicles (Trends)					
	Bus	Goods Vehicles	Motor-cycles	Other	Total	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
Eenhana	17	131	0	1,445	1,593	1,296	1,710	1,916	1,863	1,593	-14.49%
Gobabis	32	647	10	1,442	2,131	2,407	2,246	2,494	2,336	2,131	-8.78%
Grootfontein	21	231	7	1,296	1,555	1,307	1,538	1,775	1,910	1,555	-18.59%
Karasburg	82	60	1	610	753	400	462	501	622	753	21.06%
Karibib	87	276	3	440	806	534	1,182	1,338	731	806	10.26%
Katima Mulilo	2	0	2	1,051	1,055	999	1,033	1,145	1,204	1,055	-12.38%
Keetmanshoop	80	336	9	875	1,300	1,249	1,480	1,556	1,545	1,300	-15.86%
Lüderitz	51	55	2	397	505	718	700	741	622	505	-18.81%
Mariental	81	748	8	972	1,809	1,743	1,883	1,838	1,820	1,809	-0.60%
Okahandja	3	0	0	2,448	2,451	2,822	3,095	3,128	2,251	2,451	8.88%
Opuwo	4	115	3	1,138	1,260	65	511	930	1,126	1,260	11.90%
Oranjemund	82	275	10	379	746	440	478	571	603	746	23.71%
Ongwediva	201	348	3	6,663	7,215	8,753	8,462	8,128	8,046	7,215	-10.33%

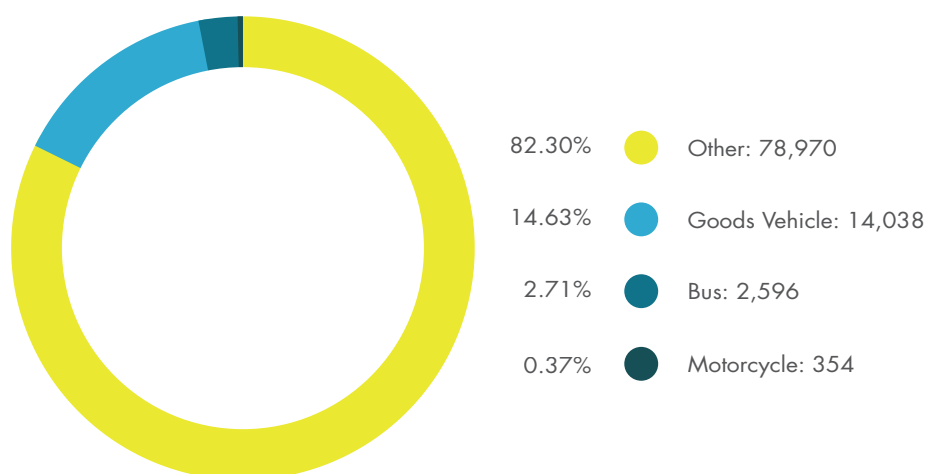
TABLE 13: Vehicle roadworthy testing (continued)

Vehicle Testing Station	All Vehicles (Tests)					All Vehicles (Trends)					
	Bus	Goods Vehicles	Motor-cycles	Other	Total	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
Otiwarongo	173	1,238	17	2,373	3,801	3,376	3,843	4,706	4,263	3,801	-10.84%
Outapi	1	2	2	1,190	1,195	1,018	1,396	1,269	1,200	1,195	-0.42%
Outjo	34	393	7	663	1,097	1,370	1,529	1,545	1,131	1,097	-3.01%
Rundu	10	13	0	2,824	2,847	2,760	2,527	3,209	2,717	2,847	4.78%
Swakopmund	47	64	88	4,553	4,752	4,046	4,771	4,610	4,848	4,752	-1.98%
Tsumeb	84	629	13	1,319	2,045	1,911	1,811	2,057	2,208	2,045	-7.38%
Walvis Bay	220	3,402	44	6,482	10,148	8,735	8,881	8,996	9,990	10,148	1.58%
Windhoek	1,284	5,075	125	40,410	46,894	40,265	44,269	45,749	46,908	46,894	-0.03%
TOTAL	2,596	14,038	354	78,970	95,958	86,214	93,807	98,202	97,944	95,958	-2.03%

**TABLE 14:** Vehicles tested per category

Test Period	Buses	Goods Vehicles	Motorcycles	Other	Total
2019-Q2	561	3,375	110	19,404	23,450
2019-Q3	759	3,685	87	20,964	25,495
2019-Q4	695	3,424	79	20,197	24,395
2020-Q1	581	3,554	78	18,405	22,618
Total	2,596	14,038	354	78,970	95,958
Percentage of Total	2.71%	14.63%	0.37%	82.30%	100%

FIGURE 23:
Demarcation of roadworthy tests
per category



2.2.7 NaTIS Revenue Collection

During the reporting period, NaTIS recorded 1,342,428 transactions for which revenue was collected. An income of N\$722,823,337 was generated from these transactions, which marked an increase of 2.6% compared to 2018/2019. This amount is broken down as indicated in Table 15.

TABLE 15: NaTIS revenue collection for 2019/2020

Type of Revenue	2018/19	2019/20	% Increase	Increase Amount	Number of Transactions
Road User Charges					
Vehicle Licensing, Temporary/Special Permits, Motor Trade Numbers	643,654,939.08	661,556,424.98	2.8%	17,901,485.90	707,370
Vehicle Registration	18,741,024.80	18,389,856.75	-1.9%	-351,168.05	106,826
Subtotal Road User Charges	662,395,963.88	679,946,281.73	2.6%	17,550,317.85	814,196
Non-Road User Charges					
Specific Licence Numbers	2,081,508.00	2,103,080.00	1.0%	21,572.00	7,479
Personalised Licence Numbers	3,070,520.00	2,961,864.00	-3.5%	-108,656.00	2,128
Learner and Driver Testing and Licensing	24,712,880.00	25,918,725.00	4.9%	1,205,845.00	347,805
Vehicle Roadworthy Certification	12,022,270.00	11,812,362.00	-1.7%	-209,908.00	169,790
Other (Person Transactions, Info. Confirm, Duplicate Doc.)	83,520.00	81,024.00	-3.0%	-2,496.00	1,030
Subtotal Miscellaneous (Non-Road User Charges)	41,970,698.00	42,877,055.00	2.2%	906,357.00	528,232
TOTAL	704,366,661.88	722,823,336.73	2.6%	18,456,674.85	1,342,428

