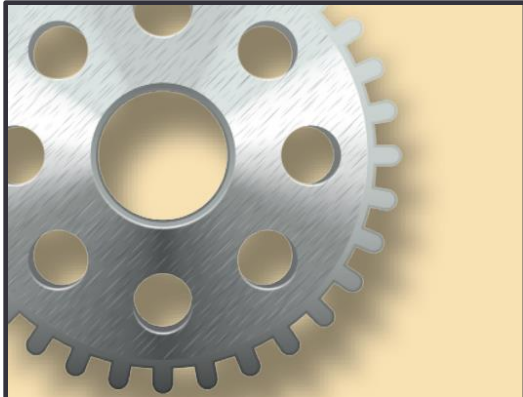


SANRAL company presentation 2021



Our vision and mission




VISION

Ensuring our national road transport system delivers a better South Africa for all

MISSION

Our purpose is to deliver a safe, efficient, reliable and resilient national road transport system for the benefit of all the people of South Africa



Our mandate

Manage and control the national road network and take charge of the development, maintenance and rehabilitation of national roads within the framework of government policy

PRINCIPAL TASKS AND OBJECTIVES

Plan, design, construct, operate, maintain and rehabilitate South Africa's national roads

Generate revenue from the development and management of assets

Undertake research and development to advance knowledge in the design and construction of roads and related fields

Advise the Minister of Transport on matters relating to South Africa's roads

Horizon 2030 defines four business pillars – activities that enable SANRAL to deliver on its core mandate efficiently



SANRAL levels of responsibility



Ministry of Transport

Regulator

Board

Governance and control

CEO

Day-to-day business and operations management

SANRAL staff

Planning, design, construction, operation, management and rehabilitation of national roads

Governance

Corporate governance

- Board and top management – control and direction

Enterprise-wide risk management

- Risk management cluster

Measures against fraud and corruption

- Fraud hotline (whistleblowing) toll-free number: 0800 204 558
- Tip-offs committee
- Fraud & Risk Committee

Governance measures

- Board and committee charters and induction
- Chairperson of Board and CEO positions not held by one individual
- Board code of conduct
 - Disclosure of interests
 - Declaration of all gifts
- Board evaluation
- Statement in annual report
- Pro-active assurance
- Combined Assurance
- Delegation of Authority

SANRAL road network at a glance

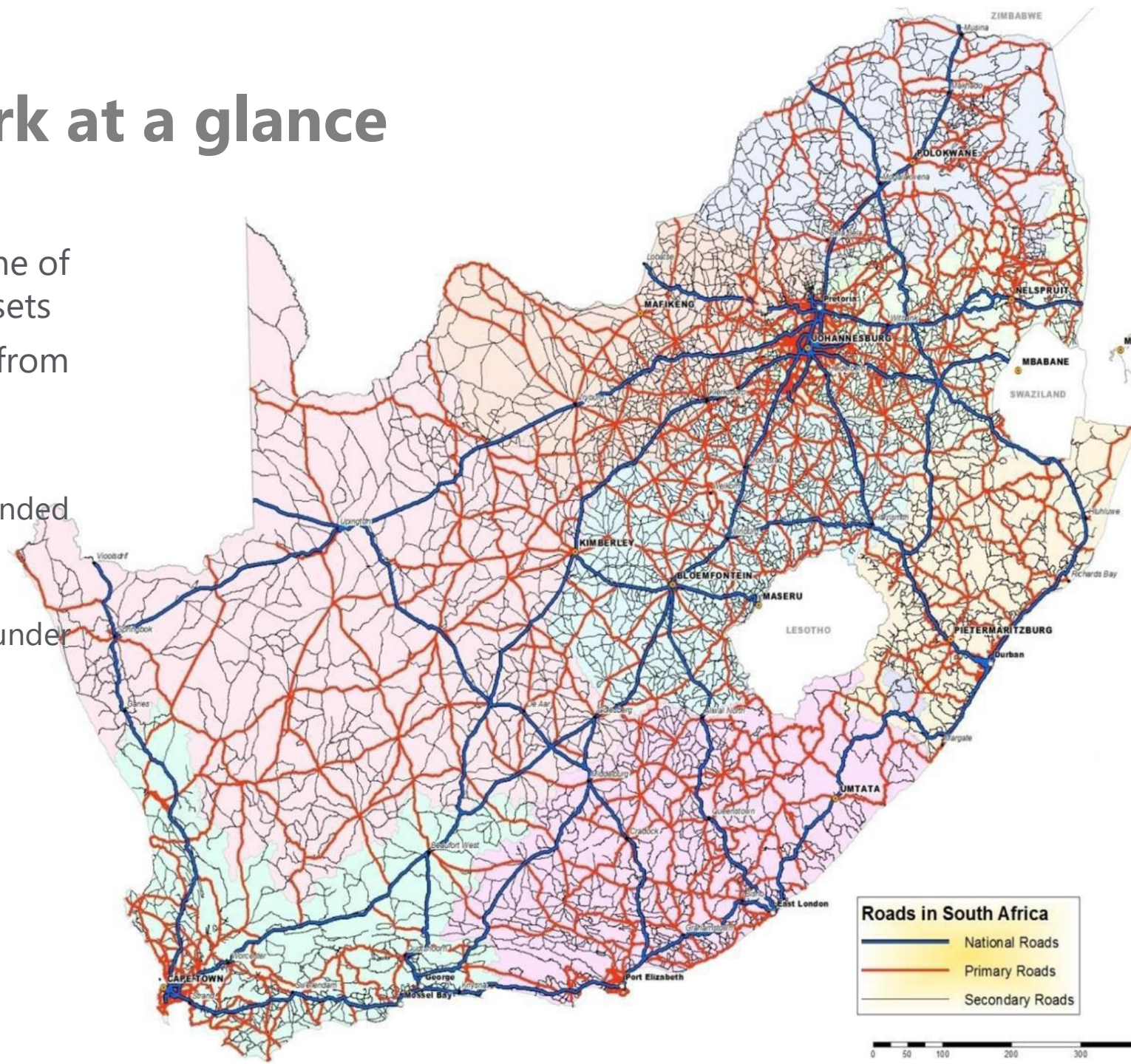
22 253km national road network

R413bn notional value – considered one of South Africa's largest infrastructural assets

