**National Assembly**

**Question No:2034**

**Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

1. With reference to the Public Transport Network Grant, (a) what exactly is the grant money for, (b) is there a contract with his department for the grants, (c) what proportion of the grants are allocated to capital expenditure and (d) what is the total breakdown of all capital expenditure for each of the five phases up to and including completion;
2. What was the exact (a) operating costs, (b) fare income and (c) council funding for each specific cost including operational in the (i) 2016-17, (ii) 2017-18, (iii) 2018-19 and (iv) 2019-20 financial years?

NW2271E

**REPLY**

1. Public Transport Network Grant
2. The Public Transport Network Grant (PTNG) is a Division of Revenue Act (DoRA) schedule 5B conditional Grant allocation;

To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal Integrated Public Transport Network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

1. The PTNG allocations are subsequently appropriated to municipalities that submit business plans with associated expenditure estimates per Medium Term Expenditure Framework (MTEF) period, wherein the 1st year of the MTEF reflects an actual appropriation whilst the 2 outer years are indicative allocations.

The allocation is governed by the Public Transport Network Grant Framework that is published with the annual Division of Revenue Act.

1. Infrastructure allocations:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items**  | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** |
| Infrastructure component: Ekurhuleni  |  R 450 m | R 581 m  | R 478 m | R 413 m | R 289 m |

1. Capital expenditure for each of the five phases.

See table below. The initial costing of the system was based on build first and operate later approach whereby all corridors will be developed with dedicated bus lanes, however this approach is being reviewed and a financially contained approach will be implemented for future phases.

The total costs to date on Phase 1 are R 2 2290 mil. Due to a scaling down to now operate first and built later strategy, the infrastructure expenditure has been reduced for the next few years and for future phases. The estimates for the future phases are high-level and more accurate estimates will be developed during the design stage of each phase.

The NDoT will continue to work with the City to reduce costs, ramp up operations faster and increase fare revenue while reducing operating deficits.

It must be noted that the City is still operating a starter pilot service since November 2017 and therefore it is operating sub optimally and should have scaled up to a fully fledged service by July 2019.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Phase** | **Phase 1** | **Phase 2** | **Phase 3** | **Phase 4** | **Phase 5** |   | **Total(R mill)** |
| **Corridor** | **2** | **1** | **3** | **5** | **4** | **7** | **6** |
|   |   |
| **Financial Year** | **2021/22** | 191 |   |   |   |   |   |   | 191 |
| **2022/23** | 330 |   |   |   |   |   |   | 330 |
| **2023/24** | 385 |   |   |   |   |   |   | 385 |
| **2024/25** | 421 |   |   |   |   |   |   | 421 |
| **2025/26** | 439 |   |   |   |   |   |   | 439 |
| **2026/27** | 92 | 391 |   |   |   |   |   | 483 |
| **2027/28** |   | 430 |   |   |   |   |   | 430 |
| **2028/29** |   | 473 |   |   |   |   |   | 473 |
| **2030/31** |   | 284 | 407 |   |   |   |   | 691 |
| **2032/33** |   | 170 | 428 | 221 |   |   |   | 819 |
| **2033/34** |   |   | 470 | 199 |   |   |   | 669 |
| **2034/35** |   |   | 376 | 219 |   |   |   | 595 |
| **2035/36** |   |   | 263 | 131 | 350 |   |   | 745 |
| **2036/37** |   |   |   | 144 | 385 | 271 |   | 801 |
| **2037/38** |   |   |   |   | 424 | 298 |   | 722 |
| **2038/39** |   |   |   |   | 466 | 328 |   | 794 |
| **2039/40** |   |   |   |   | 513 | 361 |   | 874 |
| **2041/42** |   |   |   |   |   | 397 | 348 | 745 |
| **2042/43** |   |   |   |   |   |   | 383 | 383 |
| **2043/44** |   |   |   |   |   |   | 422 | 422 |
| **2044/45** |   |   |   |   |   |   | 464 | 464 |

(2) What was the exact (a) operating costs, (b) fare income and (c) council funding for each specific cost including operational in the (i) 2016-17, (ii) 2017-18, (iii) 2018-19 and (iv) 2019-20 financial years?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Items**  | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** |
| Operations Cost |  R0 | R119,2m  | R126,7m | R168,4m | R232,2m |
| Fare Income |  R0 | R0,33m  | R4,7m  | R8,1m | R8,5m |
| Council Funding | R0  | R0  | R0  | R0  | R0  |