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A long and healthy life for all communities of the North West Province

POLICY ON SUBSIDIZED MOTOR TRANSPORT

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1. Abbreviations

- 1.1. AO - Accounting Officer
- 1.2. DPASA - Departmental Public Service and Administration
- 1.3. DTAC - Departmental Transport Advisory Committee
- 1.4. EMS - Emergency Medical Services
- 1.5. FICA - Financial Intelligence Centre Act
- 1.6. HO - Head Office
- 1.7. HOD - Head of Department
- 1.8. KM - Kilometres
- 1.9. LDV - Light Delivery Vehicle
- 1.10. MMS - Middle Management Services
- 1.11. NRTA - National Road Traffic Act
- 1.12. NWDoH - North West Department of Health
- 1.13. OEM - Original Equipment Manufacturer
- 1.14. PFMA - Public Finance Management Act
- 1.15. PSA - Public Service Act
- 1.16. SAPS - South African Police Service
- 1.17. SMS - Senior Management Services
- 1.18. TO - Transport Officer

2. Definitions

- 2.1. **Accident:** A specific, unpredictable, unusual, and unintended external action which occur using a subsidised motor vehicle in a particular time and place with no apparent and deliberate cause, but with marked effects.
- 2.2. **Assigned official kilometres:** The number of official kilometres prescribed for a specific subsidized vehicle as approved and agreed to by the official in terms of the Z81 application form.
- 2.3. **Benchmark:** The vehicle category as approved by the end user Department. An amount derived from the average price of vehicles within a specific category on RT57 vehicle procurement contract. It is used by the end user Department and finance service provider to calculate the capital and other allowances payable to the official.
- 2.4. **Buy-up:** An official that exercises the option of purchasing a vehicle of a higher category, engine size or benchmark value (in rand) than the

benchmark approved by the Head of the Department of the relevant end-user Department. If the approved benchmark is a sedan the officials buy-up can be to a higher category sedan.

- 2.5. **District:** Health institutions established within the Province as frontline centres for healthcare service delivery.
- 2.6. **Driver:** Government employee appointed in terms of the Public Service Act, 1994 authorized to drive government vehicles.
- 2.7. **Head of Department:** The head of the Department referred to in the Public Service Act, 1994 (Proclamation No. 103 of 1994, chapter 3), and unless otherwise indicated, an officer to whom they have delegated their powers in terms of these instructions.
- 2.8. **Incident:** An event or occurrence that takes place with a pool vehicle which is relatively minor but has a potential to later lead to grave consequences.
- 2.9. **Logbook:** A mandatory book used for recording from odometer reading and is used to determine the kilometre distance travelled and any other related cost incurred during the official trip by a pool vehicle.
- 2.10. **MMS:** Middle Management Service that is employed on salary levels 11 and 12 in terms of the Public Service Act 1994 (Act No. 103 of 1994) and the Correctional Services Act (Act No.111 of 1998).
- 2.11. **Officer/ Official:** A person who has been appointed on contract in terms of section 8 (1) (c) (ii) of the Public Service Act, 1994 (Act No. 103 of 1994).
- 2.12. **Passenger:** Any person legally conveyed in a government vehicle.
- 2.13. **Private kilometre:** A kilometre distance travelled not for official duties including distance between individual place of residence and workstation.
- 2.14. **Responsibility Manager:** Official with delegated responsibility to manage budget within his/her span of control.
- 2.15. **State Vehicle:** Government vehicle allocated to a pool for use by any authorized official to perform any official duties.
- 2.16. **Subsidised Motor Transport:** A work tool provided to employees, who require a vehicle to perform his/her official duties and who qualify, where the allocation of Scheme A, is in the interest of the Department.
- 2.17. **Transport Officer:** A designated official assigned with the responsibility to manage transport
- 2.18. **RT57:** National vehicle procurement contract.

- 2.19. **RT58:** Subsidized vehicle insurance contract.
- 2.20. **RT62:** Subsidized vehicle maintenance contract.
- 2.21. **RT68:** Subsidized vehicle financing contract.

3. Purpose

- 3.1. The purpose of this policy document is to build local transport skills and knowledge to improve access to basic healthcare services at all levels within the province.
- 3.2. The policy replaces the previous Transport Circular 5 of 2003 relating to Subsidised Motor Transport Scheme.

4. Background

- 4.1. Transport Management Services developed the policy on Subsidised Motor Transport to govern the use of all subsidised motor vehicles against abuse and misuse and ensure optimal utilisation while augmenting departmental vehicles. This policy covers the Subsidised Motor Transport in the Department. It is in line with the National Department of Transport' Government Motor Transport Handbook Version 1 of 2017.

5. Policy statement

- 5.1. The rationale behind this policy is to keep users of Subsidised Motor Transport Scheme up to date with new developments in the field of Fleet Management. It excludes the Departmental Pool Vehicles as governed by the Government Motor Transport Handbook Version 1 of 2019.
- 5.2. This policy sets itself as a standardised guiding principle. It serves as a road map for all stakeholders, especially new employees. It also provides a framework on basic work procedures and processes in enhancing service delivery in the Department.