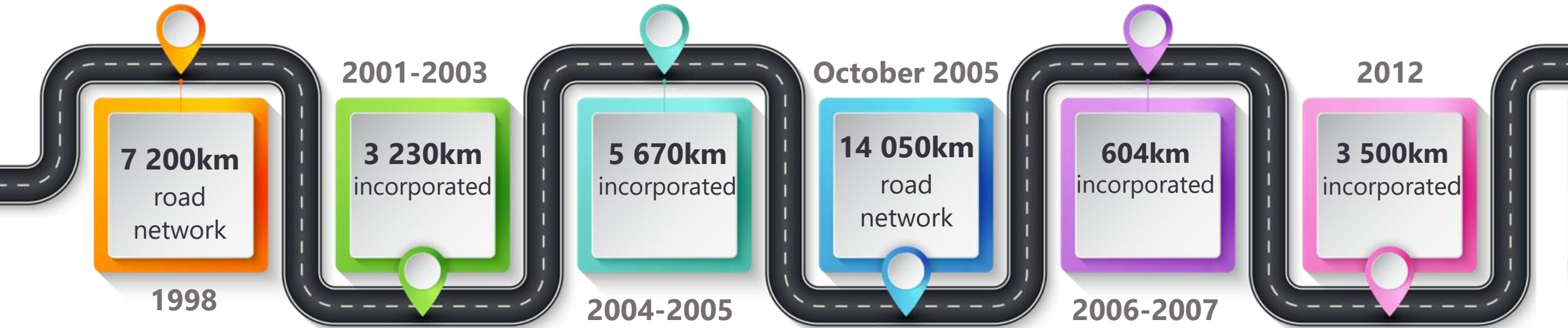
87% non-toll roads funded by a grant from Treasury

13% toll roads

- **7% managed directly by SANRAL**, funded from tolls levied and borrowings from capital markets
- **6% managed by private companies** under concessions for construction and management of these roads



Road network growth timeline



Current network 22 253km

South African road network 2021

AUTHORITY	PAVED	GRAVEL	TOTAL
SANRAL	22 214	0	22 253
Provinces - 9	46 548	226 273	272 821
Metros - 8	51 682	14 461	66 143
Municipalities	37 680	219 223	256 903
Total	158 124	459 957	618 081
Unproclaimed (estimate)		131 919	131 919
Estimated total	158 124	591 876	750 000

Unproclaimed roads = Public roads not formally gazetted by any authority

Road network management



Routine road maintenance (RRM)

All 22253 km of national road network under RRM contracts to keep in optimal condition to ensure mobility of people and goods

Bridges and major culverts

- **10 005** bridges and major culverts in the national road system
- **3 830** bridges
- **6 175** major culverts

Pavement quality % compliance with international standards

- **95.89%** for road roughness
- **98.78%** for rut depth
- **98.78%** for macro texture in compliance with international benchmarks

Pavement condition

- **58.4%** of roads in good to very good condition
- **35.2%** in fair condition
- **6.4%** in poor condition

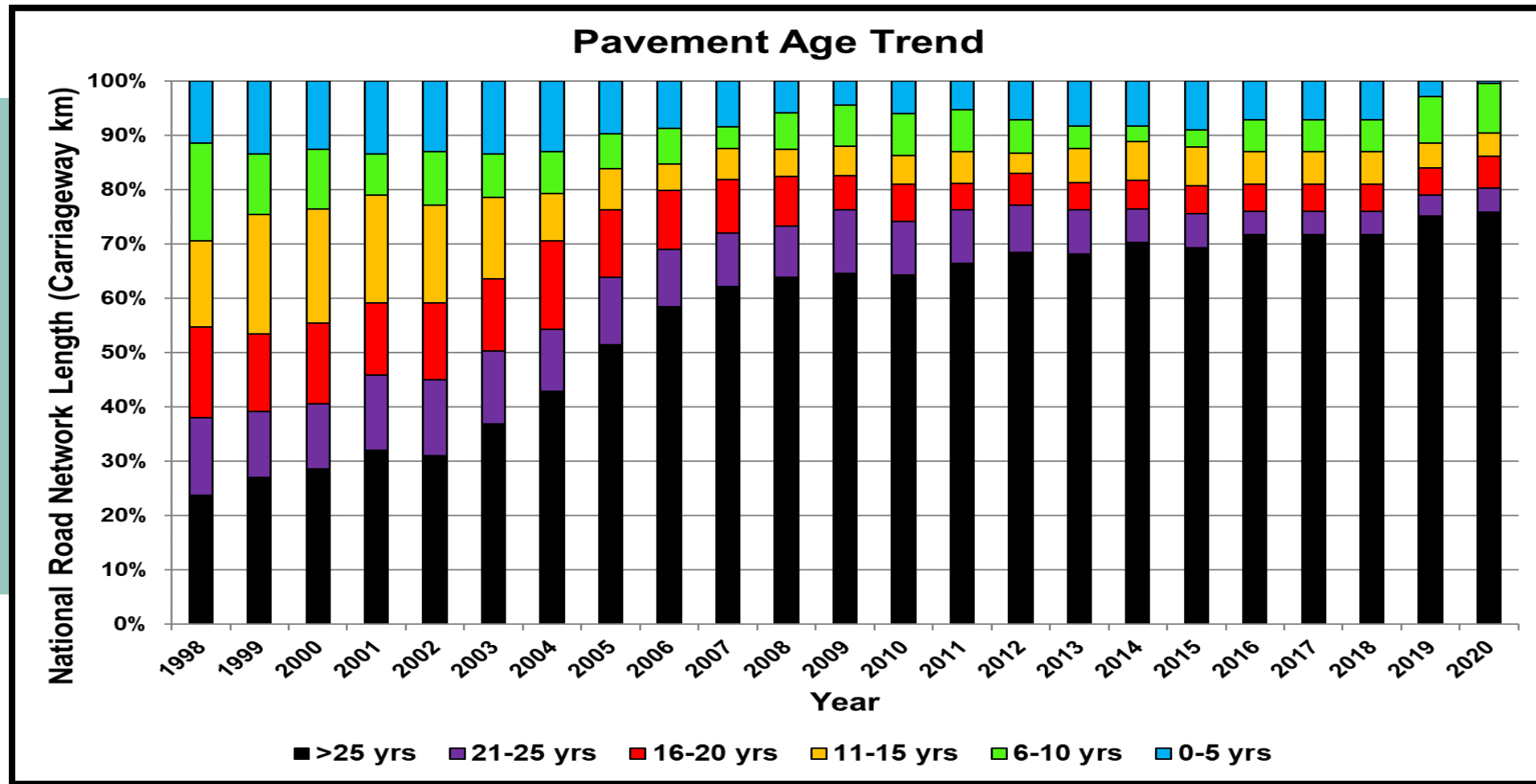
Slope management

- SANRAL undertakes proactive management of unstable slopes in all regions




SANRAL



SANRAL Pavement Age Trend (paved network)



