

SANRAL

SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD



Reg.No.1996/009584/30

**BUILDING SOUTH AFRICA
THROUGH BETTER ROADS**

SANRAL

STRATEGIC PLAN

**for the
fiscal years
2020/21 – 2024/25**

Republic of South Africa

Tabled in March 2020

SANRAL Strategic Plan 2020 - 2025

The SANRAL Strategic Plan 2020 – 25
is compiled with the latest available information from internal divisions and other
sources.

Some of this information is unaudited or subject to revision.

For more information, please contact:

SANRAL,
Strategy Division
PO Box 415
Pretoria, 0001, South Africa
Tel: +27 12 844 8000
Fax: +27 12 844 8200

Annual Performance Plans for each financial year
over the performance cycle will also be published on
www.sanral.co.za

ISBN:
RP:

Disclaimer:

Users may apply or process this data, provided SANRAL is acknowledged as the original source of the data, that it is specified that the application and/or analysis is the results of the user's independent processing of the data and that neither the basic data nor any reprocessed version or application thereof may be sold or ordered for sale in any form whatsoever without prior permission from the SANRAL.

Executive Authority Statement



The South African National Roads Agency SOC Limited (SANRAL) has a mandate to manage the national road network, flowing from legislative and other policy instruments. These are underpinned by the vision of the National Development Plan (NDP), which is to alleviate poverty and reduce inequality, by 2030. The provision of road infrastructure continues to boost economic growth and create jobs. The importance of the national road transport system cannot be understated as it forms the core of road network enabling mobility, access to economic opportunities, trade and is

critical for supporting economic growth and development. In carrying out this mandate, care is taken to adhere to amongst others the Medium Term Strategic Framework, as this provides an important planning guide and delivery trajectory.

The 2019 general elections officially marked the commencement of the 6th Administration of the democratic South Africa. Government's plans for the development agenda include the National Development Plan (NDP); NDP Five Year Implementation Plan, Medium Term Strategic Framework; Spatial Development Plans and the Budget Prioritisation Framework. Government adopted the 7 APEX Priorities which are aligned to the pillars of the NDP. Articulation of the Medium Term Strategic Framework is included in the NDP and 7 APEX Priorities.

The Department of Transport has identified five strategic thrusts to define its work going forward and the political agenda for the medium term which are listed below:

1. Safety as an enabler of service delivery
2. Public transport that enables social emancipation and an economy that works

3. Infrastructure build that stimulates economic growth and job creation
4. Building a maritime nation, elevating the oceans economy
5. Accelerating transformation towards greater economic participation

It goes without saying that key themes such as good corporate governance, fiscal discipline, improved audit outcomes, compliance and policy coherence must continue to be reaffirmed in the transport sector. SANRAL as a crucial implementing agent of government plays a significant role given its significant road infrastructure build programme to be rolled out over the medium term. SANRAL's long term strategy known as Horizon 2030 in conjunction with its Transformation Policy has demonstrated its alignment with government priorities and the five strategic thrusts elevated by the Department of Transport.

SANRAL over the medium term will continue to implement government's plans as informed by the various priorities, policy framework, imperatives and developmental agenda. However, it must be noted that the country is experiencing several challenges which include COVID-19 and its impact on the economy and service delivery of government, a severe economic downturn, electricity shortages, rising unemployment and challenges with regards to completion of infrastructure projects. At the same time government has taken a deliberate posture by prioritising infrastructure investment and transforming the country into a construction site. Recognising that this does require amongst others an enabling environment, law and order, funding, a capable state that is above reproach when it comes to perceptions of corruption and policy certainty. As such the work around the development of a Road Funding Policy along with the resolution of the GFIP funding remains a priority. Resolution of these matters amongst others will over the medium term enable SANRAL to accelerate its project roll out, access private finance and quell the negativity in the public arena.

As Executive Authority, I the Minister of Transport endorse this Strategic Plan and commit to monitoring the implementation of the Plan and to evaluate performance on an on-going basis, to ensure effective service delivery.



Hon. Fikile A. Mbalula MP

Executive Authority of the SANRAL

Accounting Authority Statement



SANRAL as an agency of the Department of Transport is responsible for the financing, management, control, planning, development, maintenance and rehabilitation of the South African national road network. The role of SANRAL within the country's transport system is significant as the national roads link cities, provinces and economic nodes and enable trade and mobility which lead to economic growth. Striving to continuously improve the

quality of the road infrastructure and, within its ability, the operating conditions for the user, remain crucial to SANRAL.

SANRAL has taken stock of the lessons learnt and achievements of the previous 5-year Medium Term Strategic Framework and through the implementation of Horizon 2030 seeks to continuously improve its performance which will underpin the delivery of government's priorities and imperatives. Over the last five years some of the crucial highlights included a slowdown in public funding due to the economic challenges, erosion in public trust, demand for economic participation, development of the 14 Point Plan as a tactical response to growing demands for inclusion, and Supply Chain Management reforms by National Treasury and their unintended impact. The 14 Point Plan was developed as an instrument to tactically advance the Transformation Policy. For SANRAL, a critical achievement was the development of Horizon 2030, which charts the strategic focus of the Agency over the long term.

Over the medium term SANRAL's strategic focus will include the following:

- Review of network growth and a focus on sustainability
- Long term visioning
- Development and implementation of an Integrated Funding Model
- Internal reconfiguration to deliver on Horizon 2030

- Delivering on government's transformation objectives
- Demonstration of the relevance of SANRAL to communities and enhancement of the Community Development Programme
- Implementation of the deliverables outlined in Horizon 2030 and focussing on strengthening the pillars of the Agency
- Development of the 2030 National Roads Plan
- Generation of internal revenue through implementation of the Business Development Strategy

The National Development Plan outlines the vision for the country along with key developmental goals to be reached by 2030. Amongst the essential requirements to drive the said NDP vision is the development of a strong network of economic infrastructure, of which transport infrastructure is amongst the most critical. Infrastructure for the transportation of people and goods is essential for generating much needed economic growth and promoting social cohesion. SANRAL's projects and programmes are key interventions aimed at providing employment opportunities, achieving government's transformation objectives, improving the lives of the people, advancing service delivery and ensuring responsible expenditure and management of public finances. In the process SANRAL continues to implement SIP projects where progress is reported to the PICC.

It goes without saying that key themes such as good corporate governance, fiscal discipline, improved audit outcomes, compliance and policy coherence must continue to be reaffirmed within the Agency. SANRAL, as a crucial implementing agent of government, plays a significant role given its strategic road infrastructure build programme to be rolled out over the medium term. This is further supported by the Stimulus Package and efforts to secure private finance from Development Finance Institutions (DFIs). SANRAL, through its long-term strategy known as Horizon 2030, has elevated road safety as a pillar. This bodes well for the first strategic thrust. Although public transport is not directly in SANRAL's mandate within Horizon 2030, the development of public transport guidelines for national roads is amongst the crucial deliverables identified, under the mobility pillar. There is no

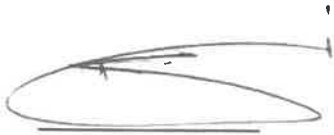
doubt that the third strategic thrust is the most pertinent for SANRAL and speaks to its core mandate. Infrastructure build projects without accelerated transformation, inclusivity, fair access to opportunities and reduction of graft compromise the product, bring serious risk to successful completion and erode public trust.

The South African economy continues to experience its fair share of headwinds in the form of depressed economic activity, a low growth rate, a budget deficit at critical levels, taxpayers who are under severe pressure, challenges with regard to rising unemployment, increasing debt levels, power outages, increased SOE demands for bailouts, poor business and consumer confidence, deterioration of economic indicators, rising poverty and inequality levels, to name but a few. Add to these global events negatively affecting the country, including the recent outbreak of COVID-19 and its impact, trade tensions between countries and, climate change, amongst others. The regional economic landscape is also not without its challenges but the pursuance of the African Free Trade Agreement is a positive initiative. The economic outlook, if one goes by the rating agencies, the IMF, the World Bank, National Treasury, etc., forecasts a continued deterioration of the South African economy due to several factors that are either persistent or remain unresolved.

However, globally one needs to consider developments that include the advent of the 4th Industrial Revolution and its impact as old jobs are shed and new ones created; the shift to new information and communication technologies; the move to renewable energy; and the imminent advances in road based transport that include autonomous vehicles, electric vehicles and solutions to ensure mobility. These will have a significant impact on transport both in terms of infrastructure and safe operations. In addition, the objectives of the stimulus package allocation to SANRAL will potentially be nullified unless key challenges and risks are addressed. Amongst these is the illegal disruption of infrastructure projects, including by some groups seeking to circumvent procurement rules and regulations.