FIGURE 24:
NaTIS revenue collection distribution

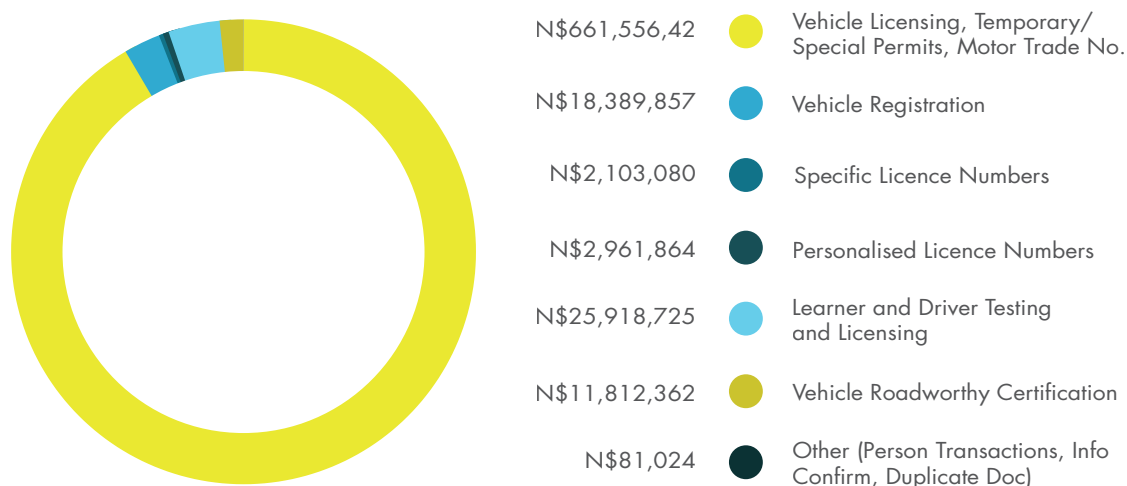
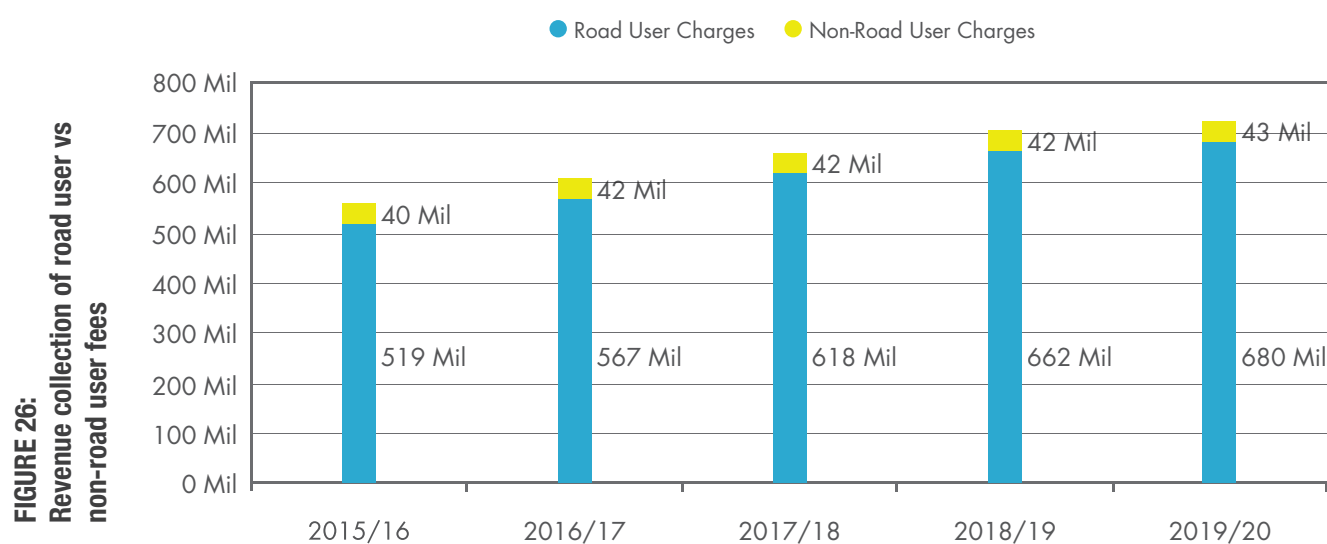
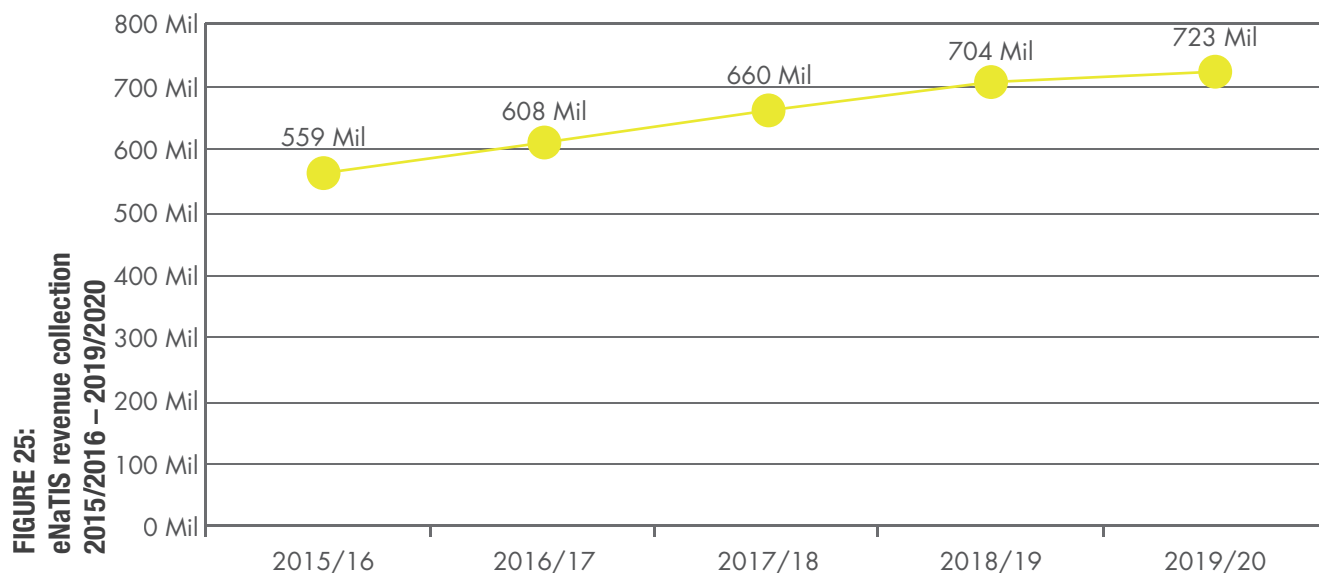


TABLE 16: eNaTIS revenue collection 2015/2016 – 2019/2020

Road User Charges	2015/16	2016/17	2017/18	2018/19	
Vehicle Licensing, Temporary and Special Permits	503,687,517	550,133,110	599,885,413	643,654,939	661,556,425
Vehicle Registration	15,323,226	16,454,916	17,855,991	18,741,025	18,389,857
Subtotal Road User Charges	519,010,743	566,588,027	617,741,404	662,395,964	679,946,282
Non-Road User Charges					
Specific Licence Numbers	2,163,248	2,142,108	2,014,880	2,081,508	2,103,080
Personalised Licence Numbers	4,290,288	3,880,512	3,316,840	3,070,520	2,961,864
Learner and Driver Testing and Licensing	23,052,546	23,844,785	24,349,515	24,712,880	25,918,725
Vehicle Roadworthy Certification	10,821,290	11,541,726	12,028,216	12,022,270	11,812,362
Other (Person Transactions, Info Confirm, Duplicate Doc)	127,638	96,672	86,304	83,520	81,024
Subtotal Non-Road User Charges	40,455,010	41,505,803	41,795,755	41,970,698	42,877,055
TOTAL	559,465,753	608,093,830	659,537,159	704,366,662	722,823,337



2.2.8 Transport Regulation

The RA regulates cross-border and domestic road transportation by issuing road carrier permits in compliance with the national legislative framework and bi-lateral and multi-lateral cross-border road transportation agreements. The RA receives applications and issues abnormal permits.

2.2.8.1 Cross-border road carrier permits

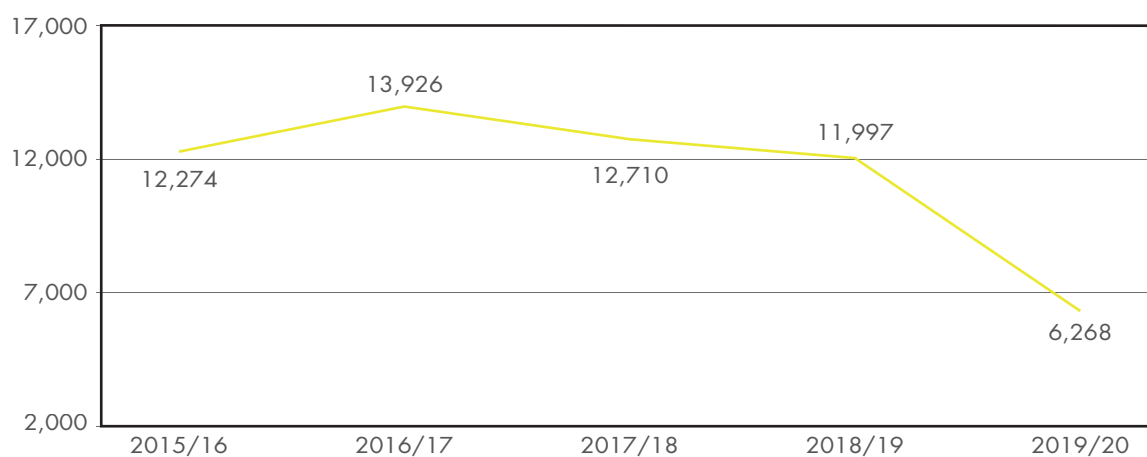
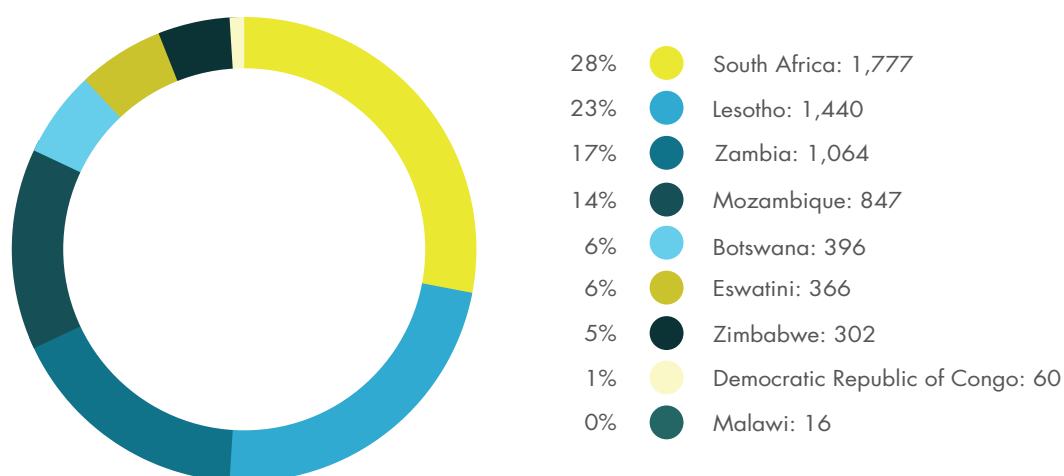
During the reporting period, a total of 6,268 cross-border road carrier permits was issued, representing a decrease of 47.75% compared to the previous financial year. The statistics per country are indicated in Table 17.

