



Newsletter

QUARTER 1 FY 2017-2018/ 01 APRIL-JULY

RFA INAUGURATES STAFF HOUSING AT BORDER POSTS

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ROAD USER CHARGES INCREASED BY 7%



Annual General Meeting (AGM)

The RFA according to its enabling Act (Act 18 of 1999) Section 25 (1), is required to submit a report within six months after the end of each financial year to the Minister on the activities of the Administration during that financial year. The AGM as provided for was held on 15 May 2017 in the Ministers boardroom. Honourable Natangue Ithete, Deputy Minister of Finance presided over the meeting in the absence of Honourable Calle Schlettwein, Minister of Finance. The Permanent Secretary of Finance, Mrs Ericah Shafudah along with members of the ministerial senior management team formed part of the meeting. The RFA was represented by its Board Chairperson, Mr Penda Ithindi, board members, CEO and the Executive management team.



Annual General Meeting

RFA and NAPWU sign Collective Agreement

The recognition agreement between the RFA and NAPWU which dates back to December 2010, reached another milestone. At the collective agreement signing ceremony held in the RFA boardroom on 24 May 2017, the CEO of the RFA, Mr Ali Ipinge, said that, "despite the slow economic growth facing Namibia and the regional economy, the RFA is privileged to be able to take care of its staff members. An organisation is only strong as its staff and a satisfied and content team contributes to the success of the organisation." Mr Ipinge further expressed his gratitude to the negotiation team from both parties for the manner in which they conducted themselves and concluded the issues.

The parties reached consensus on the implementation of a 100% Medical Aid benefit over a three-year period to all staff. A salary increase of 7.5% to all staff effective 1 April 2017 was also agreed upon. Moreover, the parties resolved all matters submitted to the office of the Labour Commissioner.

Speaking at the signing ceremony NAPWU Deputy Secretary General, Mr Gabes Andumba, applauded the teams for reaching consensus through good faith, commitment to workplace harmony and mutual engagements.



RFA and NAPWU, Mr Ali Ipinge (CEO) and Mr Gabes Andumba.

New Corporate Banker Appointed



The successful conclusion of the tender calling for corporate banking services for the RFA and Roads Authority (RA), led to the appointment of Standard Bank Namibia as the new corporate banker for both institutions, with effect from 1 May 2017. All road users and stakeholders were informed of the transition through a wide-ranging awareness campaign on various media platforms.

Road User Charges Increased By **7%**

Through a media briefing held on 2 May 2017, Mr Ali Ipinge, CEO of the RFA announced a seven percent increase in Road User Charges (RUCs).

“Given the consistent annual growth in the country’s vehicle population of between 7% to 8% and natural depreciation in the condition of our roads, the Road Fund requires an additional N\$170 million per annum to sustain its current minimum maintenance levels of the national road network. In an effort to maintain a good balance between the ever-increasing road infrastructure capital expenditure (new roads) and revenue collections from RUCs, the need to secure annual inflationary adjustments on the RUCs tariffs remains ever important,” said Ipinge.

Ipinge added that, “the country is also experiencing a slower growth in the sales of new vehicles which has negatively impacted the vehicle licence and registration fee income which is the second largest revenue source for the Road Fund (representing 27% of total revenue). We anticipate this trend to continue into the 2017/2018 financial year, therefore making the tariff adjustments/increments important to sustaining our existing strategy to close the funding gap”.

The road maintenance strategy over the last 3 years has mainly focused on the paved (bituminous) road network, supported by a dedicated reseal program which is scheduled to be completed by the end of 2018/2019 financial year.

It is of paramount importance to start to attend to the unpaved (gravel) road network with the same level of effort and funding allocation. The RFA will be implementing a strategy in the 2017/2018 – 2021/2022 Business Plan period to prioritise efforts towards the re-gravelling program by increasing the current capacity of Gravelling Maintenance Units (GRUs) from 4 units to 8 units as from 2017/2018 financial year. These extra GRUs will require additional funding allocation of more than N\$150 million per annum.

In addition, the annual Construction Price Adjustment/cost (South African-based as Namibia does not yet have its own measure) for earthworks and road works are currently reported at 8.3% and 6.0% respectively. The road construction sector costs are hugely influenced by the exchange rates, availability of construction materials within the domestic market, water and other key inputs such as fuel and bitumen which are generally influenced by global market prices.

Given the above factors, the RUCs increase for the 2017/2018 financial year have been approved by the Minister of Finance and subsequently gazetted in the Government Gazette 6293 No.115 and No.116 dated 25th April 2017.

According to Ipinge, “the increases in the tariffs will additionally bolster the capacity of the Road Fund to support road maintenance projects performed by Local and Regional Authorities given the Government priority to avail Mass Serviced Land to lower income groups across the country”.

The following RUCs have been increased with the seven percent: Annual Motor Vehicle License and Vehicle Registration Fees, Cross-Border Charges or Entry Fees, Mass Distance Charges or Travelling Distance Charges, Abnormal Load Fees and Fuel Levies.





Trans-Kalahari

On 1 June 2017, Honourable Natangue Ithete, Deputy Minister of Finance, handed over seven houses to RFA staff, stationed at the Trans-Kalahari Border Post also known as Buitepos in the Omaheke region.