Critical high-level challenges that plague SANRAL include the reduced rate of revenue collection from the Gauteng Freeway Improvement Project (GFIP) e-toll scheme. This will continue to place significant strains and stresses on SANRAL's toll

portfolio and may impact the Agency's status as a going concern. The need to resolve GFIP funding and find a sustainable road infrastructure financing mechanism is overdue. This matter has been elevated to the highest political level and SANRAL has, in consultation with the Department of Transport, explored several options. We are grateful for the Minister's leadership in this respect and look forward to policy certainty under which SANRAL can continue to discharge its mandate and deliver on its Strategic Plan.



Themba Mhambi

Chairperson

Accounting Authority of SANRAL

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the Management of SANRAL, overseen by the Board and under the guidance of Hon. F.A. Mbalula MP
- Takes into account all the relevant policies, legislation and other mandates for which SANRAL is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which SANRAL will endeavour to achieve over the period 2020 - 2025.

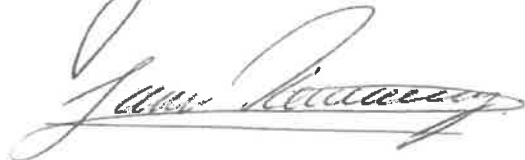
Mr Thabiso Malahleha
Head of Strategy



Mr. Adolph Tomes
Acting Business Operations Executive



Mr. Louw Kannemeyer
Engineering Executive



Ms Inge Mulder
Chief Financial Officer



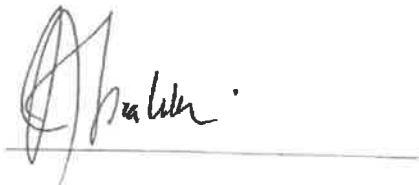
Mr. Skhumbuzo Macozena
Chief Executive Officer



Mr Themba Mhambi
Accounting Authority - Chairperson, Board



Approved by:
Hon. Fikile A. Mbalula MP
Executive Authority



Part A: Our Mandate

1. Constitutional Mandate

Chapter 10 of the Constitution on Public Administration - Section 195 – Basic Values and Principles Governing public administration.

Schedule 4 of the Constitution: Functional areas of concurrent National and Provincial Legislative Competence.

SANRAL arguably derives its mandate and fulfils its obligations through the above.

2. Legislative and Policy Mandates

The South African National Roads Agency Limited and National Roads Act, No 7 of 1998 Section 2(1) reads as follows *There will be a national roads agency for the Republic for the purpose of taking charge of the financing, management, control, planning, development, maintenance and rehabilitation of the of the South African national roads system.*

SANRAL has been established as an independent, statutory company in terms of the South African National Roads Agency Limited and National Roads Act, No 7 of 1998, as amended (SANRAL Act) to inter alia, manage, improve, maintain the national road network – both toll and non-toll roads – as well as finance the toll roads. SANRAL currently manages a network of 22 214 km of roads throughout South Africa.

In terms of the SANRAL Act, SANRAL needs to produce a Strategic Plan for five years (Section 35).

SANRAL is a Schedule 3A public entity in terms of the Public Finance Management Act, No 1 of 1999 (PFMA).

3. Institutional Policies and Strategies over the five-year planning period

SANRAL subscribes to a suite of institutional policies and strategies which seek to not only support the implementation of its mandate but also align itself with government priorities and objectives. These include the following:

- SANRAL Act
- Road Infrastructure Strategic Framework of South Africa (RISFSA)
- National Development Plan
- Medium Term Strategic Framework
- NDP 5 Year Implementation Plan
- Budget Prioritisation Framework
- National Spatial Development Framework

- National Transport Master Plan
- Horizon 2030 long term strategy
- Transformation Policy
- Board Approved Policies
- Applicable legislative prescripts that include PFMA, PAJA, PPPFA, King Code 4, Constitution, Companies Act, Protocol for Corporate Governance for Public Entities

SANRAL's long term strategy Horizon 2030 articulates the long-term vision and perspective of the agency and contributes to the National Development Plan objectives. Horizon 2030 has ten strategic objectives which align with the seven APEX Priorities and the three NDP pillars.

NDP Pillars	APEX Priorities	Strategic Objectives
1. Driving a strong and 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. Democratise 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.
2. Building and strengthening the Capabilities of South Africans	P3. Education, skills and health P4. Consolidating the social wage through	SO 3. Utilise the primary road network system to spatially transform SA (integrated cities,

	<p>reliable and quality basic services P5. Spatial integration, human settlements and local government P6. Social cohesion and safe communities</p>	<p>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 on communities where we work • Build co-operative relationships with other road authorities and departments for effective delivery • Develop the capability and capacity of other roads authorities • Enhance 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>
<p>3. Achieving a more Capable State</p>	<p>P1. A capable, ethical and developmental state P7. A better Africa and world</p>	<p>SO 1. Improve SANRAL's reputation.</p> <p>SO 5. Ensure relevance and grow the footprint and impact of SANRAL by:</p>

		<ul style="list-style-type: none"> • Positively Impacting on communities where we work • Build co-operative relationships with other road authorities and departments for effective delivery • Develop the capability and capacity of other roads authorities • Enhance job creation. <p>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.</p> <p>SO 9. Pursue global interests and develop a strong commercial business case</p>
--	--	--

4. Relevant Court Rulings

Gauteng Freeway Improvement Project (GFIP)

- Although SANRAL was successful with the initial challenge that was taken all the way to the Constitutional Court the matter has still led to uncertainty and disquiet with the public.
- There is an urgent need for decision and clarity.
- Sustainable solution is required to inform Funding Policy not only for the GFIP but also the country's road infrastructure.

N2 Wild Coast

- Although successful in defending prior legal challenges, the risk of legal challenges remains with the project. Legal challenges range across several areas that include environmental, alignment of the route, proximity to potential mining area and historically anti-tolling objections hence the reconfiguration of the project.
- The termination of the Mtentu Bridge contract by the contractor has resulted in a litigation process that is currently underway. This has led to significant delays because of the litigation process and the need to restart the tender process.

N1-N2 Winelands

- As a result of the court judgement, SANRAL discontinued the toll project for the upgrade of N1-N2 Winelands.
- SANRAL along with the other road authorities through cooperation have established a planning structure to align efforts and implement elements of the project in a phased approach. This will ensure a sustainable solution is reached.

Strategic Planning Requirements

This Strategic Plan has been developed as per Department of Planning, Monitoring and Evaluation Revised Framework for Strategic Plans and Annual Performance Plans, Guidelines for the Implementation of the Revised Framework for Strategic and Annual Performance Plans as released by Department of Planning, Monitoring and Evaluation circulated through Circular 01 of 2018 dated October 2018. National Treasury Instruction Note No.05 of 2019/20 repeals the National Treasury Instruction Note 33 for the implementation of the Framework for Strategic Plans and Annual Performance Plans (2010) and gives legal effect for the implementation of the Revised Framework for Strategic Plans and Annual Performance Plans (2019). Accompanying the Revised Framework is the Guidelines for Implementation of the Revised Framework for Strategic Plans and Annual Performance Plans. These two must be implemented in conjunction.

The Public Finance Management Act No.1 of 1999 outlines strategic planning requirements for Schedule 3A entities.

SANRAL is registered in terms of the Companies Act, No 71 of 2008 under Registration number 1998/009584/30.

This document must be read in conjunction with SANRAL's approved budget for 2020/21, the Performance Agreement (Shareholder Compact) with the Executive Authority and the Annual Performance Plan for 2020/21 – 2022/23.

The South African government, represented by the Minister of Transport, is the sole shareholder and owner of SANRAL.

This Strategic Plan has been developed in terms of the Revised Framework for Strategic Plans and Annual Performance Plans: Policy and Procedures which is

reviewed and approved by the Board. The formulation of the SANRAL Strategic Plan was guided by the following Government policies:

The 1996 White Paper on National Transport Policy

The White Paper sets out Government's transport policy and is the "basis for transport to play a more strategic role in social development and economic growth". The White Paper's vision is to *"provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable"*.