Our national road network

Description		Non-toll km	Agency toll km	PPP km	Total km
Dual carriageway		891	659	519	2068
4-lane undivided		24	306	231	561
2-lane single		18 389	713	521	19 624
Total		19 304	1 678	1 271	22 253
% of SANRAL network		86%	8%	6%	100%

The 2,952 km toll network represents 13 % of SANRAL network, 0.5 % of the total and 2.0 % of the surfaced

Horizon 2030

HORIZON 2030

Infrastructure investment and job creation

Mirror aims of National Development Plan

Manage and expand critical infrastructure of road network to create economic value

Share expertise in SA and sub-Saharan Africa

Maintain existing infrastructure and invest in capital projects to grow SA economy

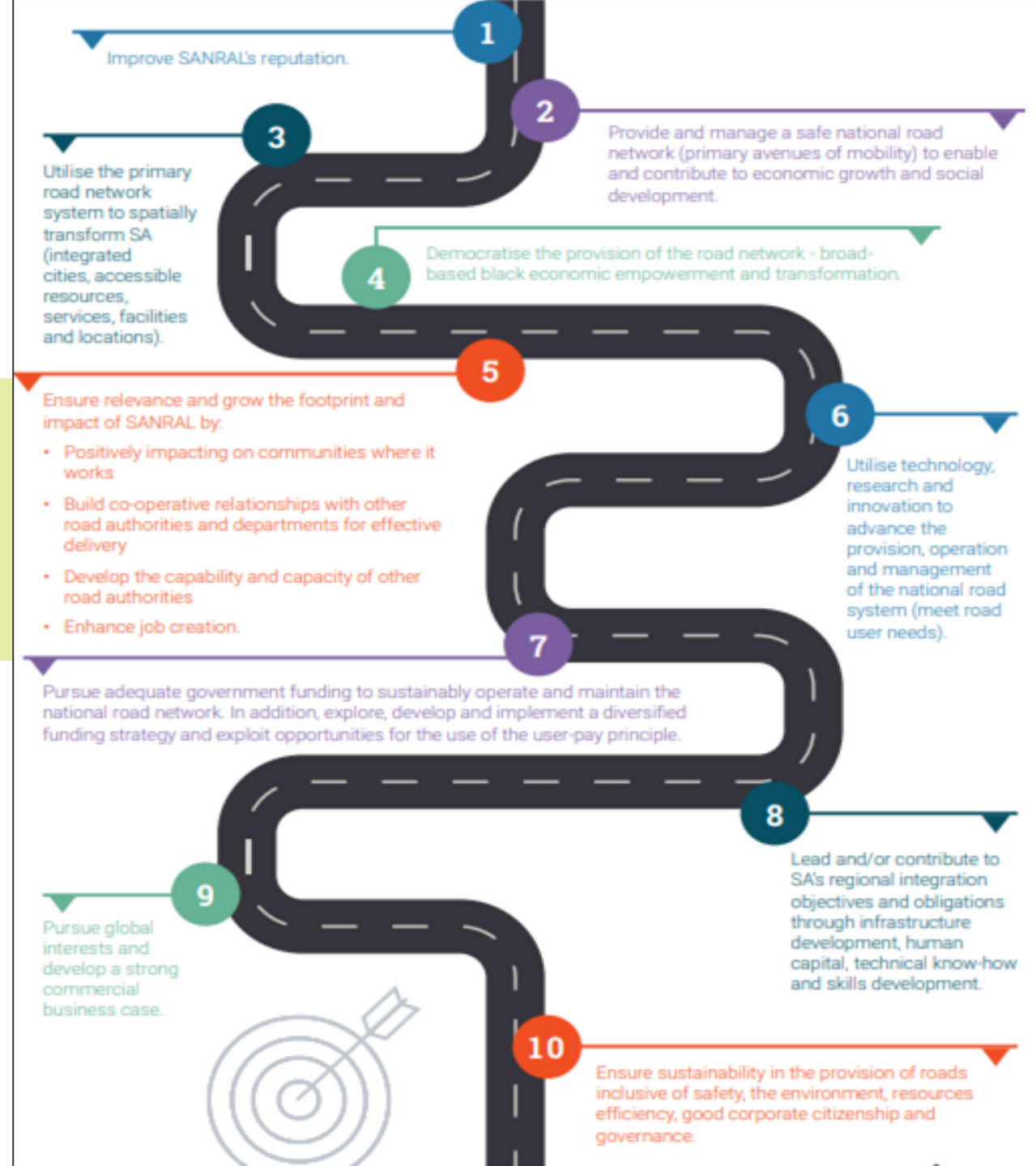
Funding of projects will change



Strategic Objectives

10 Strategic objectives

Horizon 2030



Key strategic risks

Compromised delivery of projects due to economic downturn/Covid-19

Road funding policy uncertainty

Inclusive participation in projects and navigating SCM regulations

Human capital capacity constraints

Negative public perception

Business agility and resilience

Legal mandate and regulation

Strategic thrust areas

The Department of Transport has identified **five strategic thrusts** to define its work going forward and the political agenda for the medium term.

1.Safety as an enabler of service delivery

– *Road Safety is a SANRAL pillar as per Horizon 2030 and initiatives range from engineering solutions and leveraging latest technology to education and awareness programmes*

2.Public transport that enables social emancipation and an economy that works

– *Implementation of PT guidelines for national roads and work under the Horizon 2030 mobility pillar to support PT*

3.Infrastructure build that stimulates economic growth and job creation

– *Rollout of SANRAL flagship projects and infrastructure investment programme*

4.Building a maritime nation and elevating the oceans economy

– *Maintenance and rollout of infrastructure projects on national roads that connect ports to industrial centres*

5.Accelerating transformation towards greater economic participation

– *Implementation of the Transformation Policy and 14-Point Plan to ensure inclusivity*

Strategic key focus areas over medium term

Priority focus areas and strategic themes

- Review of SANRAL operating model
- Consultation and implementation of 10-year roads plan
- Rollout of flagship and stimulus package projects
- Expansion of the community development programme
- Growth of business development initiatives
- Securing financial sustainability

Key focus areas for 2021/22

1. Horizon 2030 implementation
2. Asset management systems for the timely maintenance of national roads
3. Rollout of SANRAL flagship projects and budget programme
4. Good co-operative relationships with relevant government departments, provincial and municipal authorities to implement Horizon 2030
5. Transformation – both internal and within the construction industry
6. Resolution of e-tolling in Gauteng (**significant risk**)
7. Ongoing communication and stakeholder management efforts
8. Implementation of business development focus areas
9. Development of a new toll roads policy context for future projects



Strategic Objectives: Alignment to Shareholder Objectives



Alignment: NDP, apex priorities and SANRAL strategic objectives

NDP Pillars	APEX Priorities	Strategic Objectives
1. Driving a strong, inclusive economy	P2. Economic transformation and job creation	SO 2. Provide and manage a safe national road network (primary avenues of mobility) to enable and contribute to economic growth and social development. SO 4. Democratised the provision of the road network broad-based black economic empowerment and transformation. SO 7. Pursue adequate government funding to sustainably operate and maintain the national road network. In addition, explore, develop and implement a diversified funding strategy and exploit opportunities for the use of private finance and own revenue.