In his keynote address, the Deputy Minister said that border post operations are crucial for the Road Fund Administration, because they are responsible for the collection of Cross Border Charges (CBC) revenue derived from the Road User Charging System (RUCS). The RFA generates funding for the management and maintenance of the national road infrastructure from the RUCS.

Honourable Ithete called on the staff members who will occupy these accommodation facilities, to utilize it in line with the prescribed policies and to take good care of the properties. "Guard it as your own property and let this RFA Village at the Trans-Kalahari border post be your pride," he said.

At the same occasion Honourable Festus Ueitele, Governor of the Omaheke Region, stated that the growth of settlements necessitated that the leaders are seen to be at the forefront of initiatives aimed at tackling the challenges that come with it. This was essential not only to prevent failure to provide adequate shelter and housing, but also to indicate interest in putting the region and the country on a sustainable growth path as demonstrated by this initiative. This could only be done through the creation of sustainable communities. "No other period in our history has burdened us this much with this responsibility. The issue of land and the provision of housing is a burning issue. In this regard, we have been called to provide not only leadership, but also good vision that is biased towards the poor, whether we are in the public or the private sector."

Mr Penda Ithindi, Chairperson of the RFA Board congratulated his fellow board members and the RFA management for supporting this project. Moreover, he commented on the fact, that the RFA has taken a long-term perspective, by combining quality, spatial considerations and the need for business and staff growth in the years to come, while keeping cost overruns in check and allowing no room for sub-standard structures. Mr Ithindi, emphasized that the, "Provision of staff accommodation at the Trans-Kalahari border post and elsewhere should not create dependency or negligence". He went on to

remind staff that the RFA Housing Policy encourages home ownership for its employees, which is a life-time wealth creating investment for professionals, and that the staff accommodation provided, offered an opportunity to staff to manage their earnings better and invest in their own residential property and other wealth creating investments going forward.

Noordoewer

Staff accommodation at the Noordoewer border post was officially inaugurated on the 5th of June 2017, by the Honourable Lucia Basson, Governor of the //Karas Region. Honourable Paul Ephraim, Councillor of the Karasburg West Constituency, applauded the RFA for this initiative. He further added that Noordoewer is a border town and he expected visitors to Namibia to have a good impression as they entered the country - for this reason he did not want the construction of temporary structures but rather permanent structures. His vision for the town and region is the construction of houses and shopping centres. The RFA undertook to construct one-bedroom and two-bedroom units for staff at fourteen border posts in three phases.

Ngoma

Honourable Lawrence Sampofu, Governor of the Zambezi Region officiated at the staff accommodation handover ceremony at the Ngoma border post. In his address, the Governor, thanked the RFA for the investment and advised that employees were commuting from Katima Mulilo some 90 kilometers from the border post, but that this would now be something of the past.

During his welcoming remarks, Honourable Warden Simushi, Councillor of Katima Rural Constituency said that, as Councillors they took an oath and responsibility to bring development to the people and would thus make sure that they availed land for this kind of development.

Klein-Manasse and Sendelingsdrift

The staff houses at the Klein-Manasse and Sendelingsdrift border posts were handed over by the RFA Executive team members on the 26th and 27th June 2017 respectively.

Phase One of the staff housing project consisted of the construction of staff housing at Mata-Mata, Velloorsdrift and Mohembo which was concluded in 2015 at a cost of N\$4 million.



Phase Two included the Trans-Kalahari, Noordoewer, Sendelingsdrift, Klein Manasse, Ariamsvlei and Ngoma border posts. This phase was completed in May 2017 at a total cost of about N\$35 million. The nineteen two-bedroom houses and seventeen one-bedroom houses, accommodate around forty-two staff members.

Phase Three will include staff housing at Katwitwi, Omahenene, Kashamane, Oshikango and Wenela border

posts. Construction of this phase will commence in August 2017 and is envisioned to be completed by February 2018. The estimated construction cost for this phase is about N\$19 million.

The entire project will provide housing to a total of 60 (sixty) staff members at the fourteen border posts.

Donation of N\$ 1.2 million for the construction of the Buitepos Kindergarten

The Chairperson of the RFA Board Mr Penda Ithindi, on the occasion of the staff housing inauguration at the Trans-Kalahari border post, announced the donation of N\$1.2 million from the RFA towards the construction of the Buitepos Kindergarten and Early Childhood Development Centre. The Buitepos Kindergarten received a portion of land from the Omaheke Regional Council and submitted a request for funding for the construction of a permanent structure to the RFA. The Kindergarten currently caters for about 25 children in a corrugated iron structure, which is an unsafe environment for early childhood development activities. Mr Ithindi, informed the management of the Kindergarten and the Buitepos community that the RFA has favourably considered the request by the Kindergarten’s leadership for the construction of a conducive facility for early childhood development of a Namibian girl child and boy child. The facility will consist of classrooms, a playground and secure fencing. “The RFA is an integral part of the community in which it operates as well as the Namibian House and we therefore commit ourselves to contributing to socio-economic development goals of the country,” said Mr Ithindi.