The White Paper sets out several goals, including the following:

1. to support the goals of the Reconstruction and Development Programme for meeting basic needs, growing the economy, developing human resources, and democratizing decision making;
2. to enable customers requiring transport for people or goods to access the transport system in ways which best satisfy their chosen criteria;
3. to improve the safety, security, reliability, quality, and speed of transporting goods and people;
4. to improve South Africa's competitiveness and that of its transport infrastructure and operations through greater effectiveness and efficiency to better meet the needs of different customer groups, both locally and globally;
5. to invest in infrastructure or transport systems in ways which satisfy social, economic, strategic investment criteria; and
6. to achieve the above objectives in a manner which is economically and environmentally sustainable, and minimizes negative side effects.

Insofar as the funding of road infrastructure is concerned, the White Paper states the following:

"The primary road network should preferably be financed through a dedicated levy on fuel and toll charges. Innovative ways of securing finance for the development of road infrastructure will be explored. These include Build-Operate-Transfer (BOT) or Fund-Rehabilitate-Operate-Maintain (FROM) contracts which enable Government to obtain financing from private sources rather than spending taxpayers' money."

The work to revise the White Paper by the Department of Transport is underway and the Revised White Paper will be submitted to Parliament for further consultation.

The 2006 Road Infrastructure Strategic Framework for South Africa (RISFSA)

The Road Infrastructure Strategic Framework for South Africa is intended to be an embodiment of road policy in South Africa and a blueprint for roads development,

planning and provision by all road authorities. It contains the principles that are embodied in sector and government level policies that seek to bridge the economic divide through the integration of the first and second economies i.e. emphasizing the need to maintain good quality strategic economic road infrastructure while elevating the profile of social infrastructure, promoting the integration of transport planning with broader economic and social spatial and land use planning and maximizing skills development and employment creation potential - while ensuring sustainability and harmony with the environment.

The document also acknowledges the funding gap that persists in the road infrastructure sector and calls for the appropriate use of the tolling/'user-pay' tool to enable the provision of road infrastructure and capacity upgrades.

The Department of Transport has been developing the Road Infrastructure Policy as a replacement and this is at an advanced stage of development.

7 APEX Priorities

Priority 1: Capable, Ethical and Developmental State

Priority 2: Economic Transformation and Job Creation

Priority 3: Education, Skills and Health

Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services

Priority 5: Spatial Integration, Human Settlements and Local Government

Priority 6: Social Cohesion and Safer Communities

Priority 7: A Better Africa and World

Medium Term Strategic Framework (MTSF)

The Medium Term Strategic Framework (MTSF) 2019 – 2024 which is the second five-year implementation phase of the NDP, is reflected in SANRAL's Strategic Plan 2020/21 – 2024/25. This Plan is aligned to the MTSF, not only by time-frame, but also in terms of pillars, priorities and strategic objectives. The MTSF 2019-2024 serves as the implementation plan and monitoring framework for achieving the NDP 2030 priorities. The MTSF 2019-2024 has 7 priorities, 81 Outcomes, 337 interventions and 561 indicators.

National Development Plan (NDP) 2030

The NDP 2030 is the blueprint for tackling South Africa's challenges and articulates the long-term vision for the country. The vision of the NDP is that by 2030, investments in the transport sector will ensure that it serves as a key driver in empowering South Africa and its People, enabling:

- Improved access to economic opportunities, social spaces and services by bridging geographic distances affordably, reliability and safely;
- Economic development, by supporting the movements of goods from points of production to where they are consumed, facilitating regional and international trade; and
- Greater mobility of people and goods through transport alternatives that support minimized environmental harm.

The key focal points of the NDP are as follows:

- The development potential of SOEs in advancing national objectives through providing economic and social infrastructure in a way that is equitable and cost-effective which can contribute to growth, regional integration and addressing spatial inequalities. This includes efficient investment, operation and maintenance.
- SOEs need to be efficient, financially sound and well governed, delivering high quality and reliable services at a cost that enables South Africa to be globally competitive. SOEs should have a sound business model, where they are consistently able to recover their operating costs and provide for capital replacement and expansion.
- SOE governance structures need to be clarified and simplified to ensure clear lines of accountability. There should be stable management in place

In addition, the Plan recognises “the issue of lack of infrastructure maintenance by all society (government, private big business and every individual of South Africa). We South Africans do not look after our assets very well; we have a mindset of buying or building new things all the time instead of maintaining what we have. We must change this mentality, whereby we see government, private business and every individual adopting a renewed mindset in looking after the infrastructure we currently have”. SANRAL’s philosophy has always been to maintain its assets first and only then allocate funds towards upgrades or new infrastructure.

The Plan expressly indicates that in the long term, users must pay the bulk of the costs for economic infrastructure, with due protection for poor households. The role of Government and the fiscus is to provide the requisite guarantees so that the costs can be amortised over time, thereby smoothing the price path. The State must also put in place appropriate regulatory and governance frameworks so that the infrastructure is operated efficiently and tariffs can be set at appropriate levels. For infrastructure that generates financial returns, debt raised to build facilities should be on the balance sheets of state-owned enterprises or private companies that do the work. Guarantees should be used selectively to lower the cost of capital and to secure long-term finance. Subsidies to poor households should be as direct and as transparent as possible

In addition, the Plan recognises that public infrastructure investment in the transport, energy and water sectors must take place at 10 percent of gross domestic product

(GDP). Moreover, it is recognised that this should be financed through tariffs, public-private partnerships, taxes and loans.

Table: NDP Final and Intermediate Targets

Measures		Baseline	Target 2024	Target 2030
Growth	GDP Growth	0.8%	2%-3%	5.4%
Unemployment	Formal Rate	27.6%	20%-24%	6%
Employment	Number Employed	16.3million	18.3-19.3million	23.8million
Investment	% GDP	18%	23%	30%
Inequality	Gini Coefficient	0.68	0.66	0.60
Poverty	Food Poverty	24.7%	20%	0%
	Lower Bound	39.8%	28%	0%

Source: NDP 2030 and StatsSA

Notes (1) Baseline are as follows: Unemployment Q1:2019; growth 2018; inequality and poverty 2015/16

Part B: Our Strategic Focus

1. Vision

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

2. 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.

3. Values

Core values = CARES

- **Customer Centricity:** We know our customers, we deliver what matters and make decisions with empathy.
- **Accountability:** We promote accountability and trust through our consistent, open, honest, and ethical actions.
- **Relevance:** To local communities, in which we operate, promoting transformation of the country and environmental sustainability.
- **Efficiency:** We are dedicated to efficient service and strive for excellence and customer satisfaction.
- **Safety:** We are committed to safety and the seeking of innovative solutions to reduce harm.

4. Situational Analysis

Strategic Focus

SANRAL's strategic focus over the medium term in line with Horizon 2030 range across the four pillars.

The four pillars are outlined below:

- Roads
- Road Safety
- Mobility
- Stakeholder Engagement

Priority focus areas and strategic themes include the following:

- Review of network growth and a focus on sustainability
- Develop Public Transport enabled national road infrastructure
- Development and implementation of an Integrated Funding Model
- Internal reconfiguration to deliver on Horizon 2030
- Deliver on government's Transformation objectives by ensuring inclusive participation in SANRAL projects by emerging contractors, professionals and suppliers through the implementation of a new Transformation policy
- Demonstrate relevance of SANRAL to communities and enhancement of the Community Development Programme
- Implement the deliverables as outlined in Horizon 2030 and focus on strengthening the pillars of the agency
- Review the SANRAL mandate
- Develop and implement a 2030 National Roads Plan
- Generate internal revenue through implementation of the Business Development Strategy

SANRAL will be focussing on the above and various initiatives to deliver on Horizon 2030.

Statistics and key metrics

Outlined below are relevant statistics for the South African road network.

Table 1: Total South African Road Network (2018)

Authority	Paved	Gravel	Total
SANRAL	22 214	0	22 214
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
Un-Proclaimed (Estimate)		131 919	131 919
Estimated Total	158 124	591 876	750 000

Un-proclaimed roads are those not formally gazetted by any authority.