6. Objectives

- 6.1. The objective behind this policy is to keep users of subsidised motor vehicles informed with new developments in the field of Fleet Management

in the Department. It excludes the pool vehicles as they are governed by the policy on Fleet Management.

- 6.2. This policy sets itself as a standardised guiding principle. It serves as a directive for all stakeholders, especially new employees. It seeks to ensure the return of investment and value for money for the department. It also provides a framework on basic work procedures and processes in enhancing service delivery in the department and province.

7. Legal framework

This policy is underpinned by the following legislative mandates; they have been considered prior to drafting this policy document. The policy should not contravene existing legislation, but rather address current challenges.

- 7.1. National Road Traffic Act 93 of 1996
- 7.2. Administrative Adjudication of Road Traffic Offence Act 46 of 1998
- 7.3. Public Finance Management Act 1 of 1999
- 7.4. Public Service Act 103 of 1994 as amended
- 7.5. National Development Plan vision 2030
- 7.6. Government Motor Transport Handbook Version 1 of 2019
- 7.7. Subsidised Motor Transport Handbook Version 1 of 2017
- 7.8. National Archives and Records Service of South Africa Act 43 of 1996

8. Scope and application

This policy document is intended to offer strategic and operational framework for managing use of subsidised motor vehicles within all North West Department of Health facilities. It seeks to keep Subsidised Motor Transport users informed about new rules and regulations in the government Transport activities.

9. Detail procedures/ Policy procedures

Overview of Subsidized Motor Transport Scheme A

- 9.1. Participation in the Subsidized Motor Transport Scheme A is approved by the Department, for the provision of a working tool to any official that qualifies for the use of a subsidized vehicle in line with the minimum qualifying criteria.

9.2. The NWDoH approves participation in the Subsidized Motor Transport Scheme based on it being practical, cost effective and the most efficient method of transport to be provided to an official for the execution of his/her official duties.

9.3. In terms of Scheme A, the Department will contribute towards the capital remuneration, maintenance, and insurance of the vehicle by paying these allowances to the appointed service providers and reimbursing the official on a fuel only rate for the allowed/approved official kilometres travelled.

10. Participation in the scheme

10.1. The NWDoH is participating in the Subsidized Motor Transport Scheme A by way of taking part in the National Transversal Contract (RT57) for the procurement of vehicles as administered by National Treasury. No vehicle that was not procured through the government vehicle procurement contract will be allowed to form part of the subsidized motor transport scheme.

10.2. Where an official's duties necessitate the official use of a motor vehicle and where the provision of a Subsidized Motor Transport is in the interest of the State, the allocation of a vehicle is left to the discretion of the HoD. All reasonable, alternative means of transport are to be considered, taking into consideration the economic implications, practicality, and the availability.

11. Provincial guidelines and determination

11.1. A subsidized vehicle can be approved for any official in full time employment of the State, on a fixed term contract not less than 48 months or an official on probation, where the use of other transport is not practical, economical, or available;

11.2. The concession to qualifying officers to participate in the Subsidized Motor Transport Scheme is not a service benefit, but a work facility, which cannot be construed as a right and is governed and managed in terms of this policy for subsidized vehicles;

11.3. The Department retains the right to recover any cost incurred in the provision of a subsidized vehicle, should the vehicle not be utilized in line with the approved application for the official or the subsidized motor transport policy.

By signing the Z81 vehicle application form, the official will enter into an agreement with the Department; and

- 11.4. It is in the best interest of the Department while advising applicants, to buy vehicles where there are dealerships in the locality. This will in the long run save the Department costs in terms of time and money. It is very costly to travel distances to dealerships far away only for service and repairs.

12. Transversal Contracts

The Department shall implement the following Transversal contracts as concluded by the National Treasury. The service providers shall stipulate at least the following in each contract with an official:

- 12.1. Insurance (RT 58) shall be paid by the Department;
- 12.2. Maintenance is payable (RT 62) by the Department;
- 12.3. Capital amount payable (RT68) by the Department in terms of the benchmark;
- 12.4. Amount payable by the Department for approved accessories;
- 12.5. All other costs as prescribed in the National Credit Act, 2005 (Act No. 34 of 2005) as well as the amounts relevant to the payment of Credit Life;
- 12.6. The amount payable by the official in terms of capital;
- 12.7. Any additional amounts to be paid by the official for capital, maintenance and/or insurance in the event of a buy up and top up;
- 12.8. Any additional amounts to be paid by the official for additional accessories fitted to the vehicle;
- 12.9. Handling of suspected misuse, abuse and wrongful application of a vehicle by the driver thereof; and
- 12.10. The termination of the individual's contracts and/or the disposal of the vehicle is determined by the minimum number of kilometres to be travelled by the official and the capturing and submission of all log sheet data.

13. Specific qualifying criteria

- 13.1. The following categories of employees can participate on the scheme:-

- 13.1.1 Employees who have been appointed permanently, on a contract not less than 48 months and on probation and whose job require extensive travelling; and
 - 13.1.2 Officials of the Middle Management Services (MMS), who did not structure their packages for car allowance.
- 13.2. The following category of employees cannot participate on the scheme:-
- 13.2.1. MMS Officials who opted for a car allowance;
 - 13.2.2. Members of the Senior Management Services (SMS);
 - 13.2.3. Officials who are on contract and or secondment that is less than the term of the subsidy contract he/she has opted for in the subsidy application;
 - 13.2.4. Officials who are due to exit the Public Service employment and their remaining period is less than 48 months; and
 - 13.2.5. Interns.