TABLE 17: Cross-border road carrier permits per country

Country	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Botswana	304	363	230	217	396	6.32%	82.49%
Democratic Republic of Congo	0	0	0	0	60	0.96%	NA
Eswatini	222	246	269	14	366	5.84%	2514%
Lesotho	28	27	18	4	1,440	22.97%	35900%
Malawi	0	0	0	0	16	0.26%	NA
Mozambique	0	0	0	1	847	13.51%	84600%

TABLE 17: Cross-border road carrier permits per country (continued)

Country	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
South Africa	8,383	9,219	8,346	9,870	1,777	28.35%	-82.0%
Zambia	2,037	2,499	2,913	1,320	1,064	16.98%	-19.39%
Zimbabwe	1,300	1,572	934	571	302	4.82%	-47.11%
TOTAL	12,274	13,926	12,710	11,997	6,268	100.00%	-47.75%

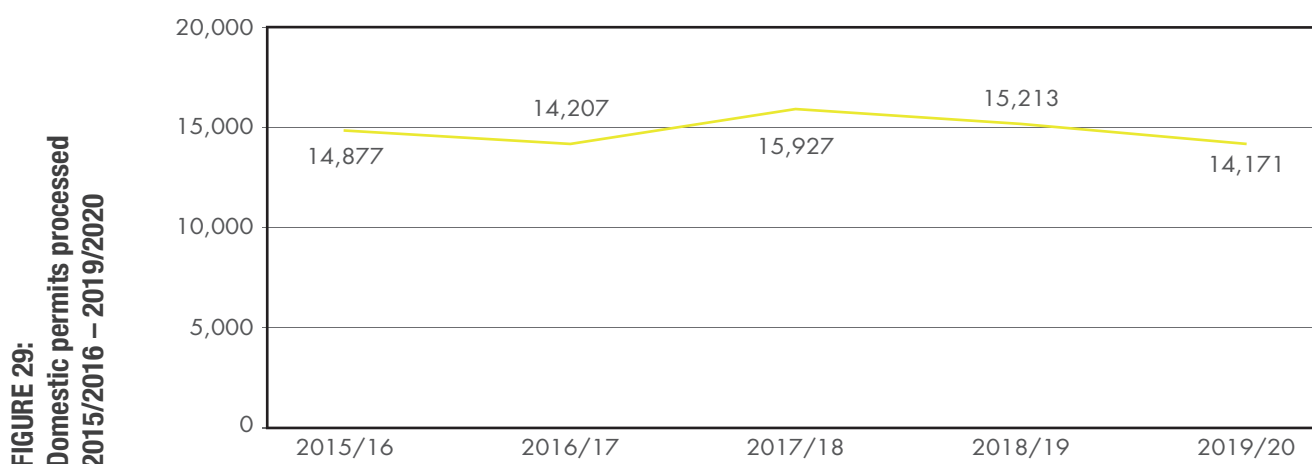
FIGURE 27:
Cross-border road carrier permits
2015/2016 – 2019/2020**FIGURE 28:**
Cross-border road carrier permits
distribution

2.2.8.2 Domestic road carrier permits

During the reporting period, a total of 14,171 domestic road carrier permits was issued, representing a decrease of 6.85% compared to the previous financial year. The statistics per type of application/permit are indicated in Table 18.

TABLE 18: Domestic road carrier permits per type

Type of Permit	2015/16	2016/17	2017/18	2018/19	2019/20	Growth %	Distribution
New Application	6,009	5,588	6,482	6,094	4,167	-31.62%	29.41%
Replacement of Vehicle	2	9	10	9	0	-100.00%	0.00%
Temporary Permit Local Vehicles	756	1,003	1,429	968	1,032	6.61%	7.28%
Transfer of Permit	101	101	115	155	223	43.87%	1.57%
Duplicate Permit	1,545	1,073	462	571	562	-1.58%	3.97%
Change of Route	62	48	70	80	80	0.00%	0.56%
Additional Vehicle	2	1	2	0	0	NA	0.00%
Additional Authority	13	2	0	8	0	-100.00%	0.00%
Direct Replacement	5,865	6,189	7,191	7,157	7,075	-1.15%	49.93%
Temporary Permit Foreign Vehicles	522	193	166	171	1,032	503.51%	7.28%
TOTAL	14,877	14,207	15,927	15,213	14,171	-6.85%	100.00%



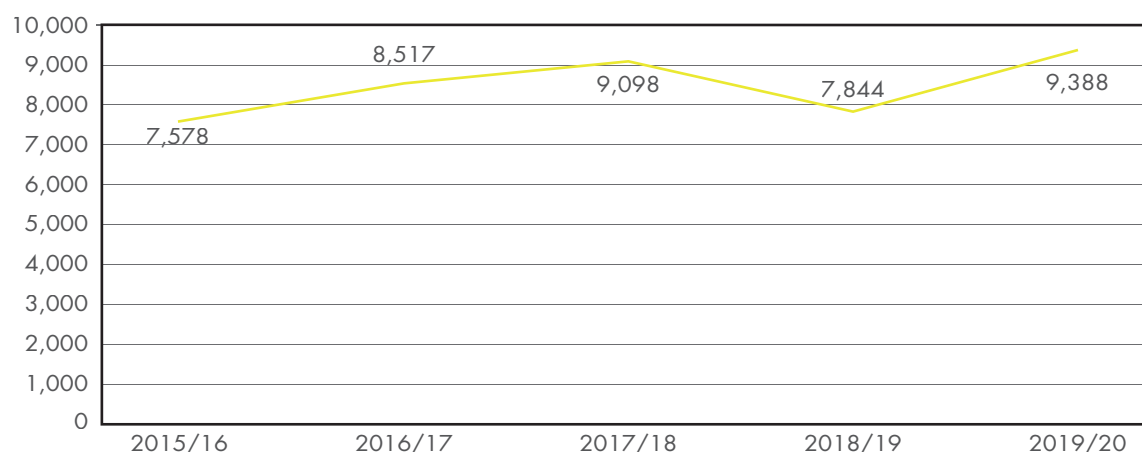
2.2.8.3 Issuance of abnormal load permits

During the reporting period, a total of 9,388 abnormal load permit applications was processed, representing an increase of 19.68% in the number of applications compared to the previous financial year.

TABLE 19: Abnormal load permits processed

Category	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Applications received	2,755	3,135	3,266	2,838	3,595	38.29%	26.67%
Applications not issued/cancelled	686	892	700	670	411	4.38%	-38.66%
Applications issued	2,068	2,243	2,566	2,168	3,184	33.92%	46.86%
Paid	2,068	2,243	2,559	2,163	2,195	23.38%	1.48%
GRN not paid	1	4	7	5	3	0.03%	-40.00%
Total	7,578	8,517	9,098	7,844	9,388	100.00%	19.68%

FIGURE 30:
Abnormal load permits processed
2015/2016 – 2019/2020

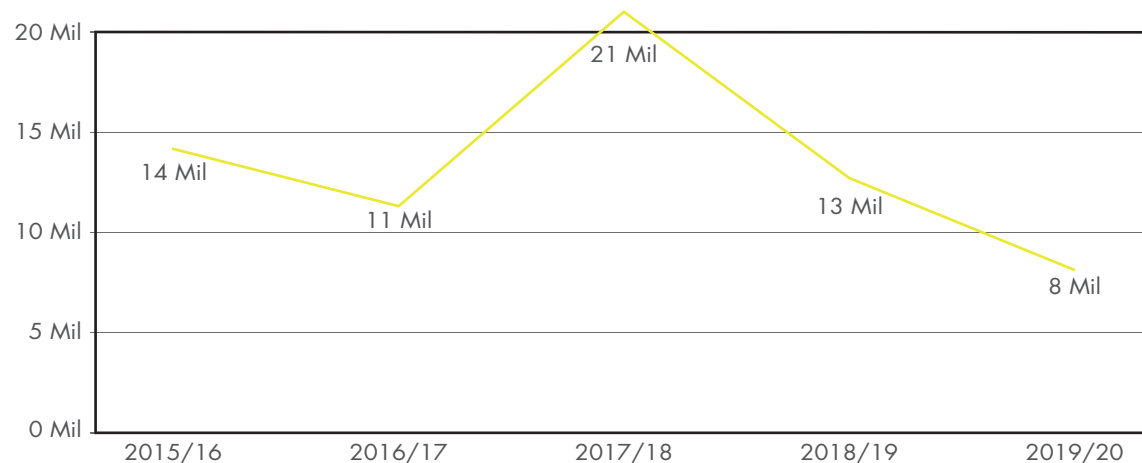


2.2.8.4 Revenue collection for Transport Regulation

TABLE 20: Revenue collection for Transport Regulation

Category	2015/16	2016/17	2017/18	2018/19	2019/20	Distribution	% Growth
Cross-border	539,930	545,020	740,290	672,410	678,790	8.32%	0.95%
Domestic	605,195	596,605	767,490	646,810	568,690	6.97%	-12.08%
Abnormal	13,064,526	10,175,865	19,550,810	11,441,575	6,904,608	84.65%	-39.65%
Temporary	0	0	0	0	4,930	0.06%	NA
Total	14,209,651	11,317,490	21,058,590	12,760,795	8,157,018	100.00%	-36.08%

FIGURE 31:
Revenue collection for Transport Regulation
2015/2016 – 2019/2020





CORPORATE SERVICES

CHAPTER 3 CONTENT

- 54** 3.1 Information Communication Technology
- 54** 3.2 Administration and Shared Services
- 54** 3.3 Human Resources

3. CORPORATE SERVICES

3.1 INFORMATION COMMUNICATION TECHNOLOGY

During the year under review, the Information Communication Technology (ICT) Division continued to deliver optimum and adequate ICT services to the organisation in support of its strategic objectives and operations.

As a result, there was continued maintenance of and support for business-critical systems, such as email, Internet, the Integrated Business Management System (IBMS), the Road Management Systems (RMS), the Traffic Management System (TRAFMAN), the Electronic National Traffic Information System (eNaTIS), Road Permit Transport Management (RPTM) and the Cross Boarder Road Transport System (CBRTS). These RA applications continued to be available and accessible to their respective users across the Authority.