Table 2: SANRAL network length per province

Province	SANRAL Region	Length (km)
Eastern Cape	Southern Region	4952
Free State	Eastern Region	1582
Gauteng	Northern Region	807
Kwazulu-Natal	Eastern Region	1321
Limpopo	Northern Region	3649
Mpumalanga	Northern Region	2478
North West	Northern Region	2503
Northern Cape	Western Region	3457
Western Cape	Western Region	1465
	Total (Centre Line km)	22214

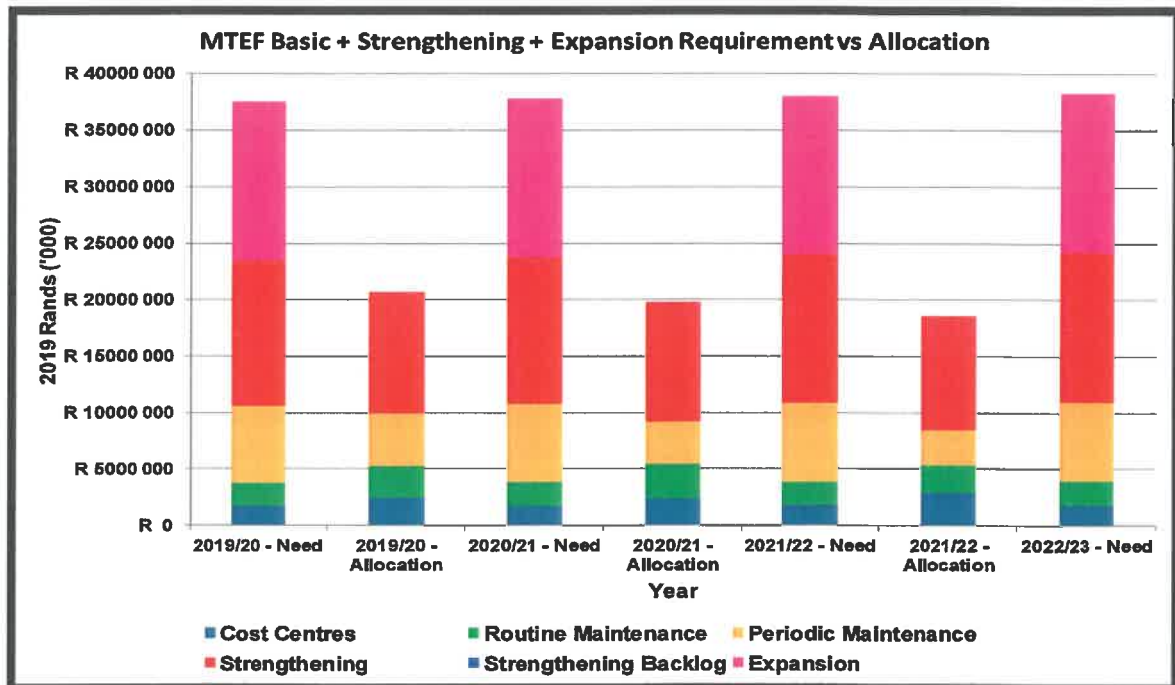
Table 3: SANRAL Network

Description	Non-Toll (Fiscus)	Agency Toll	PPP	Total
Dual Carriageway	817	557	519	1 893
4 Lane Undivided	30	302	231	562
2 Lane	18 414	823	521	19 758

Undivided				
2 Lane Single	19 262	1 681	1 271	22 214
Total	86.7%	7%	6%	

The 2952 km length of the toll network is 13.3% of the SANRAL network and 0.5% of the total country network.

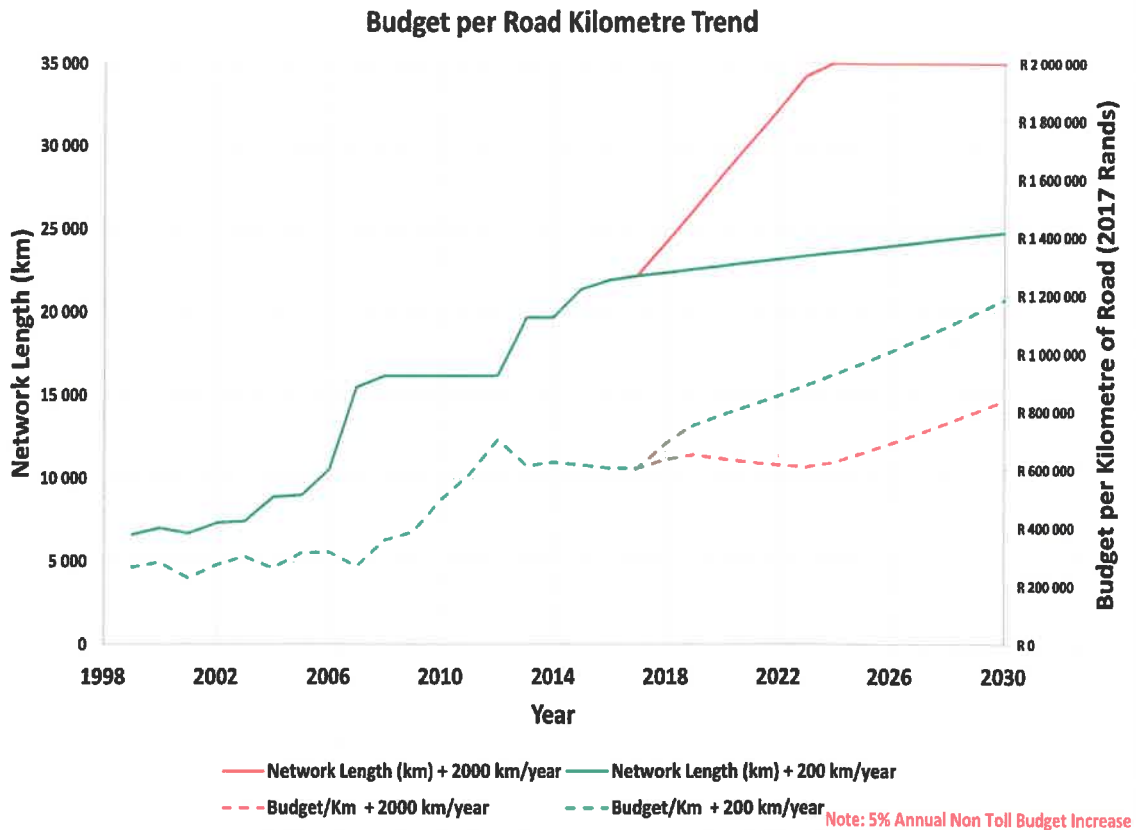
SANRAL Budget Need against Allocation



1. The current projected MTEF allocations will enable SANRAL to address the basic budget requirements required to sustain the network, but not to address the strengthening backlog or expansion requirements of the current network under its jurisdiction, no network increase assumed.
2. To address the basic requirements, strengthening backlog as well as expansion requirement of its current network SANRAL will require minimum of R37 billion per year over next 10 years, should the option of toll funding no longer be available (provided SANRAL network length remains unchanged).
3. Not doing expansions will result in increased congestion and associated increased road user costs on parts of the network. Mobility is one of the most fundamental and important characteristics of economic activity as it satisfies the basic need of going from one location to the other, a need shared by passengers and freight. Apart from the direct cost of the congestion on the economy (hours lost, productivity and vehicle operating costs), the social impact of congestion on society is probably the biggest concern.

Road Network Management

SANRAL has reached a stage where it needs to take rational and prudent decisions regarding network growth, the provision of support to other road authorities and the incorporation of roads from other spheres of Government. The following graph demonstrates how SANRAL has reached a “fiscal cliff” in balancing network growth against insufficient funds per kilometre required to maintain the Overall Condition Index (OCI) of the network to an acceptable level.



Horizon 2030 proposes a review of the proposed road transfers from provinces to SANRAL if SANRAL’s budget is not commensurately increased, from the original additional 15 000km to only 3 000km. The Agency does not have the financial and human capital capacity to take over the management of such a large network of roads. This new approach is of critical importance because previous road transfers were often done without the necessary budget transfers from the relevant road authorities. Subsequent additional budget allocations from National Treasury have not adequately met the life cycle cost requirements of the transferred roads.

A reduction in the kilometres of roads earmarked for transfer will result in a more sustainable national road network of 25 000km with an increased budget per/km, as indicated in the graph above. The mechanism to identify and sign off the additional

3 000km will be coordinated by the Department of Transport and SANRAL through the MinMec structure.

However, there is acknowledgement of an emerging policy perspective that seeks to expand the national road network under SANRAL to 50 000km. This is informed by the acknowledgment of the performance SANRAL has achieved over the last 20 years. Also acknowledging the prevailing challenges faced by other road authorities in effectively managing their networks. There is an emerging consensus for any road approved for transfer to SANRAL this would have to be done with new funding allocations. There should also be a parallel process of determining a long-term solution for road infrastructure financing which will assist in providing funding for such a national road network expansion.