14. Qualifying Criteria

- 14.1. Repeat applicants for subsidised vehicles must comply with the set criteria and consideration of previous utilisation of a subsidised vehicle will be considered. Should the previous utilisation not meet the set criteria with no reasons, the application will not be considered.
- 14.2. No subsidised vehicle transfers will be taken over to the Department without prior assessment and approval by the DTAC.
- 14.3. A subsidised vehicle will be allocated to an official if the criteria set out in this Policy is met: -
 - 14.3.1. The employee applying for a subsidised vehicle scheme A must be appointed on either a permanent basis or have signed a work contract with the Department for at least 48 months, of which at least 60 months must remain before exiting the public service when applying for the subsidised vehicle.
- 14.4. The application of a subsidised vehicle will be approved based on the Departmental Benchmark Category as follows: -
 - 14.4.1. Category A (Sedan): Engine capacity up to 1600 cm³; and
 - 14.4.2. Category B (S/C& D/C 4x2): Engine capacity up to 2500 cm³.

- 14.5. An official who has outstanding vehicle debt from the previous contract with the Department or other State Department or other Province within the same Department, do not qualify for the Departmental Subsidized Motor Transport Scheme or may not be allowed to participate on the Scheme.
- 14.6. The type and size of vehicle to be allocated is determined by the following: -
- 14.6.1. The nature of goods and services to be rendered or delivered on regular basis;
 - 14.6.2. The terrain and topography to be travelled on regular basis; and
 - 14.6.3. The affordability of an applicant.
- 14.7. An official will qualify for the 60% Subsidized Motor Transport Scheme A if he/she travels for job related purposes a minimum of 105 000 kilometres over the selected contract period. The table below sets out the minimum official business kilometres to be travelled per annum and per month to qualify for a specific contract period;

Contract period (Months)	Minimum Business Kilometres per annum	Minimum Business Kilometres per month
32	39 375 km	3 281 km
36	35 000 km	2 917 km
42	30 000 km	2 500 km
48	26 250 km	2 188 km
54	23 333 km	1 944 km
60	21 000 km	1 750 km

- 14.8. An official cannot select a shorter contract period unless they adhere to the required contract kilometres when applying for a subsidised vehicle;
- 14.9. There must be Departmental funds available;
- 14.10. A motivation signed by the Head of the section concerned indicating the official's need for the vehicle;
- 14.11. The official must be in a possession of a valid and unendorsed driver's license;
- 14.12. The financial status of the official must accommodate the affordability of the subsidised vehicle;

- 14.13. All reasonable alternative means of transport are to be considered and proved to be inappropriate, taking into consideration economic implications;
- 14.14. The personal requirements of the official and any personal benefit that he or she may gain, has no influence on the approval of his or her application;
- 14.15. In case of new application, the official must provide previous history of actual kilometres travelled for the past six months with a Departmental vehicle or private vehicle;
- 14.16. In case of newly appointed official with no travelling history/ records, the total projected official assigned kilometres that the official shall undertake per month that would be subject to changing circumstances that may occur;

15. Obtaining financing for a subsidized vehicle

- 15.1. The Department will under no circumstances provide any official with any assistance in terms of financial warranties or guarantees, should he/she not be able to qualify for finance for the Subsidized Vehicle;
- 15.2. It is the responsibility of the official to obtain finance through the finance service provider (RT68) appointed by the State; and
- 15.3. Should the financing service provider not finalise the application within a six-month period, the applicant will need to resubmit the updated FICA documents to ensure that the financial circumstances surrounding the application have not changed.
- 15.4. Compulsory buy-up cover will be required by all officials that exercised the choice to purchase a subsidized vehicle of a higher benchmark than the benchmark approved by the department. The amount for the buy-up cover will be collected by the RT68 financing contractor monthly through the government payroll systems.

16. Issuing of subsidized vehicles to Middle Management Service

MMS Officials who take part in Subsidized Motor Transport Scheme A will not be allowed to structure for a motor vehicle allowance but can structure their packages according to the other provisions that was made by the DPSSA.

17. Persons allowed to drive a subsidized vehicle.

- 17.1. An official may not loan or permit any other official to make use of his/her subsidized vehicle for official purposes in his/her absence;
- 17.2. Nonetheless, an official may be a passenger in his/her own subsidized vehicle. Should an insurance claim however arise, the official will be liable for the additional excess as stipulated where another person is driving the vehicle; and
- 17.3. Any driver of a subsidized vehicle, whether the owner of the vehicle or someone that have been granted permission by the owner of the vehicle, must always have a valid driving license.

18. Accessories

- 18.1. **Approved accessories:** Approved accessories will be approved based on the cost of a make and model as determined by the Department.
- 18.2. **Non-approved accessories:** An accessory that has not been approved in terms of the conditions as set out above will be for the account of the official.