3.1.1 Performance and Achievements

The division continued to engage in ICT research to provide the RA and its stakeholders with state-of-the-art, fit-for-purpose and secure ICT solutions and services at all times.

3.1.1.1 Data transmission network and security

The RA digital communication network was upgraded from 512 kbps to a minimum of 1 mbps for the provision of increased bandwidth capacities across the entire data transmission network.

A comprehensive cybersecurity solution was implemented comprising of next-generation firewalls and a cybersecurity system with artificial intelligence and machine learning capabilities that provides visibility of ICT security breaches in real-time and immediate remedial action.

Five (5) new NaTIS offices (Divundu, Omuthiya, Okongo, Arandis and Henties Bay) were added to the corporate data transmission network, bringing the total number of interconnected offices to approximately 82 countrywide.

3.1.1.2 Integrated Business Management System (IBMS)

Additional continuous developments were made to the IBMS to allow for new compliance requirements, such as Nampay EFT requirements, new tax template requirements for Inland Revenue and Human Resources, and payroll workflow as recommended by audit reports to mitigate identified risks.

The division continued to maintain the applications and databases for the efficient operation of the RA for systems such as the IBMS, which is an enterprise resources planning application that supports financial management, human resource management, project management and asset management. This enables the organisation to continue to render quality and effective services to our stakeholders by ensuring accurate transaction processing and the provision of quality information for decision-making and service delivery.

3.1.1.3 Customer experience efforts

As part of its efforts to improve stakeholder satisfaction, the RA continued to maintain the SMS (Short Message Service) gateway software and Call Centre Management System, which allow the Authority to engage with its customers via SMS notifications on services rendered and voice call, respectively.

The RA has also fully implemented the Queue Management System, which allows for the routing and directing of the flow of customers at selected NaTIS and permit offices. The queue system has assisted the RA to improve customer service processes and increase the quality of customer service.

3.1.1.4 Road Transport Management Systems

The RA continued to maintain the applications and databases necessary for the efficient operation of the road transport systems, such as the RMS, TRAFMAN, eNaTIS, RPTM, CBRTS and the Traffic Satellite Surveillance System. These RA applications continued to be available and accessible to their respective users across the Authority.

3.1.1.5 Business continuity

The Production Data Centre (PDC) and Disaster Recovery Centre (DRC) were maintained according to industry standards, in order to ensure data security and minimise data loss in the event of a disaster. The architecture makes provision for a production data centre that fully replicates to a disaster recovery data centre. In addition, there is a robust backup and replication system for the PDC and DRC with a dedicated optic fibre link for the replication of all servers and data.

3.1.1.6 Server and storage infrastructure

The division ensured the uninterrupted availability of key systems throughout the RA, such as the RMS, TRAFMAN, IBMS, eNaTIS, RPTM, CBRTS, Traffic Surveillance System, email server, web server, IBMS servers and active directory servers.

3.2 ADMINISTRATION AND SHARED SERVICES

The Administration and Shared Services Division continued to provide solutions to the organisation, pertaining to the provision of the auxiliary services and asset management.

The division executed facility management, which covered Security, Cleaning and Cash-in-transit services. It also attended to property management in terms of provision of office accommodation and registration/transfer of properties at Ongwediva, Brakwater and Rundu.

During the period under review, budgetary constraints, which adversely affected plans for the re-construction of the Mariental District Office, posed a significant challenge.

3.3 HUMAN RESOURCES

During the period under review, strategic activities for the Human Resources Division were central to driving the strategic objective to "Enhance Capacity Building". These activities revolved around

the coordination and implementation of the Strategic Scorecard and the Performance Management System, staffing, business process re-engineering, learning and skills development, and employee relations and wellness.

3.3.1 Performance and Achievements

3.3.1.1 Staffing: RA staff complement and turnover

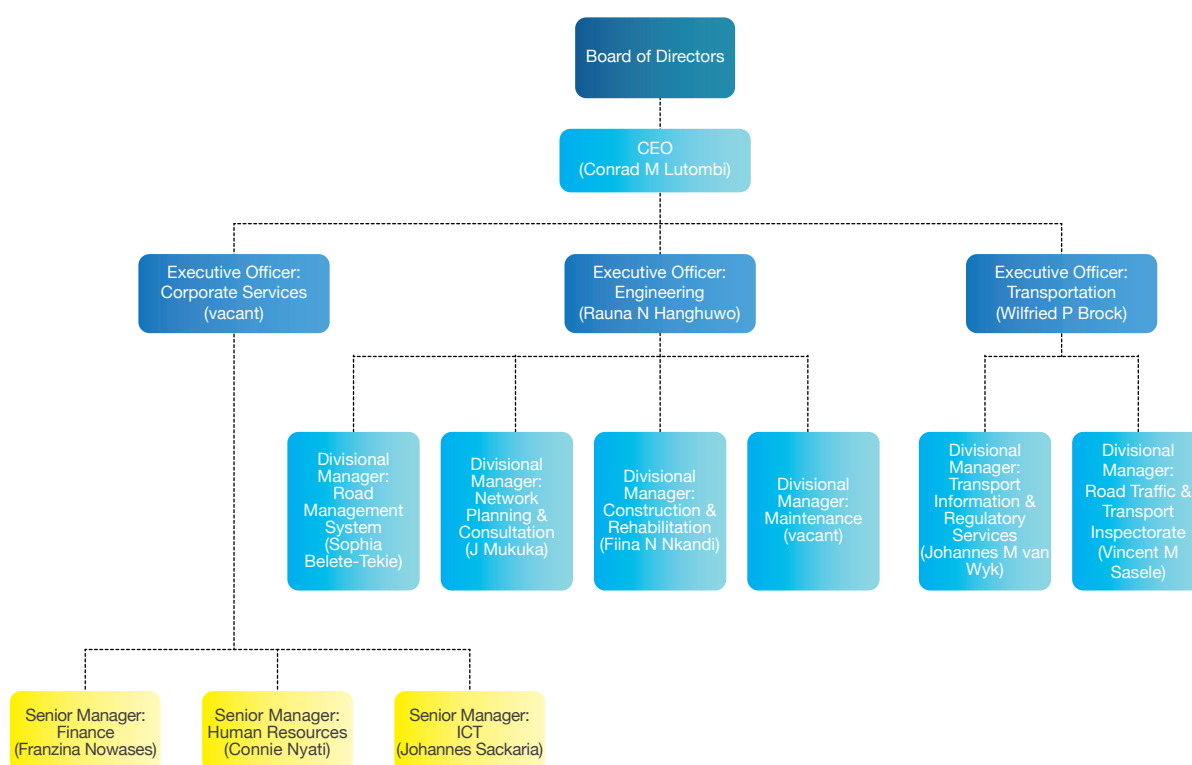
The organisational structural staff complement of the RA is 772, of which 640 staff were in service as at 31 March 2020. Three (3)

staff members are expatriates employed in engineering positions on a medium term contract basis of five (5) years.

In terms of staffing, a total of 35 employees were recruited from external sources. Twenty (20) employees advanced internally to higher level positions.

A total of 13 staff members left the RA voluntarily during the period under review and the services of 3 employees were terminated due to disciplinary action. One (1) case of demise occurred and 5 staff members went on retirement.

FIGURE 32:
Roads Authority high-level organogram



3.3.1.2 Human Resource management and organisational transformation

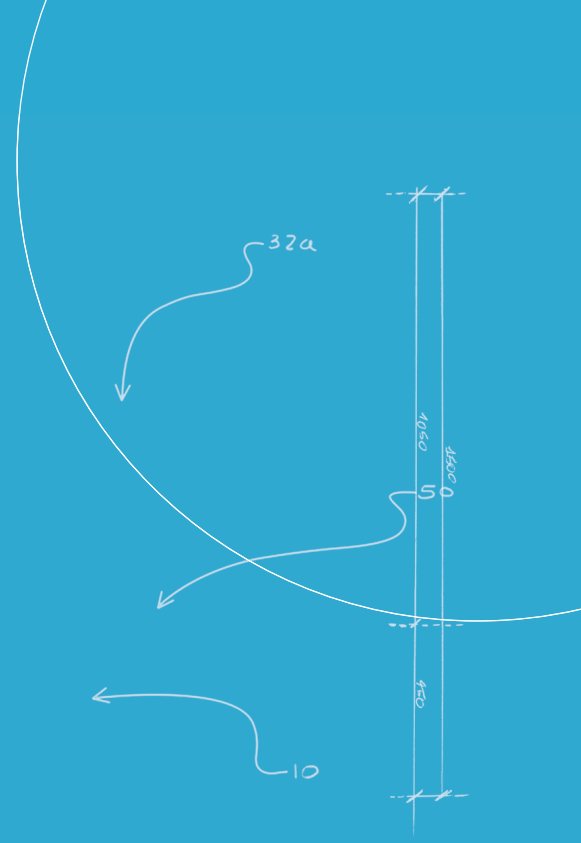
The organisation continued with efforts and initiatives of organisational development and transformation. The following projects were completed and some are ongoing:

- **Business process re-engineering:** During the year under review, the organisation continued with the business process re-engineering project. The initial stage has been completed and awaits approval.
- **Job evaluation:** The RA has undertaken a job evaluation project. The project comprises of three (3) phases, of which Phase 1 and Phase 2 have been completed. Phase 3 will commence after the endorsement of the outcomes of Phase 1 and Phase 2.
- **Succession plans:** The period under review saw the enhancement of succession planning initiatives for key and critical positions in

the organisation. Critical and key positions were identified and allocated for the Succession Planning Programme.