Policy determination is the responsibility of the competent national department. In the case of SANRAL transport policy is the preserve of Department of Transport and National Treasury is the custodian of fiscal policy. As stated there are several policies scheduled for revision or new policy development. SANRAL has through Horizon 2030 demonstrated the value and reaffirmed the role of private finance. However, the GFIP experience necessitates the development of a Roads Funding Policy. This would be a Department of Transport led process and there is an urgent need to clarify the way forward with regards to the GFIP and ensuring policy certainty.

Government's focus on governance is demonstrated through the NDP Pillar Achieving a more capable state and the roadmap articulated through the MTSF Priority 1 A capable, ethical and developmental state. In the MTSF government has prioritised the reduction of corruption; fruitless and wasteful expenditure; and the need to strengthen governance at SOEs.

Although not exhaustive Policies at various stages of development would include:

- Revised White Paper of National Transport Policy
- Road Infrastructure Policy
- Economic Regulation of Transport Bill

Other national department whose policies would have an impact on SANRAL would include but not limited to:

- Department of Trade and Industry
- National Treasury
- Department of Environmental Affairs

- Department of Water, Sanitation and Human Settlements
- Department of Minerals, Resources and Energy
- Department of Labour

SANRAL continues to advance and prioritise inclusivity for the targeted groups that include women, youth and people with disabilities where appropriate. Contract Participation Goal (CPG) targets for women, youth and people with disabilities are applied. SANRAL also complies with the PPPFA which specifies the subcontracting of women and youth. The SANRAL Transformation Policy and the Procurement Strategy draw extensively on the PPPFA and the potential for procurement of targeted groups within the legal framework.

Skills Development Programme is made up of scholarships, bursaries, internships and graduates placed at the Technical Excellence Academy (TEA). All of which prioritise the identified groups for inclusion.

SANRAL's strategic challenges as articulated in Horizon 2030 are the following:

- Understanding and improving the nation's perception of SANRAL
- Engaging South Africans on the concept of adequate funding of roads and convincing road users that roads are not 'free'
- Maximising job opportunities
- Sustaining the quality of the condition of the national road network
- Standardising processes and systems across all SANRAL regional offices
- Consulting with stakeholders in a timely and appropriate manner
- Influencing road user behaviour to be more compliant to road traffic laws
- Dealing with limiting and restrictive legislation

Our desired performance is hampered by internal capacity constraints because of a lack of resources. The misalignment of current operational requirements and existing internal capacity has results in operational gaps, pressure on staff, compromised ability to Also considering the changes in the SANRAL operating environment that include the Supply Chain Reforms These issues are being addressed by the current Operating Model Review.

5. External Environment Analysis

The outcome of the PESTLE exercise for SANRAL is outlined below.

PESTLE – POLITICAL

- Government policy – the NDP Emerging Trends:
 - Increased scrutiny on SANRAL’s procurement processes and project allocation.
 - Land – availability and utilisation of land owned by SANRAL.
 - Potential takeovers of SANRAL projects by job seekers or militants.
- Government terms and potential for change
 - Elections and political trends.
 - Internal political dynamics and trends – e.g. a toll road running through a specific province and a premier making decisions that contradict approved/endorsed policy.
- Trading policies – international trade relations.
- “New nationalism” – global trends impacting on trade and aid.
- Funding grants and funding models.
 - Infrastructure funding models that might change in terms of Government/Treasury policies.
- Stakeholder engagement
 - Shareholders might hold positive or negative views on SANRAL
 - Impact of lobbying and pressure groups and the media.
- Policies needed to refine SANRAL’s operations:
 - Need for comprehensive policy on tolling.
- Ethics and Governance.
- Supply Chain Management (SCM) – intention of policy versus reality of implementation
- Corruption issues – perceptions about corruption and collusion within both public and private sectors.
- Bureaucracy
 - Governance of network must take into account and mitigate the inconsistencies and rapid changes that lead to delays in the implementation of projects.

PESTLE – ECONOMIC

- Micro-economic factors: construction input prices (South African Forum of Civil Engineering (SAFCEC) index.
- Macro-economic factors: local indicators; consumers
 - Current and forecasted GDP growth
 - Unemployment rate might lead to social instability
 - Rise in prime interest rate as an indicator of ability of consumers to service debt

- The inflation rate as measured by CPI as an indicator of purchasing power of consumers
- Business confidence levels are a proxy for future growth potential and labour absorption.
- Rating agencies are critical to SANRAL's toll portfolio. Their assessments impact on the Agency's ability to tap the capital markets and influence the yield pricing on financial instruments.
- Transport, Funding and Budget Indicators
 - Levies on fuel place increased pressure on household transport budgets
 - Wesbank Mobility Index to monitor the vehicle monthly spend, including tolls
 - The National Household Travel Survey (NHTS) as an indicator for how and why people travel.
- The opportunity cost of deferred maintenance of road infrastructure and critical works has a significant negative impact on SANRAL as well as road users. Deterioration in the Overall Condition Index (OCI) leads to increased road user costs, accelerated depreciation of the national road asset value, increased cost of road transport and economic efficiency losses.

PESTLE – SOCIAL

- South Africa's population totals 55.6 million. Young people – under the age of 35 – make up 66.35% of the total population. There are close to 16 million people under the age of 24 who are future job seekers.
- Migration to urban areas will put pressure on public transport system and road infrastructure.
- Walking remains a preferred mode of transport – more than 12.3 million people under the age of 24 are walking to school.
- Perceptions of civil society on governmental services have a major impact on future projects and operations.
- Influence of the church as a stakeholder.
- Public perceptions are shaped by uninformed and antagonistic media. Need for more pro-active and stronger presence in consumer media, scholarly journals and social media platforms.

PESTLE – TECHNOLOGY

- Growing capabilities of cyber-crime pose security threats to organisations requiring high levels of security and safety. Requires mitigation through the improvement of advanced security capabilities.
- Rapid development of technology is affecting the business. Research & Development must become part of organisational culture and technology be updated quicker to sustain IT and meet customer expectations.
- Mobile first approach. Mobility must be entrenched in the solutions architecture as most people use phones for internet access.
- Systems must be designed and developed with the user in mind to enable user participation in the development process.

- Critical services and complementary supporting systems identified by business processes and strategies inform technology requirements.

PESTLE – LEGAL

- SANRAL functions as a state-owned entity with the government as sole shareholder. Its actions are governed by two primary pieces of legislation:
 - The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
 - SANRAL Act, 1998 (Act No. 7 of 1998).
- Legislation pertaining to corporate governance and compliance to public sector financial regulations:
 - Public Finance Management Act, 1999 (Act No. 1 of 1999)
 - Treasury Regulations and Practice Notes
 - Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000)
 - PPPFA Regulations
 - BBBEE Act and Codes of Good Practice.
- Legislation pertaining to environmental management:
 - National Environmental Management Act (Act No. 107 of 1998)
 - National Environmental Management: Biodiversity Act (Act No. 10 of 2004)
 - National Water Act (Act No. 36 of 1998)
 - Mineral and Petroleum Resources Development Act (Act No. 28 of 2002)
 - National Forestry Act (Act No. 84 of 1998)
 - National Heritage Resources Act (Act No. 25 of 1999).
- Legislation pertaining to human resource management:
 - Labour Relations Act (Act No. 66 of 1995)
 - Basic Conditions of Employment Act (Act No. 75 of 1997)
 - The Employment Equity Act (Act No. 55 of 1998)
 - Skills Development Act (Act No. 97 of 1998)
 - Employment Services Act (Act No. 4 of 2014).
- Legislation pertaining to information management:
 - Promotion of Access to Information Act (Act No. 2 of 2000)
 - Promotion of Administrative Justice Act (Act No. 3 of 2000)
 - Protection of Personal Information Act (Act No. 4 of 2013)
 - Prevention and Combating of Corrupt Activities Act (Act No. 12 of 2004).
- The legislative and regulatory environment is not inherently problematic. However, the issue is compliance with such legislation and regulations. Difficulties in implementing legislative requirements cannot be used as a tool to attack the usefulness or necessity of such legislation. There could be merit in an argument that there are duplications and overlaps and, in some instances, over regulation.
- Possible mitigation includes:
 - Training
 - Proposing amendments and submitting comments when new legislation is published for public comments
 - Keeping up with the latest case laws
 - Proposing amendments to existing legislation that have an impact on

<p>SANRAL's business</p> <ul style="list-style-type: none"> ○ Being proactive instead of reactive in approach.
<p>PESTLE – Environment</p> <ul style="list-style-type: none"> ● Ever-changing regulatory environment. ● Increased need for resource efficiency and reduction of harmful emissions, are crucial for continued road infrastructure development and maintenance. ● The impact of climate change is evident in drought conditions, more acute flooding and pressure on road drainage systems. ● Reduction in carbon footprint required.