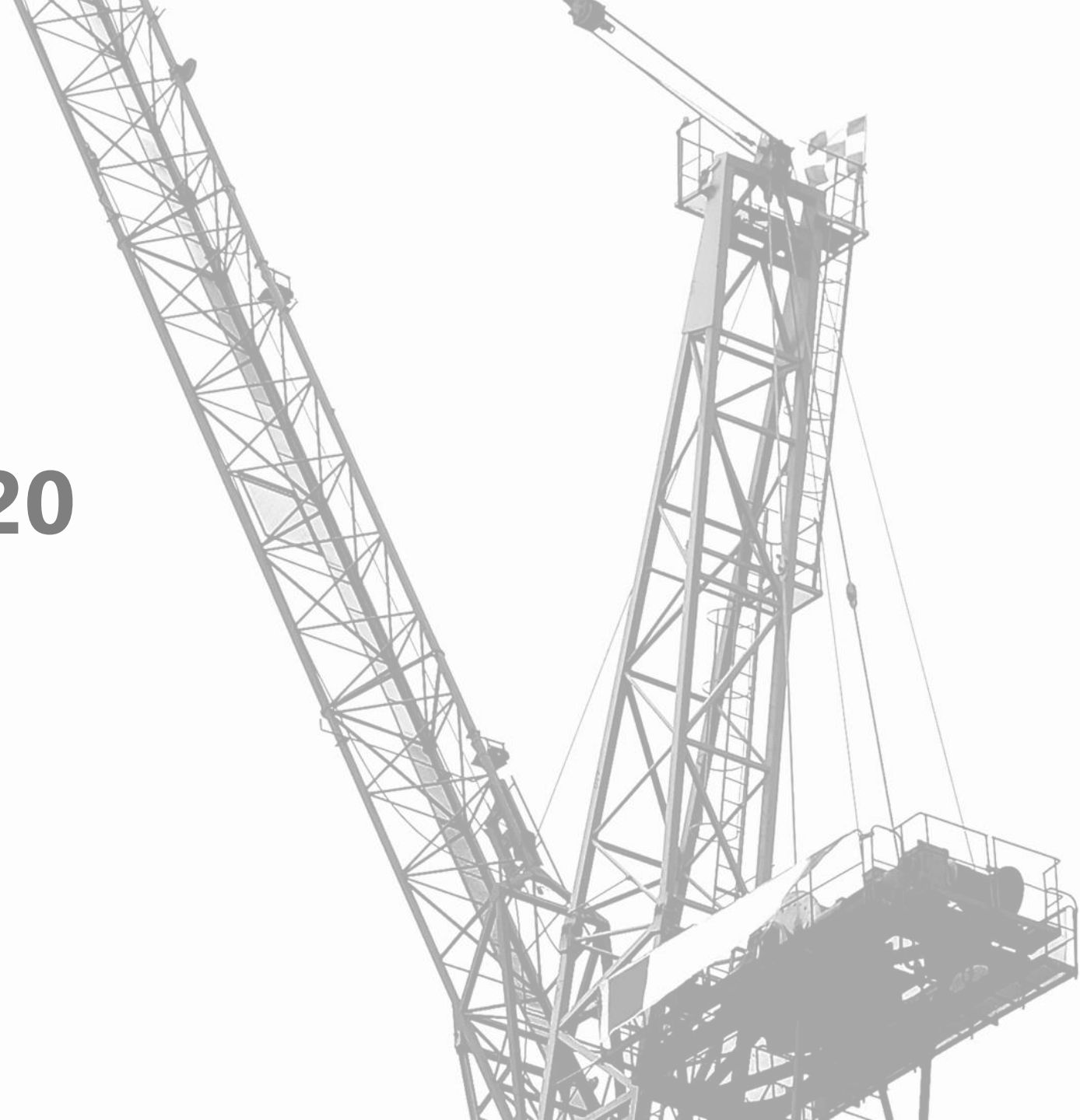
Alignment: NDP, apex priorities and SANRAL strategic objectives

NDP Pillars	APEX Priorities	Strategic Objectives
<p>2. Building and strengthening the capabilities of South Africans</p>	<p>P3. Education, skills and health</p> <p>P4. Consolidating the social wage through reliable and quality basic services</p> <p>P5. Spatial integration, human settlements and local government</p> <p>P6. Social cohesion and safe communities</p>	<p>SO 3. Utilise the primary road network system to spatially transform SA (integrated cities, accessible resources, services, facilities and locations).</p> <p>SO 5. Ensure relevance and grow the footprint and impact of SANRAL by:</p> <ul style="list-style-type: none"> · Positively impacting communities where we work · Building co-operative relationships with other road authorities and departments for effective delivery · Developing the capability and capacity of other roads authorities · Enhancing job creation <p>SO 6. Utilise technology, research and innovation to advance the provision, operation and management of the national road system (meet road user needs).</p> <p>SO 10. Ensure sustainability in the provision of roads inclusive of safety, the environment, resources efficiency, good corporate citizenship and governance.</p>

Alignment: NDP, apex priorities and SANRAL strategic objectives

NDP Pillars	APEX Priorities	Strategic Objectives
3. Achieving a more capable state	P1. A capable, ethical and developmental state P7. A better Africa and world	SO 5. Ensure relevance and grow the footprint and impact of SANRAL by: <ul style="list-style-type: none"> · Positively impacting communities where we work · Building co-operative relationships with other road authorities and departments for effective delivery · Developing the capability and capacity of other roads authorities · Enhancing job creation SO 6. Utilise technology, research and innovation to advance the provision, operation and management of the national road system (meet road user needs). SO 7. Pursue adequate government funding to sustainably operate and maintain the national road network. In addition, explore, develop and implement a diversified funding strategy and exploit opportunities for the use of private finance and own revenue. SO 8. Lead and/or contribute to South Africa's regional integration objectives and obligations through infrastructure development, human capital, technical know-how and skills development. SO 9. Pursue global interests and develop a strong commercial business case.