- **Employee relations and wellness:** The Roads Authority recognises the fundamental importance of sound employer-employee relations and has made efforts to strengthen such relations through periodic consultative engagements with the Workplace Union Representative Committee. Furthermore, the Roads Authority continued with wellness and OSHE initiatives during the year under review. The aim of these initiatives is to enhance employee wellness and occupational safety and health in the working environment. The popular physiotherapy sessions gained momentum, while the in-house gym facility continued to provide employees with opportunities for physical workouts and fitness.

AUDIT COMPLIANCE CERTIFICATE



Audit Compliance Certificate
on the Accounts of the Roads
Authority for the year ended
31 March 2020.____



Republic of Namibia



THE AUDITOR-GENERAL

Tel: (264) (061) 2858000
Fax: (264) (061) 224301

Private Bag 13299
WINDHOEK

AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS

OF THE ROADS AUTHORITY

FOR THE YEAR ENDED 31 MARCH 2020

The Board of Directors of the Roads of Authority appointed the firm, PricewaterhouseCoopers 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 2020"*

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

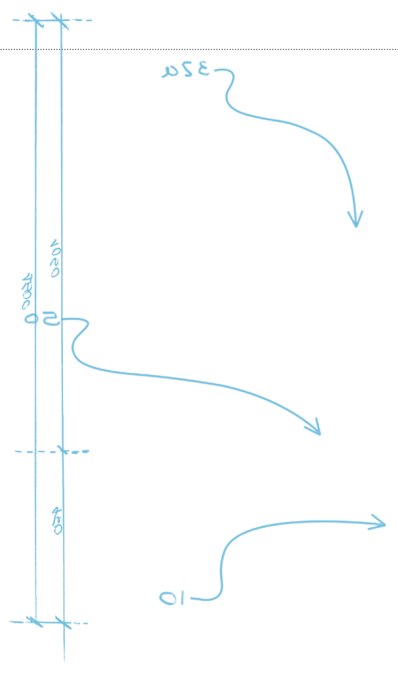
WINDHOEK, July 2021

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL



ANNUAL FINANCIAL STATEMENTS





CHAPTER 4 CONTENT

- 61** Directors' Responsibilities and Approval
- 62** Independent Auditor's Report
- 64** Directors' Report
- 66** Statement of Financial Position
- 67** Statement of Surplus or Deficit and Other Comprehensive Income
- 68** Statement of Changes in Equity
- 69** Statement of Cash Flows
- 70** Accounting Policies
- 78** Notes to the Financial Statements

The following supplementary information does not form part of the financial statements and is unaudited:

- 92** Construction and Rehabilitation Projects

GENERAL INFORMATION

COUNTRY OF INCORPORATION & DOMICILE

Namibia

NATURE OF BUSINESS & 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 Hosea Meroro Road & Mandume Ndemufayo Avenue
Windhoek
Namibia

POSTAL ADDRESS

Private Bag 12030
Ausspannplatz
Windhoek
Namibia

HOLDING AUTHORITY

Ministry of Works and Transport

BANKER

Standard Bank of Namibia
Bank Windhoek Limited

AUDITORS

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

SECRETARY

Iyaloo Nekundi

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Roads Authority Act, Act 17 of 1999, to maintain adequate accounting records and are responsible for the content and integrity of the 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 of directors sets standards for internal control aimed at reducing the risk of error or deficit 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.

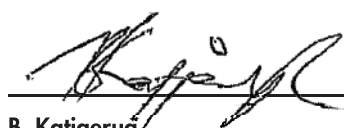
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the Authority's cash flow forecast for the year to 31 March 2021 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 62 to 63.

The financial statements set out on pages 64 to 91, which have been prepared on the going concern basis, were approved by the board of directors on 15 April 2021 and were signed on their behalf by:

Signed on behalf of the Board of Directors by:



B. Katjaerua
Director



L. Brandt
Director

INDEPENDENT AUDITOR'S REPORT

To the Minister of Works and Transport

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 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Roads Authority's financial statements set out on pages 64 to 91 comprise:

- the directors' report for the year ended 31 March 2020;
 - the statement of financial position as at 31 March 2020;
 - 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 sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct 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 information included in the document titled "Roads Authority Financial Statements for the year ended 31 March 2020". The other information 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 identified above 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 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, 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
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek
Date: 08 July 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Roads Authority for the year ended 31 March 2020.

1. NATURE OF BUSINESS

Roads 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. The accounting policies have been applied.

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	Ordinary Board meeting (4 meetings held during the financial year)	Joint Board meeting (2 meetings held during the financial year) (RFA, RCC)	Special Board meeting (3 meetings held during the financial year)	Audit and Risk Committee (4 meetings held during the financial year)	HR Board Committee (4 meetings held during the financial year)
B. Katjaerua (Chairperson)	3	2	4	-	-
E. Motinga (Deputy Chairperson)	3	1	6	4	-
L. Brandt	3	2	6	5	4
C. Smith	2	2	4	5	4
T. Nashidengo	3	2	4	4	4

4. DIRECTORS

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

Board of directors	Nationality
B. Katjaerua (Chairperson)	Namibian
E. Motinga (Deputy Chairperson)	Namibian
L. Brandt	Namibian
C. Smith	Namibian
T. Nashidengo	Namibian

There have been no changes to the directorate for the year under review.

DIRECTORS' REPORT

5. EVENTS AFTER THE REPORTING PERIOD

The first Namibian case of COVID-19 was recorded in March 2020. The effect of the pandemic is limited and considered as a non-adjusting subsequent event. The effect of the pandemic on the Namibian economy has not impacted the Authority's ability to continue as a going concern. The donation of the building, which is held for sale, to the Road Fund Administration was subject to the signing of the Lease Agreement, which took place on 18 May 2020. The deed was transferred in the name of the Road Fund Administration on 12 March 2021.

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 other 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. SECRETARY

The Authority's secretary is Iyaloo Nekundi.

Business address: Roads Authority Head Office
Erf 8163 (Portion of 6596)
Corner of Mandume Ndemufayo Avenue & David Hosea Meroro Road
Southern Industrial Business Area, Windhoek

8. AUDITOR

PricewaterhouseCoopers continued in office as the auditor for the Authority for 2020.

9. DIRECTORS' INTERESTS IN CONTRACTS

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

10. EXEMPTION FROM TAX

The Roads Authority is a Public Entity in terms of the Income Tax Act and it obtained an income tax exemption from the Minister of Finance, in terms of section 16 of the Income Tax Act, Act 24 of 1981 as amended.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note(s)	2020 N\$ '000	2019 N\$ '000
Assets			
Non-current assets			
Property, plant and equipment	3	55,598	322,453
Right-of-use assets	4	19,219	11,617
Intangible assets	5	2,539	970
		77,356	335,040
Current assets			
Trade and other receivables	8	192,510	248,981
Cash and cash equivalents	9	139,137	112,541
		331,647	361,522
Non-current assets held for sale	10	217,060	-
Total assets		626,063	696,562
Equity and liabilities			
Equity			
Reserves		8,992	8,992
Retained income		2,686	2,686
		11,678	11,678
Liabilities			
Non-current liabilities			
Lease liabilities	4	10,397	7,672
Retirement benefit obligation	6	-	29,062
Deferred income	12	217,459	321,211
		227,856	357,945
Current liabilities			
Trade and other payables	11	277,166	293,884
Lease liabilities	4	6,483	4,853
Retirement benefit obligation	6	31,251	5,063
Deferred income	12	71,629	23,139
		386,529	326,939
Total liabilities		614,385	684,884
Total equity and liabilities		626,063	696,562

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Note(s)	2020 N\$ '000	2019 N\$ '000
Transfers received			
Grants received: Road Fund Administration	13	1,821,642	1,727,582
Other income			
Tender documents		555	338
Sundry income		453	3,664
	14	1,008	4,002
Operating expenses			
Administration and management fees		(111,528)	(106,467)
Amortisation		(52)	(53)
Auditors remuneration - external auditors	16	(507)	(489)
Depreciation		(16,932)	(20,837)
Employee costs		(332,955)	(315,400)
		(461,974)	(443,246)
Other operating expenses			
Construction and rehabilitation		(65,666)	(7,443)
Engineering equipment		-	(151)
Weighbridge maintenance		(7,178)	(6,325)
Fencing and compensation		(9,599)	(9,541)
Namibian Traffic Information Systems		(22,788)	(32,572)
Project administration expenses		(15,390)	(2,278)
Research, development and feasibility studies		(13,455)	(5,947)
Road Management System		(20,294)	(21,787)
Routine and periodic maintenance		(1,078,122)	(1,124,926)
Fair value adjustment		(54,060)	-
		(1,748,526)	1,654,216
Operating surplus/(deficit)	16	74,124	77,368
Investment income	17	4,846	177
Finance costs	18	(2,224)	(1,366)
Surplus/(deficit) for the year		76,746	76,179
Transfer surplus/(deficit) to Road Fund Administration		(76,746)	(76,179)
Surplus/(deficit) for the year		-	-
Items that will not be reclassified to surplus or deficit:			
Remeasurements on net defined benefit liability/asset		-	4,938
Transfer of other comprehensive surplus/(deficit) to Road Fund Administration		-	(4,938)
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 1 April 2018	8,992	2,686	11,678
Balance at 1 April 2019	8,992	2,686	11,678
Balance at 31 March 2020	8,992	2,686	11,678

STATEMENT OF CASH FLOWS

	Note(s)	2020 N\$ '000	2019 N\$ '000
Cash flows from operating activities			
Cash receipts from customers		1,818,700	1,816,094
Cash paid to suppliers and employees		(1,787,636)	(1,719,571)
Cash generated from operations	19	31,064	96,523
Interest income		4,846	177
Finance costs		(2,224)	(1,366)
Settlement of retirement benefit obligation	18	(2,874)	(10,094)
Retirement benefits inflows		28,961	-
Net cash from operating activities		59,773	85,240
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(14,746)	(17,870)
Purchase of other intangible assets	5	(1,621)	-
Net cash from investing activities		(16,367)	(17,870)
Cash flows from financing activities			
Payment on lease liabilities		(16,809)	(5,694)
Total cash movement for the year		26,597	61,676
Cash at the beginning of the year		112,540	50,865
Total cash at end of the year	9	139,137	112,541

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.