6. Internal Environment Analysis

During the internal and external consultation process that preceded the drafting of the SANRAL 2030 Strategy the organisation conducted an extensive SWOT analysis and the following factors were identified.

In addition, Horizon 2030 also articulates several strategic opportunities for SANRAL to leverage. This is due to SANRAL's access to specialised skills, resources and technology that can be harnessed and strengthened to increase the probability of success. These include the following:

- Harness existing professional skills and support the growth of new skills
- Grow and transform the industry
- Use technology and innovation to improve capacity, mobility and road safety
- Ensure sustainability of industry through a consistent pipeline of projects
- Maximise return on SANRAL's assets – business development
- Pursue resource efficiency

However, there are some notable capacity gaps which would need to also be addressed which include the following:

- SANRAL needs to ensure that salaries and bonuses are market related to attract and retain the required skills. Thereby avoiding a skills flight and taking into cognisance the prevailing economic realities the country faces.
- Procurement processes also need to be strengthened and this acknowledges the NDP pillar and APEX priority of building a capable and ethical state; strengthening governance in all areas of the organisation.

INTERNAL	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Corporate governance is of high standard as reflected in successive Auditor General reports • Expertise in road design, building, maintenance & management • Qualified, high-skilled, experienced professional team • Investment in internal and external skills development in technical and non-technical fields • International & national skills transfer through universities, conferences, scholarly articles and research • Advanced technology used in asset management, ITIS, Freeway Management System (FMS), NETSAFE (Road Safety) • Community development philosophy and programme • Good roads and a strong asset base. 	<ul style="list-style-type: none"> • Need for a more effective internal communications & marketing strategy • External communications & marketing strategy must be adapted to meet changing environment within which SANRAL operates • Skewed human resource planning, allocation, development, utilisation and lack of career path opportunities; ageing staff • Current organisational structure (flat) does not adequately map out the relationship between Head Office and Regions • Office infrastructure at Head Office, Northern and Eastern Regions does not support growth. • Inadequate IT infrastructure (hardware) • Lack of standardised policies, procedures and procurement methods • Lack of fully resourced Supply Chain Management (SCM) unit. • Network governance (stakeholder management & participation) needs to be elevated.

EXTERNAL	
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Expanding the community development programme by embracing a new focus and philosophy • Organisation has outgrown its existing operating model/organisational structure • Proactively engaging with stakeholders to understand their needs and collaboratively develop solutions, including through social media. • Transformation of the industry (focus on black-, youth- and women-owned companies) through SANRAL's 	<ul style="list-style-type: none"> • Delays in resolving GFIP matter negatively impact on SANRAL liquidity and expansion and maintenance of the road network • Possible downgrade in the credit rating / drying up the investor appetite to fund SANRAL • Deterioration in quality of the national road infrastructure due to inadequate maintenance budget • Pockets of provincial political and civil society resistance to SANRAL projects &

<p>procedures, policies, utilisation of legislation and financial investment focusing on youth development</p> <ul style="list-style-type: none"> • Improving network governance to influence and support an integrated transport approach. • Leveraging rapid technological developments to facilitate safe and efficient transport, including the provision of the national road network. • Stimulating regional and local economic development through the provision of key road infrastructure, key economic links and integrated transport solutions to promote seamless mobility. 	<p>user-pay principle</p> <ul style="list-style-type: none"> • Pressure from external business forums & environmental lobby groups hampers strategy and delivery of core business • Operating in an unstable social environment due to inequality in job opportunities on project level and access to education & training • Inability to positively influence road user behaviour (road safety) • Reliance on the fiscus as primary income source • Threats to cyber security SANRAL IT and unauthorised access to e-tag user information, etc. • Corruption and collusion between construction companies.
--	---

7. Key Focus Areas Over the Medium Term Strategic Framework

Key Focus Area	Description
Review of the SANRAL Operating Model	SANRAL has outgrown its existing operating model/organisational structure and a process develop an improved model to deliver on Horizon 2030 strategic objectives is required.
Development and Implementation of the 10 Year Roads Plan	The Roads Plan will chart the development and direction of the national road network. This will serve to inform and complement the plans of other competent authorities in terms of planning and coordination.
Roll out of Flagship and Stimulus Package Projects	Implementation of critical road infrastructure projects is a primary function of SANRAL. Major capital works and expansion projects on the national road network will continue to be implemented.
Expansion of Community Development Programme	An enhanced approach with regards to Community Development Projects will be implemented. With the aim to demonstrate relevance to communities and ramp up CD projects which enable targeted skills development and employment opportunities.
Growth of Business Development Initiatives	Own revenue generation is amongst the critical strategic themes and objectives in Horizon 2030.

Part C: Measuring Our Performance

1. Institutional Performance Information
2. Impact Statement

This section serves to outline the contribution SANRAL can make towards achieving government's objectives and targets as outlined in the NDP and MTSF 2019-2024. Also noting that achieving government's objectives will require implementation of a much broader wholistic strategy.

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.
-------------------------	---

3. Measuring Our Outcomes

NDP PILLAR 1: DRIVING A STRONG AND INCLUSIVE ECONOMY			
MTSF PRIORITY: ECONOMIC TRANSFORMATION AND JOB CREATION			
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Optimally maintained National road network	Overall Condition Index (OCI) of the SANRAL 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 5 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 1901 (2019/20)	7 500 SMMEs in total over the 5 Year period (Target/Average of 1500 SMMEs per year)

NDP PILLAR 2: BUILDING AND STRENGTHENING THE CAPABILITIES OF SOUTH AFRICANS				
MTSF PRIORITY: EDUCATION, SKILLS AND HEALTH				
OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET	
Creating delivery capacity for the country	The number of candidate professionals that complete the Technical Excellence Academy program.	9 completed the program in 2019/20	100 candidate professionals having completed all phases of the training program	

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.

NDP PILLAR 3: ACHIEVING A MORE CAPABLE STATE

MTSF PRIORITY: CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Improved reputation of SANRAL	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%)

3.1 Explanation of Planned Performance over the Five-Year Planning Period

The below outlines how each outcome will contribute towards achieving the NDP priorities:

- Optimally maintained national road network speaks directly to ensuring that the country increases access to affordable and reliable transport systems. This also supports the development of strategic corridors; infrastructure investment and a well-maintained road network provide the underpin for economic growth and development. Planned performance over the 5-year term is to maintain the OCI at desired levels.
- Transformed industry and jobs created speaks directly to implementing infrastructure projects whilst at the same time ensuring that projects are inclusive and consistent with government's transformation objectives. Through the implementation direct jobs are created and the improved infrastructure has a multiplier effect and results in the creation of downstream economic benefits. Planned performance over the 5-year term is to generate 75 000 jobs at a target of 15 000 per annum.
- Creating delivery capacity for the country speaks to investment in education and in the case of SANRAL ensuring that we achieve the targeted number of candidate professionals that graduate from the Technical Excellence Academy. These candidate professionals will thus be in a better position to achieve their professional registration, access employment opportunities but also contribute to the country's growth and development. Planned performance over the 5-year term is for 100 candidate professionals to have graduated.
- Ensuring a safer road network speaks directly to the NDP priority of enhanced safety in communities and supports safer communities. A safely engineered road infrastructure network in turn also plays a role in reducing accidents and incidents. However, this would need to be complimented with effective law enforcement, road safety education and awareness programs; and positively influencing road user behaviour. These elements all play a role in achieving the greater objective. Planned performance is to maintain the Equivalent Accident Number per vehicle km travelled (EAN per VKT) at specified level.

- Improved SANRAL reputation speaks directly to NDP pillar of Achieving a more capable state and APEX priority 1 A Capable, Ethical and Developmental State. Measuring and targeting brand equity as a metric will enable SANRAL to infer its progress with regards to building trust with the public.