19. Employees with disabilities

- 19.1. Officials with disabilities will need to indicate such in their application form. In addition, all additional modifications, or alterations they need on the vehicle and whether the vehicle need to have an automatic transmission or not needs to be indicated.
- 19.2. The full cost of any additional non-standard equipment for Employees with disabilities will be borne by the Department.

20. Official utilization period

- 20.1. All officials applying for a subsidized vehicle will be required to utilize the subsidized vehicle for a period of 32 to 60 months or 160 000 kilometres, whichever comes first. Most importantly, should be able to travel a minimum of 105 000 kilometres for the selected duration of the contract for official purposes.

21. Outstanding official kilometres

- 21.1. The Department will give an official an option to drive back/cover the outstanding kilometres after the contract period had lapsed. It will, however, not contribute any amounts for the maintenance, insurance or capital of the vehicle. The official will only be reimbursed for fuel at the same rate as the subsidized vehicle that was initially approved by the Department;
- 21.2. Alternatively, the official may opt to pay back the outstanding official kilometres in monetary value as calculated by the official formulae available in transport office.

22. Official and private kilometres

- 22.1. For the purpose of the scheme, the following will be considered as official kilometres:
- 22.1.1. Any trip authorized by an official's supervisor in the execution of his/her duties;
 - 22.1.2. When an official is required to work at a place other than his/her normal place of duty and travels directly from his/her normal place of residence directly to such other place it will be deemed as an official trip; and
 - 22.1.3. When an official is temporarily posted or seconded to a different base office other than his/her normal place of work, and travels directly from his/her normal place of residence directly to such other office it will be deemed as a private trip, provided that the distance deemed as private, shall be limited to the distance which it would have been had the official travelled to his/her normal place of duty. Should the difference exceed the distance to the official's normal place of work, the difference shall be deemed as official kilometres.
- 22.2. The following trips for the purpose of the scheme will be deemed as private kilometres:
- 22.2.1. Any travel between the residence of the official or place of residence to their normal place of work.

- 22.2.3. Any travel from the official's normal place of work to their residence.
- 22.2.4. Any travel for the payment of any traffic fines.
- 22.2.5. Any other travel that is not for official purposes.
Private kilometres, undertaken at the officials cost, should be reflected in the logbook as submitted to the Departmental Transport officer.

23. Official leaving the employment of the department.

- 23.1. The Department, upon receiving notification of the premature withdrawal of the official shall:
 - 23.1.1. Calculate the outstanding kilometres the official has not travelled in terms of his/her agreement with the Department for the period that the vehicle was utilized for. For this purpose, the underutilization formula will be used; and
 - 23.1.2. The amount as calculated of the underutilization of the vehicle should be settled by the official in one way or the other. If all fails, the balance should be deducted from the pension payable to the official.

24. Allowances payable

- 24.1. Reimbursement of fuel claims:
 - 24.1.1. The official will be reimbursed for fuel in terms of the approved vehicle benchmark in accordance with the official kilometres travelled and will be based on the rates as prescribed by the monthly National Tariff Circular; and
 - 24.1.2. All reimbursement of fuel payments will be done a month later and will be done through the government's payroll systems and administered by the contractor as appointed in terms of contract RT62.
- 24.2. **Capital allowance.**
 - 24.2.1. The contribution of the Department will be based on 60% of the benchmark value for the vehicle category approved for the official.

- 24.2.2. Any cost over and above the 60% contribution towards the approved benchmark by the Department shall be for the account of the official.
- 24.2.3. In addition to the benchmark, the Department will contribute 60% towards the contract initiation fee and the monthly administration.
- 24.2.4. The Department will contribute 100% of the annual credit life insurance.
- 24.2.5. All of the above costs will be included in the calculation done by the finance service provider (RT68) in order to calculate the affordability of the vehicle to the official.

24.3. Maintenance allowance

- 24.3.1. To ensure that the subsidized vehicle remains in good condition and that the warranties and guarantees remain valid, it is imperative that the vehicle is serviced according to guidelines as prescribed by the manufacturer and as set out in the vehicle's service manual.
- 24.3.2. It is the responsibility of the official to ensure that the vehicle is serviced at the right time or kilometre intervals, as set out in the vehicle's service books to ensure that the warranties and guarantees of the vehicle remains intact.
- 24.3.3. The maintenance plan, as contracted by government with a maintenance service provider (RT62) will be used to maintain the subsidized vehicle in accordance with prescripts provided by the manufacturers as set out in the owner's manual of the vehicle. This is intended to cover all costs in terms of normal wear and tear as set out in the vehicle owner's handbook.
- 24.3.4. Should a service plan be applicable to the specific make and model of a vehicle that was purchased, the service plan will remain valid as prescribed in the guidelines provided by the manufacturer despite the provision of maintenance through contract RT62.

24.3.4. At no time shall officials be reimbursed for any maintenance undertaken on the subsidized vehicle. Official must under no circumstances pay for any maintenance of a subsidized vehicle.