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 company'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

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

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 assets.

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 determines 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.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

ACCOUNTING POLICIES

1.3 Property, plant and equipment

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

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 company, 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 company 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%
Leased vehicles		Lease term

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.

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset. When the estimated useful life of an asset differs from the previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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 surplus or deficit 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 surplus or deficit when the item is derecognised.

Land is not depreciated.

ACCOUNTING POLICIES

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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase) of an internal project is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset;
- the expenditure attributable to the asset during its development can be measured reliably.

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

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through surplus or deficit; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through surplus or deficit. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Note 22 Categories of financial instruments presents the financial instruments held by the Authority based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Authority are presented below.

1.6 Taxation

The Roads Authority is a Public Entity in terms of the Income Tax Act and it obtained an income tax exemption from the Minister of Finance, in terms of section 16 of the Income Tax Act, Act 24 of 1981 as amended.

1.7 Leases

The Authority assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Authority has the right to substantially all of the economic benefits from the use of the asset, as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

Authority as lessee

The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture, equipment and telephones). For these leases, the Authority recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

ACCOUNTING POLICIES

1.7 Leases (continued)

Authority as lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Authority did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Authority incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Authority applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

1.8 Non-current assets (disposal groups) held for sale or distribution to owners

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

ACCOUNTING POLICIES

1.8 Non-current assets (disposal groups) held for sale or distribution to owners (continued)

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in surplus or deficit.

1.9 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 an asset's 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 surplus or deficit. 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 other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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 surplus 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) 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.

ACCOUNTING POLICIES

1.10 Employee benefits (continued)

Post-employment benefit obligations

Actuarial valuations used to value post-employment benefit 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. 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 planned assets.

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.

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 to Road Fund Administration.

ACCOUNTING POLICIES

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.

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' on prepayment features with negative compensation and modification of financial liabilities	1 January 2019	The adoption of this standard has not had a material impact on the results of the Authority, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendments to IAS 19: 'Employee benefits' on plan amendment, curtailment or settlement	1 January 2019	The adoption of this standard has not had a material impact on the results of the Authority, but has resulted in more disclosure than would have previously been provided in the financial statements
• IFRIC 23: 'Uncertainty over income tax treatments'	1 January 2019	The adoption of this standard has not had a material impact on the results of the Authority, but has resulted in more disclosure than would have previously been provided in the financial statements
• IFRS 16: 'Leases'	1 January 2019	The adoption of this standard has not had a material impact on the results of the Authority, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendment to IFRS 5: 'Non-current assets held for sale and discontinued operations: Annual improvements project'	1 January 2016	The adoption of this standard has not had a material impact on the results of the Authority, but has resulted in more disclosure than would have previously been provided in the financial statements

NOTES TO THE FINANCIAL STATEMENTS

2. New standards and interpretations (continued)

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 1 April 2020 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
•Amendment to IAS 1: 'Presentation of financial statements' and IAS 8: 'Accounting policies, changes in accounting estimates and errors' on the definition of material	1 January 2020	Unlikely there will be a material impact
•IFRS 17: 'Insurance contracts'	1 January 2022	Unlikely there will be a material impact
•Amendments to IFRS 9: 'Financial instruments', IAS 39: 'Financial instruments: Recognition and measurement' and IFRS 7: 'Financial instruments: Disclosure' – Interest rate benchmark reform (Phase 1)	1 January 2020	Unlikely there will be a material impact
•IFRS 16: 'Leases' – COVID-19 related rent concessions amendment	1 January 2020	Unlikely there will be a material impact
•Amendments to IFRS 9: 'Financial instruments', IAS 39: 'Financial instruments: Recognition and measurement', IFRS 7: 'Financial instruments: Disclosures', IFRS 4: 'Insurance contracts' and IFRS 16: 'Leases' – Interest rate benchmark (IBOR) reform (Phase 2)	1 January 2021	Unlikely there will be a material impact
•Amendment to IAS 1: 'Presentation of financial statements' on classification of liabilities as current or non-current	1 January 2022	Unlikely there will be a material impact
•Amendments to IAS 16: 'Property, plant and equipment' on proceeds before intended use	1 January 2022	Unlikely there will be a material impact
•IFRS 17: 'Insurance contracts'	1 January 2022	Unlikely there will be a material impact

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	35,175	(6,394)	28,781	317,718	(17,381)	300,337
Plant and machinery	29,469	(18,369)	11,100	24,989	(13,589)	11,400
Furniture and fixtures	26,458	(17,791)	8,667	24,147	(15,239)	8,908
Motor vehicles	2,232	(1,516)	716	2,232	(1,405)	827
Computer equipment	45,263	(38,929)	6,334	37,392	(36,411)	981
Total	138,597	(82,999)	55,598	406,478	(84,025)	322,453

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Classified as held for sale	Revaluations	Depreciation	Total
Buildings	300,337	84	(217,060)	(54,060)	(520)	28,781
Plant and machinery	11,400	4,480	-	-	(4,780)	11,100
Furniture and fixtures	8,908	2,311	-	-	(2,552)	8,667
Motor vehicles	827	-	-	-	(111)	716
Computer equipment	981	7,871	-	-	(2,518)	6,334
Total	322,453	14,746	(217,060)	(54,060)	(10,481)	55,598

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfer of leased vehicles	Depreciation	Total
Buildings	302,290	4,217	-	-	(6,170)	300,337
Plant and machinery	4,261	11,151	-	-	(4,012)	11,400
Furniture and fixtures	9,227	2,360	-	-	(2,679)	8,908
Motor vehicles	943	-	-	-	(116)	827
Computer equipment	3,206	142	-	-	(2,367)	981
Leased vehicles	12,544	4,618	(52)	(11,617)	(5,493)	-
Total	332,471	22,488	(52)	(11,617)	(20,837)	322,453

NOTES TO THE FINANCIAL STATEMENTS

2020
N\$ '000

2019
N\$ '000

4. Leases (company as lessee)

The Authority leases motor vehicles (AVIS Fleet), office buildings and photocopying machines. The average lease term is 48 - 60 months for vehicles, 24 - 240 months for office buildings and 36 months for photocopying machines.

Transitional provisions

Management has adopted the modified retrospective approach for its transition to IFRS 16. Under this approach, the cumulative effect of initially applying IFRS 16 is recognised as an adjustment to equity at the date of initial application, which for the RA is 1 April 2019. Comparative figures for the year ended 31 March 2019 were not restated to reflect the adoption of IFRS 16, but instead continue to reflect the lessee's accounting policies under IAS 17 leases. If a lessee chooses modified retrospective application, a number of more specific transition requirements and practical expedients also apply.

Management has used the following practical expedients at the date of transition:

- No changes were made to the carrying values of the assets and lease liabilities under IFRS 16 for finance leases that were previously recognised under IAS 17. This applied to the AVIS motor vehicle leases.
- Measure the lease liability at the date of transition at the present value of the remaining lease payments based on the lessee's incremental borrowing rate over the remaining lease term.
- Right-of-use assets were measured as if IFRS 16 has been applied since the inception of the lease (except for vehicles which were always treated as finance leases).
- Instead of requiring a lessee to determine the incremental borrowing rate for every single lease, IFRS 16 allows a lessee to apply a single discount rate to a portfolio of leases with reasonably similar characteristics. RA has applied a single discount rate prevailing at the date of transition.
- Hindsight was applied by the RA to determine which renewal and termination options to include in the lease term.

Other practical expedients

IFRS 16 provides lessees with an election not to recognise a right-of-use asset and lease liability for leases, for which the underlying asset is of low value. "Low value" is generally meant to mean US\$5,000 or less (note: this is not explicitly stated in the standard, but instead mentioned in the Basis for Conclusions of IFRS 16). The RA has used this exemption for the leases of its photocopyers.

