###### National Assembly

Question Number: 2

**Adv A de W Alberts (FF Plus) to ask the Minister of Transport:**

(1) How much of the R5,75 billion that was allocated by the fiscus to her department and the SA National Roads Agency Ltd (SANRAL) in 2012 to reduce the debt of the Gauteng Freeway Improvement Project (GFIP) was in fact used to pay off the bond loans;

(2) what (a) was the original debt amount of the GFIP in January 2012 and (b) is the current outstanding balance of the bond loans for the GFIP as against the latest stated date for which information is available;

(3) (a) what amounts (i) SANRAL and (ii) her department spent on the e-tolling project in the 2014-15 financial year on (aa) advertisements, (bb) public relations and (cc) related expenses and (b) what amount of the stated funds originated from (i) the income from the e-tolling project and (ii) government subsidies and extras in each case? NW2E

**REPLY**

1. Apart from the 14% VAT, which was paid over to SARS, the full remainder was utilised for the funding of the SANRAL Toll portfolio. At the time, SANRAL was not able to go to bond auctions for funding, because investors were not comfortable with the risk: possible credit ratings downgrade, delay in toll commencement on GFIP, legal processes, etc. To reiterate, SANRAL does not use “mortgage loans” for funding, but issue various capital market bonds, listed on the JSE, with varying maturities and coupon rates. Details of this is available in our Annual Report.
2. The Initial Construction Cost of the Gauteng Freeway Improvement Project (GFIP) was about R20 billion. However, construction was completed in 2010 and tolling only commenced in December 2013, therefore compounded interest accumulated from 2008, start of construction, to toll commencement. SANRAL’s Weighted Average Cost of Borrowing is published in the Annual Report. Apart from servicing the debt, the continuous maintenance and operations of the roads, such as emergency services, were also funded from this portfolio. SANRAL’s Non-current liabilities is also published in our Annual Report and details of this outstanding borrowings are published under Note 14.
3. (a) (i) (aa) Toll Advertising spend total amount to R32 656 856 (b) spend from the Advertising Toll budget (bb) Public Relations are not separated into different portfolios. This exercise is carried out to inform the road user of the significance of the national road network that comprises 21451 km. It is unfortunate that the honourable member believes that SANRAL only deals with the GFIP that comprises 201 km, a mere 0,94% of the national road network. The spent totalled hours worked amounted to R13 184 474.82 (spent from the Non-toll budget

cc) related costs for e-tolling was R 20 526 160.85 for events, publications and brochures and

promotional items (i) spent from the Advertising Toll Budget (ii) No extras.