Strategic Plan 2020 to 2025



Strategic plan 2020-25

Impact statement

A safely engineered, sustainable and optimally maintained and managed national road network within acceptable standards that meets the needs of South Africa and supports socio-economic development.

Strategic plan 2020-25: Outcome indicators

NDP PILLAR 1: A STRONG AND INCLUSIVE ECONOMY			
MTSF PRIORITY: TRANSFORM THE ECONOMY TO SERVE ALL SOUTH AFRICANS AND CREATE JOBS			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Optimally maintained national road network	Improved overall condition index (OCI) of the road network	Current OCI of 72.33	Maintain at desired level as per the baseline (OCI ≥ 70)

NDP PILLAR 1: DRIVING A STRONG AND INCLUSIVE ECONOMY			
MTSF PRIORITY: ECONOMIC TRANSFORMATION AND JOB CREATION			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Transformed industry and jobs created on projects (full-time equivalent)	Number of jobs created (full-time equivalent)	Estimate 10 000 (2019/20)	50 000 jobs in total over the five-year period (target/average of 10 000 jobs/per year)
Transformed industry and jobs created on projects	Number of SMMEs working on SANRAL projects	Estimate 1 901 (2019/20)	7 500 SMMEs in total over the five-year period (target/average of 1 500 SMMEs per year)

Strategic plan 2020-25: Outcome indicators

NDP PILLAR 2: CAPABILITIES OF SOUTH AFRICANS			
MTSF PRIORITY: INVESTING IN THE CAPABILITIES OF ALL THE PEOPLE THROUGH AN EDUCATION AND SKILLS REVOLUTION			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Creating delivery capacity for the country	Number of candidate professionals who complete the Technical Excellence Academy programme	9 completed the programme in 2019/20	100 candidate professionals having completed all phases of the training programme

NDP PILLAR 2: BUILDING AND STRENGTHENING THE CAPABILITIES OF SOUTH AFRICANS			
MTSF PRIORITY: SOCIAL COHESION AND SAFER COMMUNITIES			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Safer roads	Equivalent accident number (EAN) per vehicle km travelled on SANRAL roads	New indicator (no baseline for 2019/20*)	1 equivalent accident number per 1000 vehicle km travelled (EAN/1000 VKT) on SANRAL roads

* Note: Outcome indicator is new and still undergoing calculation. Applies to SANRAL roads.

Strategic plan 2020-25: Outcome indicators

NDP PILLAR 3: ACHIEVING A MORE CAPABLE STATE			
MTSF PRIORITY: CAPABLE, ETHICAL AND DEVELOPMENTAL STATE			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Improved SANRAL reputation	Results from research and/or surveys analysing brand equity	Brand equity 10.4% at 2019/20	Maintain at desired level as per the baseline (brand equity \geq 10.4%)

Key risks and mitigation

OUTCOME	KEY RISK	RISK MITIGATION
Optimally maintained national road network	<ul style="list-style-type: none"> • Incorporation of poorly maintained provincial roads and challenges in addressing deficiencies • Insufficient budget 	<ul style="list-style-type: none"> • Process to be followed to ensure roads are suitable candidates for incorporation • Roads to be transferred with sustainable and long-term funding
Jobs created on projects (full-time equivalent) and SMMEs	<ul style="list-style-type: none"> • Budget reduction • Insufficient projects in construction phase 	<ul style="list-style-type: none"> • Advanced planning and budget prioritisation
Creating delivery capacity for the country	<ul style="list-style-type: none"> • Insufficient carrying capacity and resources for candidate professionals at the TEA • Additional mentors, coaches and supervisors required 	<ul style="list-style-type: none"> • Development of TEA strategy and business plan to guide ramp-up • Boost resources to fill the skills shortfall and capacity constraints

Key risks and mitigation

OUTCOME	KEY RISK	RISK MITIGATION
Safer roads	<ul style="list-style-type: none">• Incorporation of poorly maintained provincial roads and challenges in addressing deficiencies• Insufficient budget to undertake required works• Development beyond SANRAL's control can influence the EAN per VKT• Traffic growth will also negatively impact the metric	<ul style="list-style-type: none">• Process to be followed to ensure roads are suitable candidates for incorporation• Roads to be transferred with sustainable and long-term funding
Improved SANRAL reputation	<ul style="list-style-type: none">• Budget availability• No service provider in place• COVID-19 impacts ability to gather crowds and engage people	<ul style="list-style-type: none">• Interaction with finance division and feedback to secure budget

Annual Performance Plan 2021/22



Budget 2020/21–2022/23 (Non-toll)

R' million		2021/2022	2022/2023	2023/2024
Treasury allocation		21 558 612	21 221 339	22 131 269
Other income		36 147	241 647	111 647
Operating expenditure		14 853 496	13 492 143	9 003 079
	Salaries	633 708	748 440	820 717
	Administrative costs	910 260	958 723	965 353
	Property management	561 717	608 777	618 958
	Road maintenance	11 604 493	10 172 254	5 779 809
Capital expenditure		16 886 522	18 640 670	12 273 708
	Sundry capital	425 388	347 086	180 300
	Land acquisition	185 000	100 000	50 000
	Community development	815 203	1 010 410	382 436
	Road capex	15 460 932	17 183 174	11 660 972
Surplus/(deficit)		(13 308 326)	(11 334 263)	3 215
Balance brought forward		24 648 290	11 339 964	5 701
Balance carried forward		11 339 964	5 701	8 916

Budget 2020/21–2022/23 (Toll)

R' million		2021/2022	2022/2023	2023/2024
Toll income		4 871 802	5 308 821	5 856 203
GFIP allocation		3 100 063	3 133 066	3 166 069
Operating expenditure		5 408 256	5 643 196	4 419 973
	Salaries	0	0	0
	Administrative costs	155 217	164 513	164 825
	Property management	0	0	0
	Road maintenance	4 954 450	5 241 317	4 014 234
Capital expenditure		1 343 042	6 396 600	11 035 769
	Sundry capital	0	0	0
	Land acquisition	15 000	15 000	25 000
	Community development	20 660	82 189	53 333
	Road capex	964 041	6 124 069	10 887 094
Finance charges		3 366 167	3 366 167	3 771 612
Borrowing requirement surplus/(deficit)		(6 963 076)	(10 204 082)	(8 139 156)