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Cost	Accumulated depreciation	Carrying amount
Right-of-use assets: Office buildings	9,650	(3,672)	5,978
Leased vehicles	16,020	(2,779)	13,241
	25,670	(6,451)	19,219

Additions to right-of-use assets

	Opening balance	Additions	Depreciation	Total
Office buildings	-	9,650	(3,672)	5,978
Leased vehicles	11,617	4,403	(2,779)	13,241
	11,617	14,053	(6,451)	19,219

Impact of IFRS 16 on date of transition

Building rentals: An adjustment for decrease in retained earnings for the amount of N\$515,467.41 was made on 01 April 2019 as a first time adoption adjustment. As the balance was immaterial, it was written off through the Statement of surplus or deficit and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2020
N\$ '000

2019
N\$ '000

4. Leases (company as lessee) (continued)

Motor vehicles: No adjustment to motor vehicles leases accounted for finance leases under IAS17.

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	770	5,673
Two to five years	20,441	8,783
More than five years	39	-
	21,250	14,456
Less finance charges component	(4,370)	(1,931)
	16,880	12,525
Non-current liabilities	10,397	7,672
Current liabilities	6,483	4,853

Exposure to liquidity risk

Refer to note 22 Categories of financial instruments for the details of liquidity risk exposure and management.

5. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	12,861	(10,322)	2,539	11,240	(10,270)	970

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	970	1,621	(52)	2,539

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software, other	1,024	(54)	970

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
6. Retirement benefits		
Defined benefit plan		
The Authority provides post-retirement medical aid benefits to retired staff members under certain conditions. The defined benefit plan was fully funded as from April 2020.		
Carrying value		
Present value of the defined benefit obligation - partially or wholly funded	(34,125)	(29,062)
Current period pay-outs	2,874	(5,063)
	(31,251)	(34,125)
Non-current liabilities	-	(29,062)
Current liabilities	(31,251)	(5,063)
	(31,251)	(34,125)
Movements for the year		
Opening balance	34,125	45,305
Benefits paid	(2,874)	(10,094)
Actuarial (gain)/losses	-	(4,938)
Net expense recognised in surplus or deficit	-	3,852
	31,251	34,125
Net expense recognised in profit or loss		
Current service cost	-	804
Interest cost	-	3,048
	-	3,852
Key assumptions used		
Assumptions used on last valuation:		
Discount rates used	-	9.65 %
Medical aid contribution inflation	-	7.36 %

Other assumptions

Sensitivity analysis

The valuation is only an estimate of the cost of providing post-employment medical aid benefits. The actual cost to the fund will be dependent on the 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% (2019: 1%) increase/decrease in the medical aid inflation assumption, and a 20% (2019: 20%) increase/decrease in the assumed level of mortality.

NOTES TO THE FINANCIAL STATEMENTS

2020
N\$ '000

2019
N\$ '000

6. Retirement benefits (continued)

Other assumptions (continued)

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 medical aid fund. If the actual rate of mortality turns out higher than the rate assumed in the valuation basis, the cost to the medical aid fund in the form of subsidies will reduce and vice versa.

We have illustrated the effect of the higher and lower mortality rates by increasing and decreasing the mortality rates by 20% (2019: 20%).

2019	-20% Mortality rate N\$ '000	Valuation assumption N\$ '000	+20% Mortality rate N\$ '000
Total accrued liability	31,155	28,712	26,760
Interest cost	2,981	2,741	2,552
Service cost	711	653	605
	34,847	32,106	29,917

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% (2019: 1%) per annum change in the medical aid inflation assumption. The effect is as follows:

2019	-1% Medical aid inflation N\$ '000	Valuation assumption N\$ '000	+1% Medical aid inflation N\$ '000
Total accrued liability	25,806	28,712	32,125
Interest cost	2,458	2,741	3,077
Service cost	571	653	749
	28,835	32,106	35,951

7. Prepayments

Represents advance payments made to reseal contractor, Tau Pele for work done in the Windhoek maintenance region and to China Henan International Cooperation for reseal works in the Otjiwarongo and Oshakati Maintenance regions, respectively.

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
8. Trade and other receivables		
Financial instruments:		
Road Fund Administration	142,747	238,544
Other debtors	2,058	1,257
Non-financial instruments:		
Prepayments to contractors	70,700	32,175
Provision for doubtful debts	(22,995)	(22,995)
Total trade and other receivables	192,510	248,981

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	20	27
Bank balances	139,117	112,513
	139,137	112,540

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

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

Credit rating

Bank Windhoek Limited (A1+)	3,421	3,250
Standard Bank of Namibia (P2)	135,696	109,264
	139,117	112,514

10. Non-current assets held for sale

The Authority has agreed together with the Road Fund Administration to donate the Roads Authority Head Office Building to the Road Fund Administration (RFA). The purpose was to strengthen the balance sheet of RFA, which will enable the RFA as the funding agency, to access additional funding for the road network, when needed. The decision was supported by the board of directors and finally endorsed by the Ministers of Works and Transport and Finance towards the end of 2019. The market value of the building is N\$217,060,000 based on the revaluation that was done by the company Property Valuations Namibia. The valuers were Gabriel I.T. Amunyela, a professional valuer and sworn appraiser with a Bachelor of Property Studies (Honours) Degree from Namibia University of Science and Technology, and P.J. Scholtz, a professional valuer and sworn appraiser with a National Diploma: Property Valuations from Technicon SA. The valuation of the building was performed on 16 February 2021. The transfer of the property will be finalised during the 2021/2022 financial year.

Assets and liabilities

	Cost	Accumulated depreciation	Fair value adjustment	Total
RA Head Office building	282,467	(11,348)	(54,059)	217,060

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
11. Trade and other payables		
Financial instruments		
Trade payables	209,602	246,777
Provisions	8,747	9,368
Accrued payables	19,582	1,733
Other payables	(659)	(424)
Non-financial instruments		
Leave accrual	39,895	36,430
	277,166	293,884

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Refer to note 22 for categories of financial instruments.

12. Deferred income

Non-current liabilities	217,459	321,211
Current liabilities	71,629	23,139
	289,088	344,350

31 March 2020	PIARC N\$ '000	MWT N\$ '000	RFA N\$ '000	RA Book N\$ '000	Total N\$ '000
Opening balance	268	2,169	341,913	-	344,350
Received during the year	-	-	16,366	-	16,366
Released to the statement of comprehensive income	-	-	(71,628)	-	(71,628)
	268	2,169	286,651	-	289,088

31 March 2019	PIARC N\$ '000	MWT N\$ '000	RFA N\$ '000	RA Book N\$ '000	Total N\$ '000
Opening balance	268	2,169	346,931	-	349,368
Received during the year	-	-	18,120	-	18,120
Released to the statement of comprehensive income	-	-	(23,138)	-	(23,138)
	268	2,169	341,913	-	344,350

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 there is a movement in the value of assets impacting the Statement of surplus or deficit and other comprehensive income.

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

PIARC represents the Permanent International Association of Road Congresses (World Road Association).

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
13. Transfers received		
Grants received: Road Fund Administration	1,821,642	1,727,582
14. Other operating income		
Tender documents	555	338
Sundry income	453	3,664
	1,008	4,002
15. Operating surplus (deficit)		
Operating (deficit) surplus for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	507	489
Other administrative expenses		
Administrative and managerial services	110,131	106,467
Employee costs		
Salaries, wages, bonuses and other benefits	332,955	315,400
Depreciation and amortisation		
Depreciation of property, plant and equipment	10,481	20,837
Depreciation of right-of-use assets	6,451	-
Amortisation of intangible assets	52	53
Total depreciation and amortisation	16,984	20,890
16. Investment income		
Investments in financial assets		
Bank and other cash	4,846	177
17. Finance costs		
Finance leases	2,224	1,366
18. Reinstatement of the retirement benefits paid		
Settlement of retirement benefit obligation	(2,874)	(10,094)

Settlement of retirement benefits paid out in the current and previous year have been restated to comply with current disclosure requirements.

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
19. Cash generated from operations		
Surplus for the year	76,746	76,179
Adjustments for		
Depreciation and amortisation	16,984	20,891
Losses on revaluation of non-current assets	54,059	-
Interest income	(4,846)	(177)
Finance costs	2,224	1,366
Movements in retirement benefit assets and liabilities	-	(1,086)
Transfer of surplus/(deficit) to RFA	(76,746)	(76,179)
ROU assets non-cash item	157	54
Other non-cash items	(22,005)	-
Changes in working capital		
Trade and other receivables	56,471	110,366
Trade and other payables	(16,718)	(29,872)
Deferred income	(55,262)	(5,018)
	31,064	96,523

20. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Contracted for	3,905,050	1,947,929
- Not contracted for	1,868,783	-

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

21. Related parties

Relationships

Holding Company Ministry of Works and Transport

Related party balances

Road Fund Administration (grants receivable at year end)	142,747	237,260
Deferred income (relating to grants received from RFA for capital projects and prepayments to contractors)	(289,088)	(344,350)
Roads Contractor Company	(22,995)	(22,995)
Roads Contractor Company	22,995	-

Related party transactions

Grants received during the year	1,762,504	1,727,582
Transfer to Road Fund Administration	76,746	76,179
Roads Contractor Company	-	(267)

NOTES TO THE FINANCIAL STATEMENTS

	2020 N\$ '000	2019 N\$ '000
21. Related parties (continued)		
Key management and directors		
Directors emoluments	593	599
Key management remuneration	20,807	19,721
	21,400	20,320