Horizon 2030 identifies several enablers which are required for SANRAL to deliver on government's objectives as outlined in the NDP and these are as follows:

- Human resources and critical skills that are effectively recruited and remunerated in line with the Employment Equity Plan and a clear succession strategy.
- Information and Communication Technology (ICT) that is informed by the business strategy and responsive to a dynamic and rapidly changing environment.
- Legislation and regulation that impacts on the company should be monitored on an ongoing basis, streamlined with relevant authorities and inputs provided on possible reviews/amendments.
- Resource efficiency requires optimal utilisation of resources and steps would include sustainable road material use, conservation of non-renewables; reduction of carbon footprint; focussing on smart procurement and managing industry monopolies.
- Ethics is a vital element of SANRAL's business and the Agency adheres to the highest standards of corporate governance.
- Supply Chain Management (SCM) functions is critical for SANRAL's procurement and the objectives would include ensuring compliance to sound practices, engaging with suppliers and impact assessment of practices.
- Transformation framework and policy aims to ensure that across the range of SANRAL's activities government objectives with regards to transformation are incorporated.
- Funding is a key enabler that enables the delivery of the Agency's mandate, as such SANRAL will promote an Integrated Funding Model that includes public tax based funding, private finance and own revenue generation whilst constantly seeking new funding streams.

4. Key Risks and Mitigations

OUTCOME	KEY RISK	RISK MITIGATION
Optimally maintained National road network	Incorporation of poorly maintained provincial roads and challenges in addressing deficiencies Insufficient budget	Process to be followed to ensure roads are suitable candidate for incorporation Roads to be transferred with sustainable and long-term funding
Jobs created on projects (Full Time Equivalent) and SMMEs	Budget reduction Insufficient projects in construction phase	Advanced planning and budget prioritisation
Creating delivery capacity for the country	Insufficient carrying capacity and resources for candidate professional at the TEA Additional mentors, coaches and supervisors required	Development of TEA Strategy and Business Plan to guide ramp up Ramp up resources to fill the skills shortfall and capacity constraints
Safer Roads	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.	Process to be followed to ensure roads are suitable candidate for incorporation Roads to be transferred with sustainable and long-term funding
Improved SANRAL reputation	Budget availability Not having service provider in	Interaction with Finance Division and feedback to secure budget

	place COVID-19 impacts ability to gather crowds and engage people	
--	--	--

5. Public Entities

Not applicable

Part D: Technical Indicator Description (TID)

Indicator Title	Overall Condition Index (OCI)
Definition	<p>The Overall Condition Index is a composite index calculated from various condition parameters that are recorded for every 100 m of road network.</p> <p>Inputs into the indicator include: International Roughness Index, Rutting, Texture, Pavement deflection, and cracking.</p>
Source of data	These parameters are gathered from the road condition survey vehicles.
Method of Calculation / Assessment	<p>The OCI is calculated in ITIS using the following equation:</p> $OCI = a*IRI_i + b*Rut_i + c*Text_i + d*SSI_i + e*Crack_i$ <p>Where:</p> <p>OCI = Overall Condition Index</p> <p>IRI_i = International Roughness Index value = IF LeftIRI <1 then =1, else MAX((1.3125-0.3125*LeftIRI),0)</p> <p>Rut_i = Rut Depth Index value = MAX((1-(LeftRut / 20)),0)</p> <p>Text_i = Macro Texture Index value = IF LeftMPD >1 then =1, else MAX((1.6667*LeftMPD)-0.6667),0)</p> <p>SSI_i = Structural Stiffness Index calculated from deflection data. = SSI / 100</p> <p>Crack_i = Crack Index (New, to be phased in over time from 2019)</p> <p>a-e = Weight coefficients for various</p>

	<p>components.</p> <p>The weight coefficient values are summarised in Error! Reference source not found.</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Without Cracki</th> <th>With Cracki</th> </tr> </thead> <tbody> <tr> <td>a</td> <td>0.3</td> <td>0.3</td> </tr> <tr> <td>b</td> <td>0.3</td> <td>0.3</td> </tr> <tr> <td>c</td> <td>0.2</td> <td>0.1</td> </tr> <tr> <td>d</td> <td>0.2</td> <td>0.2</td> </tr> <tr> <td>e</td> <td>0</td> <td>0.1</td> </tr> </tbody> </table> <p>A perfect new pavement will have OCI value of 100, with the value decreasing as the pavement deteriorates. Pavements in very poor condition will typically have OCI values below 30.</p>	Parameter	Without Cracki	With Cracki	a	0.3	0.3	b	0.3	0.3	c	0.2	0.1	d	0.2	0.2	e	0	0.1
Parameter	Without Cracki	With Cracki																	
a	0.3	0.3																	
b	0.3	0.3																	
c	0.2	0.1																	
d	0.2	0.2																	
e	0	0.1																	
Assumptions	For road sections incorporated from provincial authorities where no measured condition data is available from the province, a default value for OCI of 45 is assumed until such time that the condition surveys can be completed after all the open potholes have been repaired																		
Disaggregation of Beneficiaries (where applicable)	Not applicable																		
Spatial Transformation (where applicable)	Not applicable																		
Desired performance	Higher actual performance than targeted is desirable																		
Indicator Responsibility	Project Manager: Road Asset Management																		

Indicator Title	Jobs created on projects (Full Time Equivalents)
Definition	The number of full-time (total hours/1840) jobs created on SANRAL's projects
Source of data	ITIS Report

Method of Calculation / Assessment	Number of jobs reported on IT IS system
Assumptions	Beneficiary data is based on unskilled and semi-skilled. There may be cases where skilled is included. Refers to Full Time Equivalents and calculation based on actual hours worked.
Disaggregation of Beneficiaries (where applicable)	Target for Women: PPPFA and project CPG Target for Youth: PPPFA and project CPG Target for People with Disabilities: PPPFA and project CPG
Spatial Transformation (where applicable)	Jobs created on projects throughout the country
Desired performance	Higher actual performance than targeted is desirable
Indicator Responsibility	Development Planner

Indicator Title	Number of SMMEs working for SANRAL
Definition	The number of SMMEs working on SANRAL's projects and/or are suppliers at regional offices To measure empowerment opportunities to SMMEs
Source of data	ITIS Report
Method of Calculation / Assessment	Number of SMMEs reported on IT IS system
Means of Verification	Refer to KPA User Guide
Assumptions	Refer to KPA User Guide
Disaggregation of Beneficiaries (where applicable)	Target for Women: PPPFA and project CPG Target for Youth: PPPFA and project CPG Target for People with Disabilities: PPPFA and project CPG
Spatial Transformation (where applicable)	Projects and services procured throughout the country's national roads network.

Calculation Type	Cumulative in the year
Reporting Cycle	Quarterly
Desired performance	At least 1900 SMMEs working for SANRAL. Variance allowed: 10% below and unlimited above. Actual performance that is higher than targeted performance is desirable
Indicator Responsibility	Development Planner

Indicator Title	The number of candidate professionals that have completed the Technical Excellence Academy program.
Definition	Candidate professional are enrolled under the TEA training program specifically aligned to the requirements of relevant professional registration bodies
Source of data	Candidate TERs and HR records (<i>assuming the data referred to here measures output</i>)
Method of Calculation / Assessment	Performance is measured by the successful assessment of the TER of a Candidate after completion of a relevant phase of the program. The combined report (comprising all TERs from all phases of the program) is what a candidate submits to the relevant professional body to determine their success in registration as a professional. Bi-annual and annual performance assessments are also conducted to measure a candidate's output of the targets set for a performance cycle.
Assumptions	Intake at the Academy being based on numbers of graduates funded through the SANRAL external bursary program, as well as agreements with other entities.
Disaggregation of Beneficiaries (where applicable)	<i>As intake is based on the above assumption, targets can only be aligned to the external bursary program intake targets. These are informed by the external bursary programme.</i>
Spatial Transformation (where applicable)	The current Candidate representation at the Academy shows representation from every province in RSA, and a significant number from rural areas.