25. Inclusions in the maintenance contract

25.1. The RT62 maintenance service provider is required to pay for all maintenance to the vehicle that is not included in the service or maintenance plan as issued by the manufacturers supplying vehicles to the State under contract RT57. A maintenance contract shall be for 160 000km or a period of 32 to 60 months, whichever comes first;

25.2. The vehicle will be maintained as it was ordered from the RT57 vehicle procurement contract. This will include any factory fitted standard accessories that the vehicle was issued with or that was added on by the official that was either fitted by the manufacturer of the vehicle or has been financed as part of the finance agreement with the service provider of contract RT68 for the Financing of Subsidized Vehicles or has been approved by the Department as a requirement for the official to execute his/her duty;

25.3. Any part of the vehicle that requires repairs, maintenance or replacement that was caused by normal wear and tear, or extended use of the vehicle will be for the cost of the RT62 maintenance contractor; and

25.4. Unless specified under the items excluded (clause 25) from maintenance or based on the inappropriate application of the vehicle or an act of negligence that necessitates the repairs, maintenance, or replacements, the RT62 maintenance contractor will be required to maintain the vehicle in such a manner as to ensure that it's functional;

26. Exclusions in the maintenance contract

26.1. The following are not the responsibilities of the RT62 maintenance contractor. All cost related to any of these repairs would either need to be covered by the official or where required, the Insurance service provider in terms of contract RT58.

26.1.1. Driver abuse leading to abnormal damage;

- 26.1.2. Driver neglect that could have been avoided through care with the exclusion of engine damage;
- 26.1.3. Consequential damage caused by abuse, neglect, or the continuous use of an already damaged vehicle;
- 26.1.4. Where the official in any way have altered the standard fittings to a vehicle without the approval of the maintenance service provider, the maintenance service provider can refute a claim even though it would under normal circumstances be covered under the inclusions in terms of maintenance;
- 26.1.5. The maintenance service provider will not be responsible for the repair of any sunroofs; switches related to the sunroof, structural damage or any other repairs related to the sunroof; and
- 26.1.6. Any repairs required to a vehicle that was caused by an incident or accident that is related to the insurance on the vehicle.

27. Insurance

All subsidised vehicles are covered under Contract RT58, and a specific service provider is appointed.

27.1. Inclusions on insurance cover

All subsidized vehicles will be insured in line with the RT58 contract for insurance. This insurance will cover and include the following:

- 27.1.1. A Loss of or damage to the vehicle or spare parts caused by accidents or incidents;
- 27.1.2. Theft, hijacking and/or total loss;
- 27.1.3. Vandalism, explosions, riot damage, fire;
- 27.1.4. Falling objects (from buildings, other vehicles or otherwise);
- 27.1.5. Damage to third party property; and
- 27.1.6. Liability to third parties resulting in death or injury to third parties.

- 27.2. The insurance of the subsidised vehicle need to include amongst others, any factory fitted standard accessories that were either added on by the Official or fitted by the manufacturer of the vehicle, including those that have been financed as part of the finance agreement with the service provider of

contract RT68 for the financing of subsidised vehicles or has been approved by the end user department as a requirement to enable the Official to properly execute his/her duties.

27.3. The insurance cover makes provision for covering the vehicle within the borders of Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi, and Zambia with HoD approval and RT58 service provider must be informed timeously.

27.4. Exclusions from the insurance cover

All costs related to any of the following would need to be covered by the Official and will not be paid by the insurance:

- 27.4.1. A vehicle that is not roadworthy;
- 27.4.2. Any misrepresentation, incorrect description, by the Official or individual that was driving the vehicle at the time of the incident/accident or time of total loss;
- 27.4.3. Should the Official or driver of the vehicle not be in possession of a valid driver's license or where the licence has been endorsed;
- 27.4.4. The vehicle is used outside the borders of South Africa except for Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi, and Zambia without HoD approval;
- 27.4.5. Items covered under the Road Accident Fund;
- 27.4.6. Where the driver of the vehicle was driving under the influence of alcohol or intoxicating drugs;
- 27.4.7. Damage to the wheels, rims, tyres and driving shaft of the vehicle that can be contributed to road conditions, such as potholes that was not caused by damage incurred during an accident; and
- 27.4.8. Consequential damage unless covered under the provisions for non-standard insurance requirements.

28. Calculation in the event of total loss

In the event of a total loss, the RT58 insurance contractor shall calculate the amount payable out of the fund to either the official or the finance service provider based on:

- 28.1. The vehicle purchase price (Not RT57 price) and the market value need to be used to calculate the percentage depreciation of the vehicle value up to the time of the total loss occurring;
- 28.2. This percentage depreciation will then be applied on the initial RT57 purchase price of the vehicle to calculate the amount to be paid out in the event of total loss; and
- 28.3. Any amount to be paid out must at least cover the financial shortfall of the Finance Service Provider.

29. Optional Top-up cover

- 29.1. Top-up cover is available to officials on the subsidized motor transport scheme as an option.
- 29.2. The top-up cover will allow an official to insure the vehicle for the market value of the vehicle instead of the depreciated RT57 value.
- 29.3. The amount for the top-up cover will be collected by the RT58 Insurance Service provider monthly through the government payroll systems.