Annual Performance Plan

Priority 1:

Capable, ethical
and developmental
state

Output indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of positive messages in national/regional media (print, broadcast or online) per month	Profile at least fifteen positive messages in national/regional press (print, broadcast or online) per month	Profile at least 15 positive messages in national/regional media (print, broadcast or online) per month	Profile at least 15 positive messages in national/regional media (print, broadcast or online) per month	Profile at least 15 positive messages in national/regional media (print, broadcast or online) per month	Profile at least 15 positive messages in national/regional media (print, broadcast or online) per month
Number of stakeholder engagement sessions/roundtables	60	15	15	15	15

Priority 1:

Capable, ethical and developmental state – Governance indicators

Output indicator	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Leadership, governance and accountability					
Regulatory audit outcome by the Auditor-General of South Africa (AGSA) KPI 6.5	Maintain zero qualified audit	-	-	-	Annual report on efforts taken to achieve an unqualified audit report with no significant findings
Percentage reduction in cases of wasteful and fruitless expenditure KPI 6.6	100% reduction in cases of wasteful and fruitless expenditure	-	Biannual report on steps taken to reduce wasteful and fruitless expenditure in SANRAL	-	Annual report on steps taken to reduce wasteful and fruitless expenditure
Percentage reduction in cases of irregular expenditure KPI 6.7	50% reduction in cases of irregular expenditure	-	Biannual report on steps taken to reduce irregular expenditure in SANRAL	-	Annual report on steps taken to reduce irregular expenditure
Percentage compliance with 30-day payment requirement KPI 6.8	100% compliance with 30-day payment requirement	-	Biannual Report on steps taken to ensure compliance with the 30-day payment requirement	-	Annual report on steps taken to ensure compliance with the 30-day payment requirement

Priority 1:

Capable, ethical and developmental state – Governance indicators

Output indicator	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Leadership, governance and accountability					
Percentage responses to parliamentary questions within stipulated timelines KPI 6.1	100% responses to parliamentary questions	-	Biannual report on the status of responses to parliamentary questions	-	Annual report on the status of responses to parliamentary questions
Percentage resolution of reported incidents of corruption KPI 6.2	85% resolution of reported incidents of corruption	-	-	-	Annual report on steps taken to ensure resolution of reported incidents of corruption
Ethics committees established and operationalised KPI 6.3	A structure dedicated to ethics management will be established within SANRAL	-	Biannual report on the status and operations of ethics committees	-	Annual report on the status and operations of ethics committees
Percentage implementation of action plans to address audit findings KPI 6.4	100% implementation of action plans to address audit findings	-	-	Develop action plans to address audit findings raised by the AGSA for the 2020/21 financial year	Annual report on the implementation of action plan to address audit findings raised by the AGSA for the 2020/21 financial year

Annual Performance Plan

Priority 2:

Economic
transformation
and job creation

Output indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Smooth travel exposure (STE)	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Low rut exposure (LRE)	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
High texture exposure (HTE)	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Bridge condition exposure (BCE)	≥ 90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Routine maintenance km	22 253km	22 253km	22 253km	22 253km	22 253km
Network resurfaced km	1 000km				1 000km
Road strengthened, improved and new (Capex) km	600km				600km
Percentage of routine road maintenance expenditure performed by black-owned SMMEs and contractors (based on black ownership of main contractor)	>75%	65%	70%	70%	75%
Percentage of non-routine road maintenance expenditure performed by black-owned SMMEs and contractors (based on black ownership of main contractor)	>60%	50%	55%	55%	60%
Number of SMMEs working for SANRAL	2000	1600	1800	1900	2000
Community development infrastructure projects	18 projects in construction				18 projects in construction

Annual
Performance
Plan

Priority 2:

Economic
transformation
and job creation

Outcome indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Jobs created on projects (full-time equivalent)	10 000	7 000	8 000	9 000	10 000

Annual
Performance
Plan

Priority 3:

Education,
skills and health

Output indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of internships (practical experience for undergraduate studies)	150	75	100	125	150
Number of external bursaries (tertiary)	135				135
Number of scholarships	220				220

Annual Performance Plan

Priority 6:

Social cohesion
and safe
communities

Output indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Identify, investigate and propose remedial measures for 12 pedestrian hazardous locations	Identify, investigate and propose remedial measures at 12 pedestrian hazardous locations per year		Twelve pedestrian hazardous locations Investigation: 50%		Twelve pedestrian hazardous locations Proposal of remedial measures: 100%
Conduct road safety audits on at least 12 projects	12 road safety audits completed		At least 12 projects at 50% progress: Commencement of procurement process for road safety auditor, which includes making financial provision for RSA audit as part of engineering services tender document		At least 12 projects at 100% completion: Completion of road safety audit report by road safety auditor
Road safety education and awareness programmes at selected educational sites in a 5km radius of the national network and linked to SANRAL construction projects	30 sites		15 sites		30 sites

Critical topics for noting



Roads Plan 2030

In line with Horizon 2030, the Roads Plan 2030 provides an overview of SANRAL's planning over the next decade, supporting all four business pillars

It is based on current needs and forecasts, including national and provincial development planning

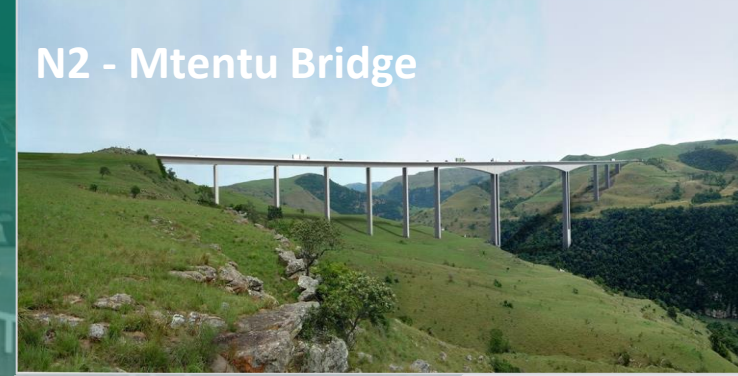
It covers four main elements:

- Preservation of the national asset through timeous maintenance using stringent asset management processes
- Planning of the network to balance the need for:
 - mobility to maintain the national market advantage for freight and passenger movements
 - access to communities, ensuring safe connectivity to meet social needs
- Expansion of the network by improving capacity of existing roads and the construction of new roads
- Optimising operations along corridors through the use of:
 - Intelligent Transport Systems (ITS)
 - Freeway Management Services (FMS)
 - Research in pursuit of excellence in the delivery of the road network

Flagship projects

The implementation of these projects on key economic corridors in the next five to 10 years will reduce congestion and accident risk, resulting in substantial time and cost savings for road users

N2 - Mtentu Bridge



Msikaba Bridge

- N1 Huguenot Tunnel improvements and second tunnel completion
- N2 Wild Coast construction
- N2/N3 upgrades
- R573 Moloto Road improvements
- N1 Bela Bela to Beit Bridge upgrade

SANRAL's current plans

Aligned with the NDP and NATMAP 2050, current plans (some identified as early as 1995) include road links and projects required to improve the national road network and mobility.