Desired performance	Performance higher than set targets is desirable as an indicator in the success of the training provided.
Indicator Responsibility	HRP: Technical Excellence Academy

Indicator Title	Netsafe Equivalent accident number per vehicle km travelled
Definition	NetSafe algorithm is used to predict the equivalent number of accidents on a segment of road based on a number of input factors that characterise the road. This approximates the anticipated accident rate. This metric also accounts for the severity of accidents.
Source of data	Input information for the calculation is drawn from the ITIS data base.
Method of Calculation / Assessment	<p>The index is calculated based on the method outlined in Technical Reference Manual</p> <p>NetSafe Highway Safety Model Version 2.4 (2017)</p> <p>A decrease in the metric represents a safer road network with a predicted lower number and/or reduced severity of accidents occurring.</p>
Assumptions	<p>The method will be applied as per the Technical Reference Manual NetSafe Highway Safety Model Version 2.4 (2017)</p> <p>All factors and parameters listed in this method will be accepted as correct.</p> <p>When assessing the results, It must be considered that some factors that influence this index are beyond the control of SANRAL particularly the development of rural to urban land adjacent to our road network.</p>
Disaggregation of Beneficiaries (where)	<p>Target for Women: Not applicable</p> <p>Target for Youth: Not applicable</p>

applicable)	Target for People with Disabilities: Not applicable
Spatial Transformation (where applicable)	NA
Reporting Cycle	Maintain at desired level as per the baseline (EAN ≤xx)
Desired performance	Actual performance that is lower than targeted performance is desirable
Indicator Responsibility	Project Manager: Road Asset Management

Indicator Title	Brand Equity Awareness Survey Results
Definition	Measurement of awareness and familiarity with the SANRAL brand
Source of data	Kantara Millward Brown Research on Brand Equity Evaluation
Method of Calculation / Assessment	Methodology used is a computer aided personal interviews.
Assumptions	Sample population all genders and races Living Standards Measure 6-10 18 years plus Fully conversant in English
Disaggregation of Beneficiaries (where applicable)	Target for Women: Not applicable Target for Youth: Not applicable Target for People with Disabilities: Not applicable
Spatial Transformation (where applicable)	Survey of Jhb, Pretoria, Durban, Cape Town, Port Elizabeth/Uitenhage
Desired performance	Actual performance that is higher than targeted is desirable.
Indicator Responsibility	Corporate Communications Manager

Annexures to the Strategic Plan

Annexure A: District Development Model

District Municipality	Count of Projects	Forecasted Expenditure						Project Totals
		Sum of 2019/20	Sum of 2020/2021	Sum of 2021/2022	Sum of 2022/2023	Sum of 2023/2024	Sum of 2024/2025	
Alfred Nzo	27	R400 077 499	R1 586 401 684	R1 653 825 903	R1 014 114 103	R12 973 355 531	R144 914 350	
Amajuba	2	R4 674 666	R56 800 000	R65 947 250	R3 176 098	R6 107 965 114	R7 072 477 401	
Amathole	26	R258 282 155	R620 496 326	R754 028 809	R636 289 683	R455 807 086	R3 867 868 899	
Bojanala	29	R230 522 610	R991 858 757	R548 755 448	R199 764 425	R608 019 631	R8 790 341 779	
Buffalo City	18	R53 907 701	R357 108 875	R396 125 727	R407 918 652	R166 672 681	R1 927 817 385	
Cacadu	58	R626 404 017	R943 460 291	R1 100 396 870	R310 615 913	R8 246 739 408	R3 199 362 634	
Cape Winelands	40	R400 531 682	R441 042 733	R609 760 574	R950 243 247	R24 724 482 575	R9 511 294 634	
Capricorn	33	R276 158 139	R795 622 173	R504 269 455	R407 918 652	R14 376 886 029	R1 927 817 385	
Central Karoo	14	R43 836 272	R323 206 629	R341 264 312	R166 672 681	R8 246 739 408	R3 199 362 634	
Chris Hani	45	R493 828 164	R785 871 495	R1 199 609 306	R310 615 913	R8 246 739 408	R3 199 362 634	
City of Cape Town	13	R59 887 365	R116 500 000	R52 575 750	R137 633 260	R3 199 362 634	R24 724 482 575	
City of Johannesburg	40	R1 678 536 624	R2 271 994 310	R2 194 686 470	R1 947 907 835	R24 724 482 575	R9 511 294 634	
City of Tshwane	30	R344 047 143	R381 400 084	R693 651 601	R605 791 231	R9 511 294 634	R6 745 698 362	
Dr Kenneth Kaunda	26	R165 708 699	R491 319 317	R343 711 654	R503 579 544	R6 745 698 362	R1 013 209 488	
Dr Ruth Segomotsi Mompati	10	R31 258 330	R172 445 456	R56 743 936	R52 193 180	R1 013 209 488	R5 720 271 620	
Eden	45	R102 889 798	R682 424 420	R953 781 140	R492 482 998	R5 720 271 620	R3 639 686 825	
Ehlanzeni	22	R259 710 771	R315 514 394	R439 488 772	R206 015 844	R3 639 686 825	R2 791 933 460	
Ekurhuleni	9	R31 916 792	R173 093 650	R605 470 695	R631 797 441	R2 791 933 460	R39 736 664 679	
eThekweni	90	R741 040 660	R3 126 174 247	R4 314 374 625	R4 109 291 575	R39 736 664 679	R3 850 741 998	
Fezile Dabi	14	R72 662 662	R128 068 210	R169 809 140	R121 792 829	R3 850 741 998	R1 651 443 959	
Frances Baard	14	R31 810 987	R115 435 850	R108 966 408	R16 773 711	R1 651 443 959	R7 430 169 248	
Gert Sibande	38	R115 287 280	R1 001 219 485	R722 807 569	R406 734 807	R7 430 169 248	R1 012 359 007	
iLembe	12	R0	R42 897 331	R185 538 125	R294 844 742	R1 012 359 007		

Joe Gqabi	14	R99 836 227	R299 421 650	R487 887 428	R341 642 460	R1 929 336 520
John Taolo Gaetsewe	9	R25 265 535	R127 109 459	R81 906 580	R26 282 850	R1 660 093 230
Lejweleputswa	38	R158 231 234	R781 288 148	R794 016 413	R530 182 379	R8 875 712 433
Mangaung	20	R143 807 037	R347 110 111	R434 245 762	R275 698 447	R3 234 034 113
Mopani	28	R54 903 120	R345 554 036	R728 341 821	R347 576 116	R4 140 964 917
Namakwa	16	R68 792 309	R168 783 082	R135 752 247	R35 943 677	R824 876 219
Nelson Mandela Bay	13	R197 876 817	R304 216 000	R317 377 372	R171 180 421	R2 771 194 386
Ngaka Modiri Molema	19	R98 478 274	R287 566 585	R218 986 677	R238 851 223	R3 364 486 484
Nkangala	29	R61 922 989	R494 473 887	R652 850 147	R367 762 683	R5 133 353 097
O.R.Tambo	28	R338 566 520	R957 592 287	R906 555 236	R633 808 077	R11 143 670 727
Overberg	13	R302 912 032	R248 568 842	R167 556 882	R29 479 198	R2 289 037 755
Pixley Ka Seme	74	R175 743 848	R1 071 092 976	R1 425 860 953	R658 363 682	R5 560 621 766
Sedibeng	10	R200 250 912	R179 453 882	R199 663 690	R75 802 343	R1 066 949 063
Sekhukhune District Municipality	23	R22 160 533	R468 124 128	R560 850 556	R378 428 224	R4 413 200 142
Sisonke	1	R0	R5 000 000	R3 894 500	R2 161 500	R25 000 000
Thabo Mofutsanyane	8	R32 921 223	R77 919 167	R115 982 281	R27 275 630	R928 767 639
Ugu	15	R69 015 617	R65 387 422	R86 769 076	R210 588 181	R5 448 969 489
UMgungundlovu	14	R91 540 720	R357 196 273	R486 042 435	R256 617 568	R5 754 379 429
Umkhanyakude	17	R11 614 521	R166 218 001	R198 197 142	R166 539 498	R1 477 772 905
Umnzinyathi	1	R0	R10 000 000	R19 472 500	R6 484 500	R90 000 000
Uthukela	8	R44 162 643	R253 044 261	R246 477 012	R150 220 797	R2 392 344 425
Uthungulu	15	R226 000 171	R212 401 397	R146 868 122	R162 620 083	R8 011 850 987
Vhembe	35	R259 085 787	R954 053 065	R1 088 880 564	R1 010 691 190	R9 165 351 733
Waterberg	55	R202 385 008	R1 253 698 083	R1 176 134 438	R2 308 613 438	R13 023 373 219
West Coast	21	R615 483 512	R96 528 134	R92 956 529	R165 060 333	R4 670 448 626
West Rand	1	R24 161 028	R0	R0	R0	R163 589 828
Xhariep	11	R208 226 142	R419 445 031	R113 429 797	R40 856 423	R1 821 104 698
Z F Mgcawu	24	R55 450 986	R242 114 312	R295 289 611	R938 251 084	R2 983 063 693
Zululand	9	R43 691 234	R63 668 571	R507 665 256	R291 459 768	R4 279 554 839
Grand Total	1224	R10 255 465 997	R26 177 384 510	R29 705 500 565	R24 127 902 286	R300 456 639 908