30. Relief transport

- 30.1. An official that was involved in an accident with a subsidized vehicle will be allowed to make use of the relief transport as provided by the insurance service provider. Where the vehicle was provided for through the RT58 insurance contract, the following will be applicable:
 - 30.1.1. A vehicle will only be provided to an official where the subsidized vehicle is not drivable, or the subsidized vehicle is a total loss or where the subsidized vehicle is under repair;
 - 30.1.2. An official will receive a similar type of vehicle as the approved subsidized vehicle; and
 - 30.1.3. An official that utilizes the relief vehicle for official duties will be allowed to claim for business kilometres travelled under the rates as determined monthly by the National Department of Transport for Subsidized Scheme A vehicles.
- 30.2. Transport Officer and the official must keep the records of all official kilometres travelled with a relief vehicle on the subsidized motor vehicle file

- of the official. These can be used to determine the utilization of the vehicle and, as possible consideration in the application processes for a new vehicle;
- 30.3. Officials that are involved in an accident with the relief vehicle as provided, will be required to pay an additional excess as specified by the RT58 Insurance service provider;
 - 30.4. A credit card will be required with regards to the excess. Officials not in possession of a credit card can request the service provider to make alternative arrangements;
 - 30.5. The maximum number of days allowed for the utilization of the rental or relief vehicle is 21 days; and
 - 30.6. Official must return the relief vehicle with a full tank of fuel. Officials not returning the rental or relief vehicle with a full tank of fuel will be held liable for the cost of filling up the vehicle.

31. General in addition to Insurance

- 31.1. Officials that are involved in an incident or accident will have to pay an excess as may be amended on an annual basis
- 31.2. An official will be able to claim back the amount equal to that of first excess if the official was on an official trip when the incident or accident resulting in the loss occurred. The responsibility is on the official to prove beyond reasonable doubt that the accident happened in the line of duty.
- 31.3. Insurance premiums are to be collected on an annual basis by the RT58 Insurance service provider for the full financial year of 1 April to 31 March.
- 31.4. In the event that a contract is terminated during the financial year, the pro-rata reimbursement will be made to the end user Department by the RT58 insurance contractor. This pro-rata reimbursement will not be made if a claim was paid in respect of the specific vehicle.
- 31.5. Officials should request a cross border letter from the RT58 Insurance service provider if the official will visit another country at least three working days prior to leaving.

32. Tyres and tyre replacements

- 32.1. The RT62 maintenance contractor will make provision for 15-wheel alignments and wheel balancing per individual contract. This will exclude wheel alignments to be done during the fitment of tyres;
- 32.2. Category A vehicles will be allowed to fit 8 tyres for the duration of the contract and Category B vehicles 10 tyres;
- 32.3. The same make and type of tyre will be fitted to the vehicle that the vehicle was delivered with. If the same make and type is not available, the RT62 maintenance service provider will authorize the fitment of tyres of a similar type; and
- 32.4. Officials will not be allowed to take the old or removed tyres or tyre casings, when new tyres are fitted.

33. Log sheets

- 33.1. All official trips undertaken with a subsidized vehicle needs to be authorized. This can be done by an official by filling in a pre-authorization form as determined or provided by the Department, the submission of a pre-approved monthly or weekly work plan or any other method as agreed to between an official and his/her manager.
- 33.2. A log sheet form, Z79 is to be completed in triplicate by the official. The log sheet is to reflect all distances covered, both official and private. The original Z79 form and a copy must be submitted to the Departmental Transport Officer on or before the 7th of each month;
- 33.3. Log sheets should be accompanied by, weekly/monthly travel plans, trip authority, copies of the fuel slips, as basic attachments.
- 33.4. Log sheet should reflect the kilometres that were travelled in one calendar month and can under no circumstances contain the kilometres travelled in more than one month. Log sheets must be filled in from the 1st of the month to the last day of the month (28, 29,30th or 31st);
- 33.5. It is the responsibility of the Transport Officer to verify the utilization of the subsidy vehicle and to ensure that all entries thereon are accurate and legible. A log sheet summary sheet is to be completed by the Departmental Transport Officer or his/her delegate;

- 33.6. The signatures as appearing on the Z79 form must be strictly controlled. That is, the signature of the official, supervisor or manager and the Transport Officer;
- 33.7. The signing of the log sheet implies that the log sheet has been checked to ensure that trips as indicated on the log sheet have been undertaken with the subsidized vehicle in accordance with the monthly or weekly travel plan or per individual trip authority sheet or as otherwise managed and that all trips as undertaken were in the interest of the Department;
- 33.8. Should only private kilometres been travelled during the month, or no kilometres at all, the log sheet should still be completed and submitted as set out above;
- 33.9. Copies of the log sheets are to be retained by the department for reference and record purposes; and
- 33.10. All reports in terms of kilometres travelled, reimbursement amounts, exception reports and utilization will be provided by the maintenance service provider in terms of contract RT62.

34. Subsidy Withdrawals

34.1. Normal withdrawal

- 34.1.1. Normal withdrawal of a vehicle is the withdrawal of the vehicle from the scheme after the completion of both the 32 to 60 months contract period and 105 000 official kilometres; and
- 34.1.2. The contract between the official and all service providers will terminate on the date of expiry of the contract, once all repayments as specified at the time of the contract signature was done.