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

22. Categories of financial instruments

	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial assets - 2020						
Assets						
Non-current assets						
Property, plant and equipment	3	-	-	-	55,598	55,598
Intangible assets	5	-	-	-	2,539	2,539
Right-of-use assets		-	-	-	19,219	19,219
Current assets						
Trade and other receivables	8	192,510	-	-	-	192,510
Cash and cash equivalents	9	139,137	-	-	-	139,137
Assets held for sale	10	217,060	-	-	-	217,060
Total assets		548,707	-	-	77,356	626,063

	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial assets - 2019						
Assets						
Non-current assets						
Property, plant and equipment		-	-	-	334,070	334,070
Intangible assets		-	-	-	970	970
Current assets						
Trade and other receivables	8	248,982	-	-	-	248,982
Cash and cash equivalents	9	112,540	-	-	-	112,540
Total assets		361,552	-	-	335,040	696,562

NOTES TO THE FINANCIAL STATEMENTS

22. Categories of financial instruments (continued)

	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial instruments - 2020						
Liabilities						
Non-current liabilities						
Deferred income	12	-	217,458	-	-	217,458
Finance lease obligations	4	-	-	10,397	-	10,397
Current liabilities						
Lease liabilities		-	-	6,483	-	6,483
Deferred income	9	-	71,629	-	-	71,629
Retirement benefit obligation	6	-	-	-	31,251	31,251
Trade and other payables	11	-	237,930	-	-	237,930
Total liabilities		-	527,017	16,880	31,251	575,148

	Note(s)	Financial assets at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial instruments - 2019						
Liabilities						
Non-current liabilities						
Deferred income	11	-	321,211	-	-	321,211
Lease liabilities		-	-	7,672	-	7,672
Retirement benefit obligation		-	-	-	29,062	29,062
Current liabilities						
Finance lease obligations	4	-	-	4,853	-	4,853
Trade and other payables		-	257,454	-	-	257,454
Retirement benefit obligation		-	-	-	5,063	5,063
Deferred income		-	-	-	23,139	23,139
Total liabilities		-	578,665	12,525	57,264	648,454

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 are connected with the management of the road network by the Ministry as may, in the opinion of the Minister, be required by the Authority.

There are no externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

22. Categories of financial instruments (continued)

Financial risk management

Overview

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

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

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.

Expected Credit Loss

Management estimated the probability of default to be less than 1% due to the following reason:

Trade receivables for the Roads Authority (RA) comprise only of a receivable from the Road Fund Administration (RFA) and there is no other customer base. The RFA collects fuel levies and Road User Charges from the general public and uses this to fund the operations of the RA. 75% of the RFA expenses relates to funds paid to RA and any profit or loss incurred by RA is transferred to the RFA at year end. There has also been no history of default on the RFA receivable, thereby justifying the conclusion reached above. The expected credit loss calculated at 1% is immaterial and hence no further disclosures have been presented. Prepayments paid to contractors are done in terms of the agreement covering the specific works contract. The repayment terms of such prepayments are also covered by the said contract.

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

Trade receivables	Level	Debtor	Amount	ECL
	Stage 1	RFA	142,747	1,427
Prepayments	Level	Debtor	Amount	ECL
	Stage 1	Prepayments	47,705	477
	Stage 2		1	1
	Stage 3	RCC	22,995	22,995
	-	-	70,701	23,473

The expected credit losses relating to RFA were calculated and expected to be 1%. This is regarded as immaterial, therefore was not recorded in the books.

Provision for doubtful debts for N\$22,995 for prepayment relating to Roads Contractor Company was raised.

The maximum exposure to credit risk is presented in the table below:

	2020 N\$ '000	2019 N\$ '000
Financial instrument		
Trade and other receivables (excluding prepayments)	144,805	216,807
Cash and cash equivalents	139,137	112,540

NOTES TO THE FINANCIAL STATEMENTS

22. Categories of financial instruments (continued)

Liquidity risk

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

The table below summarises the maturity profile of the entity's financial liabilities at 31 March 2020 based on the contractual undiscounted payments.

At 31 March 2020		Less than 1 year	More than 1 year
Trade and other payables	11	277,166	-
Finance lease obligations		6,483	10,397
At 31 March 2019		Less than 1 year	More than 1 year
Trade and other payables	11	293,884	-
Finance lease obligations		5,673	8,783

Foreign exchange risk

The Authority is not exposed to foreign exchange risk.

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.

Price risk

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

SUPPLEMENTARY SCHEDULE: CONSTRUCTION AND REHABILITATION PROJECTS

RA SUPPLEMENTARY SCHEDULE NOT FORMING PART OF THE ANNUAL FINANCIAL STATEMENTS
AS AT 31 MARCH 2020

				Total expenditure financial year 2019/2020
Project name	Status	Total estimated cost	Expenditure up to 31 March 2019	RA expenditure 2019-2020
Construction and Rehabilitation of Roads				
TR 1/6: Windhoek-Okahandja Rehabilitation Section 4 A + Extension	Section 4A completed in January 2020, construction on the extension is still ongoing	2,190,364,511.53	896,740,617.88	-
MR 120: Okatana-Endola-Onunho + Dual Carriage	Upgrade to bitumin completed, widening still ongoing	682,100,000.00	524,757,080.54	1,955,454.00
MR44/76 Swakopmund-Henties Bay-Uis-Kamanjab, Phase 1 Sec A & B	Ongoing	930,927,028.40	492,488,347.86	-
MR 91 Gobabis-Aminuis-Aranos	Section 4A completed, Section B still ongoing, started in Oct 2019	1,524,882,823.62	564,893,002.83	-
TR9/1 Windhoek-Hosea Kutako Road to Dual Carriage Phase 1 and 2	Ongoing	1,989,879,039.00	461,819,329.12	-
DR 3610: Mangetti West Phase 2	Ongoing	7,124,092.00	-	-
DR 3508: Isize-Sifuha-Malindi Schuckmannburg	Ongoing	666,050,075.00	386,878,123.39	-
MR44, MR36 TR2/1 Swakopmund-Walvis Bay (Freeway) Phase 1 + Extension	Phase 1 is 99% completed, extension contract awarded in January 2020	1,541,003,669.97	736,247,381.13	-
DR 3624 Etomba-Omundaungilo	Completed	169,600,000.00	168,074,131.95	-
TR14/2 Okamatapati-Grootfontein: Section 2	Completed in 2018	778,332,085.85	732,856,992.92	-
TR 1/ 4 Windhoek-Rehoboth Dual Carriageways	Design completed in August 2019, construction ongoing	142,916,538.02	28,372,208.92	-
DR 3683 Uukwiyushona-Omuntele-Amilema (Extension)	Completed	171,700,000.00	171,020,749.83	-
Rural Access Roads in Omusati and Ohangwena	Ongoing	157,502,149.52	124,266,505.52	-
T0202: B250 Road over Rail Bridge Swakopmund	Completed - March 2020	27,324,622.30	10,924,985.67	16,192,251.97
TR8/3 Grootfontein Urban Carriage	Completed - August 2019	59,667,956.30	12,149,481.00	47,518,475.30
Transport & Regulatory Services (VTS)	Ongoing	3,539,946.00	724,522.11	-
Maintenance Related Projects	Ongoing	11,625,472.00	10,242,489.00	-
TOTAL		11,054,540,009.51	5,322,455,949.67	65,666,181

DLP = Defects Liability Period

LBC = Labour-Based Construction

This schedule is in terms of the Roads Authority Act (No 17 of 1999), and reflects amounts approved for the purpose of a specific project or programme and the amounts expended in connection with such project or programme.

* The prior year figures reported may change due to removal of completed projects from the list.



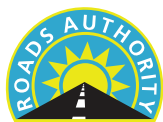
Divisional Manager: Construction and Rehabilitation
F.N. Nkandi

30/11/2020

Date

- List of contingent liabilities

Direct disbursements 2019-2020	Funding source	Expenditure up to 31 March 2020	Total outstanding liability	Outstanding contracted amount	Outstanding non-contracted amount	Calculation completion %
416,936,453.18	RFA/GRN	1,313,677,071.06	876,687,440	876,687,440	-	60%
155,382,909.00	RFA/GRN	682,095,443.54	4,556	4,556	-	100%
238,589,138.04	RFA/GRN	731,077,485.90	199,849,543	199,849,543	-	79%
124,650,613.00	GRN	689,543,615.83	835,339,208	835,339,208	-	45%
257,217,871.00	GRN	719,037,200.12	1,270,841,839	1,270,841,839	-	36%
226,850.00	GRN	226,850.00	6,897,242	6,897,242	-	3%
146,849,195.48	GRN	533,727,318.87	132,322,756	132,322,756	-	80%
347,893,309.01	GRN	1,084,140,690.14	456,862,980	456,862,980	-	70%
1,432,777.00	GRN	169,506,908.95	93,091	93,091	-	100%
18,378,094.37	GRN	751,235,087.29	27,096,999	27,096,999	-	97%
15,788,447.36	GRN	44,160,656.28	98,755,882	98,755,882	-	31%
588,048.00	GRN	171,608,797.83	91,202	91,202	91,202	100%
33,235,644.00	GRN/KfW	157,502,149.52	-	-	-	100%
-	RFA	27,117,237.64	207,385	207,385	-	99%
-	RFA	59,667,956.30	-	-	1,777,581	100%
2,815,423.00	GRN	3,539,945.11	1	1	-	100%
1,382,983.00	GRN	11,625,472.00	-	-	-	100%
1,761,367,755	-	7,149,489,886	3,905,050,123	3,905,050,123	1,868,783	65%



SAFE ROADS TO PROSPERITY