Currently planned expansion projects (greenfields, widenings, upgrades)

Projects

GFIP Phase 2 (New Routes)

GFIP Phase 3 (Upgrades)

N1/N2 Winelands

N2 Botrivier to Port Elizabeth

N2 Wild Coast (Ndwalane to Mtamvuna River)

N2 Durban South to North

N2 Richards Bay to Ermelo

N3 Pietermaritzburg to Durban

N4/PWV3 extension Pampoen Nek

N12 Johannesburg to Klerksdorp

N12 Benoni to Witbank

R72/N2 Port Elizabeth to East London

R300 Cape Town Mobility 1Corridor

Innovation

Freeway Management System (FMS)

- Traffic Management Centres (TMCs) operate around the clock
- Incidents managed from time of detection to reinstatement of free-flow traffic
- Real-time traffic information provided via traffic website and Twitter handles

Technical Innovation Hub (TIH)

- Holistic approach to research and development to prepare the transportation system for the future
- Development of human resources facilitated through training programmes at the Technical Excellence Academy (TEA)
- SANRAL's Innovation Programme supported through needs determination and impact assessments

Mobility account

- Improved use of technology
- Interoperable fare-collection systems emerging globally as critical enablers of multimodal integrated travel
- Growth in users of the SANRAL App
- Development of account-based ticketing with MOT



Transformation policy

- Adopted in 2017
 - Repositions SANRAL to grow, develop, empower and transform construction and related industries
 - Implemented through procurement processes and partnerships
 - Maximises participation of black contractors, professionals and suppliers in commissioned projects
- Internally, SANRAL promotes diversity, inclusion and the provision of skills development opportunities to employees



Transformation by numbers

Equity of contracting companies

- 75% of R6.9bn total tendered amount awarded to black-owned contractors (R5.2bn)
- 25% awarded to white-owned contractors (R1.7bn)
- R3bn awarded to black male-owned contractors
- R2.1bn awarded to black women-owned contractors
- R25m awarded to black youth-owned contractors



Transformation by numbers (cont)

SMME development

SANRAL provides opportunities on its projects for SMMEs and small contractors

This is achieved by unbundling projects into smaller packages for lower-graded CIDB entities (largely from grade 1CE to Grade 5CE), such as for grades 5CE to 7CE

Contractors are encouraged to use local SMMEs

- 30% ringfenced for SMMEs in SANRAL's procurement policy (and as per the 2017 PPPFA regulations)
- 1 933 SMMEs awarded work on SANRAL road construction, rehabilitation and maintenance projects
- R2.996bn earned by SMMEs through these contracts
- 73.6% of awarded contracts and 80.2% of value derived benefitted black-owned SMMEs



Transformation by numbers (cont)

SMME participation 2018/19 vs 2019/20

- +2.6% growth in black-owned SMME contracts (71% vs 73.6%)
- +19.2% in value of black-owned SME contracts (61% vs 80.2%)

Employment creation

All contracts stipulate a minimum percentage of local employment to promote community development

- 19 315 work opportunities (many limited term/temporary) – equivalent to 8 575 full-time jobs
- 55.8% of work opportunities taken up by women
- 52.2% of all positions filled by youth (men and women under the age of 35)

Training

- 806 workers trained – 30.8% female; 73.6% male
- 2 001 courses undertaken

Scholarships

- 230 students received SANRAL's external bursaries and scholarships (68% of recipients were female)
- R6.7m in total invested external bursaries



Governance matters

Term of current Board ends 31 August 2021

Replacement of Board members who resigned:

- Only 6 of 8 Board members are in place currently
- Board member who was representative of the National Treasury (resigned 30 Nov 2020) must be replaced
- Independent, non-executive Board member who resigned on 2 Nov 2018 must be replaced

JSE's amended debt-listing requirements were presented to the DoT's governance team



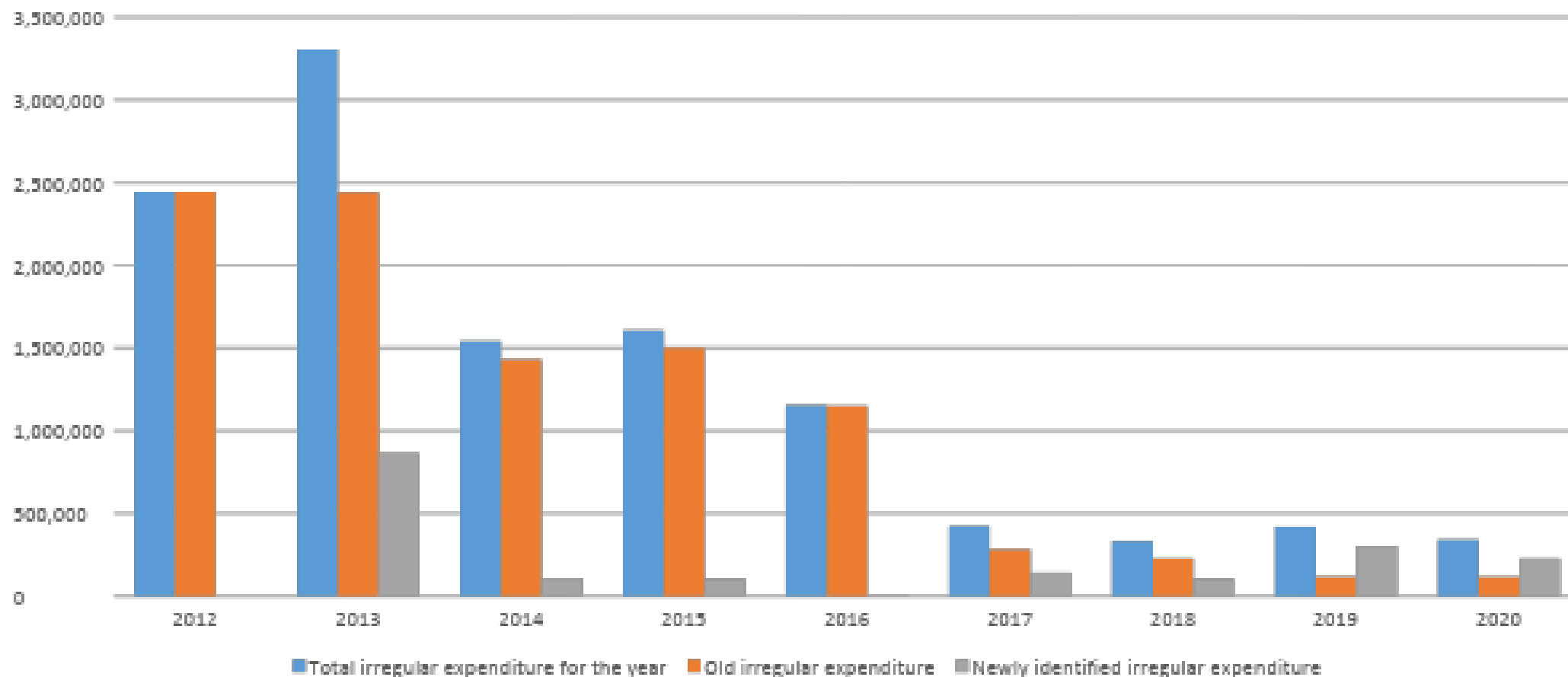
Audit Report 2019/20 | Unqualified Opinion