35 Pre mature withdrawal

35.1 A subsidised vehicle can be withdrawn from the scheme prior to the expiry of the contract period if:

- 35.1.1. It can be proven that the vehicle has continuous mechanical breakdowns that cannot be resolved;

- 35.1.2. The Department withdraws the vehicle due to the underutilization of vehicle by the official after a minimum period of 6 to 12 months;
- 35.1.3. The official is leaving the employment of the Department;
- 35.1.4. Early retirement due to medical reasons;
- 35.1.5. Promotion of an official to the level of SMS; and
- 35.1.6. Promotion or transfer of the official to a position where a vehicle will not be required.

35.2. Notification of withdrawal

The Transport Officer needs to ensure that all service providers are informed in writing prior to any subsidised vehicle withdrawn from the scheme.

36. Transfers between Provinces and Departments

- 36.1. Should an official transfer from one Department to another or from one Provincial administration to another, the Transport Officer of the Department that the official is transferred from, and the official concerned must notify the service provider(s) immediately in writing;
- 36.2. The Department where the official was transferred from will need to ensure that the subsidized vehicle file of the official is transferred to the new Department within 30 days of the official's date of transfer from the Department;
- 36.3. Any approval for a vehicle to be taken over by the new Department will need to be done by the HoD or his/her delegate and in line with the internal processes of the department;
- 36.4. Should the new Department opt not to take over the subsidized vehicle, all allowances need to be cancelled by the new Department on the PERSAL/ PERSOL systems; and
- 36.5. An evaluation of the use of the subsidized vehicle will be done upon the date of transfer of the official from the old Department and all penalties payable for the possible underutilization of the vehicle will be calculated. The payment of these penalties will be dependent on the prerogative of the Department that the official resigned from should the official have been in possession of the subsidized vehicle for a period longer than six months.

37. Conditions regarding the title deed (registration certificate) of the Subsidised Vehicle

37.1. The Title Deed of the subsidized vehicle reflects the finance service provider as appointed in terms of the National contract RT68 as titleholder and the subsidized vehicle owner (official) as owner. The official may only register the subsidized vehicle onto his/her name as title holder and owner, when:

37.1.1. The full amount of the purchase price has been repaid by the Official;

37.1.2. The official has met the requirements for the utilization of the subsidised vehicle in terms of the kilometres travelled or the period as agreed to between the official and the Department in terms of the Z81 application form; and

37.1.3. Should there be any outstanding kilometres or amounts owed to the Department, the vehicle registration papers will be provided to the Department by the service provider up to such a time that the official has met the requirements or paid the outstanding amounts.

38. Control measures and vehicle inspections

38.1. It is the responsibility of the official to exercise due care and diligence regarding the custody and maintenance of the vehicle; and

38.2. The vehicle is to be made available for inspection on request by Transport Officer or any other authorised person every quarter. As part of the inspection, the odometer reading of the vehicle will be compared to the actual log sheet submission by the official, the condition of the vehicle and verification that all services and maintenance as prescribed by the manufacturer of the vehicle are met.

39. Use of government workshops, stores, and contracts

An official provided with a subsidized vehicle may not under any circumstances utilise the service of any government garage, government-owned workshops, or any government contracts, for the maintenance and operation of the Subsidized Vehicle.

40. Rules and regulations

- 40.1. The provisions, which are applicable to Subsidised Motor Transport policy, bind the official participating within the scheme;
- 40.2. Failure to comply with the provisions and, or instructions issued in respect of Subsidised Motor Transport, will render the offending official liable to disciplinary action in terms of the PSA; and
- 40.3. In certain cases, the repossession or withdrawal of the concession in respect of the use of Subsidised Motor Transport may be enforced as disciplinary hearing sanctions.

41. Tax on monthly travel allowances

All allowances payable under the Subsidized Motor Transport Scheme shall be taxable in line with the requirements as set out by SARS.

42. Utilization of state vehicles as a relief vehicle

- 42.1. Any official provided with a Subsidized Vehicle may not utilise a vehicle provided by the State, whether such a vehicle is State owned or provided for in terms of an outsourced agreement.
- 42.2. An official that has been allocated a subsidized vehicle may travel in a vehicle provided by government as a passenger should the subsidized vehicle not be available, pending approval by HoD.
- 42.3. The State will not supply a relief vehicle or allow the official to make use of a vehicle as supplied by himself/herself should the unavailability of the subsidized vehicle be due to a result of negligence by the official.

43. USE OF PRIVATE VEHICLE BY OTHER OFFICIALS FOR OFFICIAL PURPOSES

- 43.1. Approval to use private vehicle for a prolonged period for official purpose must be recommended by the line managers and approved by HoD and/ or his/her delegate for a period not exceeding a financial year.
- 43.2. All official trips undertaken by this vehicle must be authorized per Z43 Trip Authorization/s and must always be completed and approved before official trips are undertaken. Before an official trip is undertaken, the direct

supervisor/activity manager or the line function manager must authorize the trip.