Key audit matter	Outcome
Revaluation of road network and road structures	AGSA was satisfied that the revaluation of the road network and road structures is appropriate, reasonable and is fairly valued and appropriately disclosed in the annual financial statements.
Expected credit losses on e-toll trade and other receivables	AGSA was satisfied that the expected credit losses on e-toll and other receivables were reasonable, in line with their expectations and appropriately disclosed in the annual financial statements in accordance with IFRS.
E-toll revenue	AGSA was satisfied that e-toll revenue was recognised and accounted for in line with the requirements of IFRS 15 and appropriately disclosed in the annual financial statements.

Emphasis of matter

Description	Reference
<p>Material impairments – trade and other receivables</p> <p>Expected credit losses (impairment) of R10.177bn were recognised. R9.831bn of this relates to the impairment of e-toll receivables.</p>	Note 11
<p>Irregular expenditure</p> <p>Irregular expenditure of R342m was incurred in the current year due to non-compliance with prescribed procurement prescripts. R227m (66%) relates to irregular contracts identified in the current year, of which R174m relates to one contract that was paid without following proper approvals from National Treasury.</p>	Note 43

Irregular expenditure



Financial year	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Total irregular expenditure for the year	2 445 100	3 305 711	1 541 309	1 606 238	1 156 295	424 949	333 607	419 185	342 147	11 574 541
Old irregular expenditure	2 445 100	2 441 283	1 432 795	1 499 411	1 151 537	281 718	226 900	116 085	115 353	9 710 182
Newly identified irregular expenditure	-	864 428	108 514	106 827	4 758	143 231	106 707	303 100	226 794	1 864 359

Community development

Community development projects in all areas, including small towns and villages adjacent to the road network

These aim to train, develop, mentor and nurture new black contractors in rural areas

- Sliding-scale model developed to assist small enterprises to develop from subcontracting to tendering for more complex projects
- Development of SMMEs is part of SANRAL's broader socio-economic development strategy guided by its Transformation Policy
- Emphasis on youth- and women-owned SMME businesses
- Main upgrade projects ring-fence 30% for SMMEs



Building engineering skills



University partnerships

- **SANRAL Chair in Transport Planning**
University of Cape Town
- **SANRAL Chair in Pavement Engineering**
University of Stellenbosch
- **SANRAL Chair in Mathematics, Natural Science and Technology Education**
University of the Free State
- **Three-way partnership** (SANRAL, University of Pretoria and CSIR) for the development of materials used in transport infrastructure



Technical Excellence Academy (TEA)

- Opened 2014
- SANRAL funded
- 99 engineers qualified

External bursaries

Internships

Promoting STEM subjects in schools



Road safety

SANRAL's role goes beyond the design and construction of safer roads

We aim to change attitudes and behaviour among all road users through road safety education and awareness

SANRAL interventions

- Road safety audit on vehicular and pedestrian hazardous locations
- Improve crash reporting through Integrated Transportation Information System (ITIS) application
- Inform engineering interventions as well as engineering policy, manuals and guideline documents
- Improve safety on roads through pedestrian bridges, access roads and other features



Stakeholder engagement

Build constructive relations with all stakeholders

Create mutually beneficial relationships with provincial and local governments and communities where projects are implemented



Stakeholder consultations and engagements

- Monitor and discuss impact of SANRAL's projects on society
- Share information, raise awareness and solicit views
- Create opportunities for stakeholder participation in projects
- Enable seamless execution of projects and optimise beneficial impact on the community

Interactions

- Provincial governments, local and district municipalities, chambers of commerce, business forums and civil society organisations

Formalised relationships

- South African Local Government Association (SALGA)
- National House of Traditional Leaders (NHTL)

Africa and beyond

Exploring international business opportunities through 'Africa and Beyond' initiative

- Strategic partnership with the Development Bank of Southern Africa (DBSA)
- Build capacity of road authorities on the continent
- Provide commercial engineering advisory services
- Contribute to better connectivity and integration within the region

Strategic alignment

- **Apex priority 7**
A better Africa, a better world
- **NDP**
Play a leading role in continental development, economic integration and human rights
- **AfCFTA**
Creating a single continental market with free movement of persons, goods and services
- **AU Agenda 2063**
The Africa we want
- **UN Agenda 2030**
SDG 9 – Build resilient infrastructure



Africa and beyond

Capacity building

- Technical Excellence Academy (TEA)
- Training African candidate engineers
- Open and accessible to candidates from the rest of Africa

Policy intervention

- SADC protocol
- COMESA

Memberships

- PIARC – World Roads Association
- IRF – International Roads Federation
- ASANRA – Association of Southern African Roads Agencies

Business development

Cross-border cooperation/ collaboration with neighbouring countries:

- Beitbridge
- Maputo Development Corridor

SADC initiatives

- North-south corridor

Co-operation

- Nigeria
- Kenya
- Mozambique
- Zimbabwe





Thank you