- 43.3. All supporting documents e.g., Itinerary; invitations must be attached as a proof of the trip necessity before approval is granted.
- 43.4. All claims submitted to finance for payment should be accompanied by the trip authorized and standing approval.
- 43.5. Claims will be paid in accordance with the South African Revenue Services (SARS instruction).
- 43.6. In case of unavailability of state vehicle, an official may request approval from the responsibility manager to utilize his/her private vehicle for that specific trip in case where a standing approval is not granted.

44. Roles and responsibilities

44.1. Head of Department

The Head of Department supports the MEC in authorising and approving this policy, and approves the applications of Subsidized Motor Transport as recommended by the DTAC.

44.2. Policy and Planning Directorate

This Directorate provides technical support in policy formulation and assign a specific code to the policy.

44.3. Security and Transport Management

Transport Management Services are the custodians and authors of this policy. They also enforce implementation and ensure compliance. Furthermore, they are responsible for the evaluation and review of this policy.

44.4. Departmental Transport Advisory Committee (DTAC)

The HoD shall appoint a committee to advise him/her regarding the responsibilities conferred upon him/her under these instructions. The committee should be constituted of representatives from the core Health Programmes, District Transport Coordinators and Provincial Transport Office Unit.

The functions of the committee shall be to:

- 44.4.1. Implements the policy and adherence to its directives;
- 44.4.2. Assist with validity of the applications in terms of the Subsidized Motor Transport policy and prescripts, including vehicle utilization period and minimum kilometres;
- 44.4.3. Review all applications based on previous subsidized vehicles, history and utilization reports related to the specific applications;
- 44.4.4. Advise and make recommendations to HoD in terms of the applications;
- 44.4.5. Verify the applications in terms of the job description and/or of work plan and/or performance contract of the individual and the application of the vehicle;
- 44.4.6. Advise on the suitability of the type of vehicle required by the official such as a Light Delivery Vehicle (LDV) or sedan vehicle and the required engine size. (Sedan – 1600cc and LDV – 2500cc);
- 44.4.7. Advise on the economic implications and practicality of the subsidized vehicle;
- 44.4.8. Make determination in terms of the Departmental benchmark;
- 44.4.9. Review the Subsidised Motor Transport Policy and Standard Operating Procedure for recommendation by relevant Directorates and approval by HoD, as when need arise;
- 44.4.10. Assist when HoD has approved an application for a certain number of kilometres and a specific benchmark, such approvals can only be amended by the HoD or his/her delegate, due to the financial impact on the Department; and
- 44.4.11. Assist when the benchmark of the official has increased after the initial approval by the HoD, to write a letter to be signed by the HoD or his/her delegate that will be supplied to all service providers.

44.5. Transport Officer/s

- 44.5.1. Coordination of transport and ensuring that it is always used in the best and most cost-effective manner;

- 44.5.2. Ensure that vehicles are used optimally to discourage over and under- utilization;
- 44.5.3. Ensure that all records in connection with the subsidised vehicles are properly completed, checked regularly, monitored, and submitted in accordance with instructions;
- 44.5.4. All instructions in connection with the use, operation and maintenance of subsidised vehicles are complied with, as prescribed in this policy and all other prescripts which are distributed within their appointed service providers;
- 44.5.5. Analyse reports on monthly basis to identify, confirm and report any cases of possible fraud and misuse;
- 44.5.6. Serve as a link between the officials from the institutions, Department, and service providers in accordance with the relevant contracts; and
- 44.5.7. To conduct physical inspection of a subsidised vehicle, at least once in a quarter.

44.6. Subsidised Vehicle users

Subsidised vehicle users' responsibility is to adhere to this policy and other prescripts relating to use of subsidy transport and to comply with requirements in terms usage of subsidized vehicles.

45. Monitoring and evaluation

Transport Management Services in Head Office will ensure implementation of this policy by training the Transport Officers/ Delegated on this policy and in turn, Transport Officers or Delegate must train all the users of subsidised vehicles within their facilities.

This policy will be monitored and evaluated by Director of Security and Transport Management.

46. Review

This policy review will be done as per Policy and Planning Directorate guidelines and procedures.

47. POLICY APPROVAL:



Dr. M. Tlhogane

Chief Director: Corporate Services

25 June 2025

Date

Recommended / ~~Not Recommended~~



Mr O. E. Mongale

Superintendent General

25 June 2025

Date

Approved/ Not Approved



HON. MEC. J.S Lehari

North West Department of Health

26/06/2025

Date



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**To : Ms M.E MOKHUTSWANE-KAUDI
 ACTING DEPUTY DIRECTOR GENERAL.**

**From : Hon. JS Lehari
 MEC – Department of Health**

Date : 23 June 2025

Subject : Appointment as Acting Superintendent General

This serves to inform you that you have been appointed in terms of section 32 (1) of the Public Service Act 1994, as Acting Superintendent General with effect from the **23rd June 2025 to 06 July 2025.**

The appointment comes with full responsibilities and delegations associated with the post and it is therefore important that you familiarise yourself with the roles and responsibilities, delegations, regulations and all the prescripts as well as the conditions associated with the post.

I wish you all the best in the new responsibilities.

**Hon. JS Lehari
 MEC – Department of Health**

20/06/2025

Date

I,  **Accept/ Do not accept the acting appointment of Acting Superintendent General.**

Signature

20.06.2025

Date