

INFRASTRUCTURE GRANT TO PROVINCES ROADS INFRASTRUCTURE

	R'000
Original budget 2007/08	246 079
Adjustments	33 578
Adjusted budget	279 657
Expenditure 1 st quarter	(83 911)
Expenditure 2 nd quarter	(80 516)
Expenditure 3 rd quarter	(73 464)
Expenditure 4 th quarter	(41 766)
Total expenditure	(279 657)
% spent after 12 months	100%

3

INFRASTRUCTURE GRANT TO PROVINCES PUBLIC WORKS

	R'000
Original budget 2007/08	5 240
Adjustments	11 733
Adjusted Budget	16 973
Expenditure 1 st quarter	(3 823)
Expenditure 2 nd quarter	(3 427)
Expenditure 3 rd quarter	(3 262)
Expenditure 4 th quarter	(6 461)
Total expenditure	(16 973)
% spent after 12 months	100%

4

CAPEX OTHER THAN IGP

	R'000
Original budget 2007/08	749 401
Adjustments Budget	84 069
Adjusted budget	833 470
Expenditure 1 st quarter	(197 941)
Expenditure 2 nd quarter	(196 864)
Expenditure 3 rd quarter	(195 476)
Expenditure 4 th quarter	(159 502)
Total expenditure	(750 575)
% spent after 12months	90.05%

5

CAPEX TRANSFERS TO MUNICIPALITIES

	R'000
Original budget 2007/08	136 700
Adjustments	12 534
Adjusted Budget	149 234
Transferred 1 st quarter	(9 000)
Transferred 2 nd quarter	(581)
Transferred 3 rd quarter	(48 728)
Transferred 4 th quarter	(67 455)
Total expenditure	(125 764)
Difference	23 470
% spent after 12 months	84.27%
% difference	15.73%

REPORTS FROM MUNICIPALITIES

- There is room for improvement.
- Follow-up work is done through mechanisms such as telephone calls, e-mails, formal correspondence, steering committees, site visits.
- Matter was raised at the last Local Government Medium Term Expenditure Committee under the auspices of the Provincial Treasury.
- Appropriation legislation (2008) now provides for the withholding of funds.

7

KEY MONITORING MECHANISMS

- Agreements
- Monthly progress reports
- Quarterly performance reports
- Quarterly infrastructure reporting model
- Monthly IYM reporting on expenditure
- Monthly IYM reporting on transfers
- RPM system reports re project management
- Site visits

8

CAPACITY CONSTRAINTS

- Supply of persons with scarce skills in areas of engineering, architecture, transport economics and town planning continued to place pressure on delivery.
- In response to this challenge the Department succeeded in:
 - Placing 23 recently qualified graduates.
 - Appointing retired built sector professionals for both mentoring and carrying out professional work.
 - Appointing highly experienced built sector professionals on contract.
 - Retaining employed built sector professionals through increasing their remuneration to the highest scales of their respective ranks.
 - Granting of bursaries
 - Encouraging all young built sector practitioners to register as candidates with their respective professional bodies in order to enable them to ultimately get registered.

9

ROADS SUBSIDY CATEGORY B (LOCAL) MUNICIPALITIES

Proclaimed Municipal Main Roads

- Municipalities are responsible for maintenance
- 175 km's Province wide
- Subsidies paid in terms of the Road Ordinance 19 of 1976
- General provisions:
 - Only for proclaimed Municipal Main Roads
 - Dept pays 80% of agreed project cost
 - Municipality remains the road authority
 - Municipality appoints consulting engineers, awards and manages contracts

10

ROADS SUBSIDY CATEGORY B (LOCAL) MUNICIPALITIES

Proclaimed Municipal Main Roads./...

- Subsidies paid as transfer payments in arrears
- Approved allocations gazetted for each municipality i.t.o annual Division of Revenue Act
- Memorandum of Agreement signed between relevant parties
- Information pack

11

ROAD SUBSIDY 2007/08 ALLOCATIONS FOR MUNICIPALITIES

MUNICIPALITY	ALLOCATION R'S	CATEGORY OF WORK
Bergvrierv	92 000	Maintenance
Cederberg	12 000	Maintenance
Matzikama	56 000	Maintenance
Saldanha Bay	44 000	Maintenance
Swartland	132 000	Maintenance
Beaufort West	24 000	Maintenance
Central Karoo	8 000	Maintenance
Laingsburg	24 000	Maintenance
Prince Albert	32 000	Maintenance
George	6 366 000	Maintenance/Reseal/Construction
Kannaland	48 000	Maintenance
Knysna	1 673 000	Maintenance/Reseal

12

ROAD SUBSIDY 2007/08 ALLOCATIONS FOR MUNICIPALITIES

MUNICIPALITY	ALLOCATION R'S	CATEGORY OF WORK
Hessequa	2 592 000	Maintenance/Reseal
Mossel Bay	854 000	Maintenance/Reseal
Oudtshoorn	1 439 000	Maintenance/Reseal
Bitou	56 000	Maintenance
Breede Rivier/Winelands	393 000	Maintenance/Reseal
Breede Valley	1 074 000	Maintenance/Reseal
Drakenstein	864 000	Maintenance/Reseal
Stellenbosch	1 210 000	Maintenance/Reseal
Witzenberg	1 499 000	Maintenance/Reseal
Cape Agulhas	835 000	Maintenance/Reseal
Overstrand	707 000	Maintenance/Reseal
Theewaterskloof	905 000	Maintenance/Reseal
Swellendam	16 000	Maintenance/Reseal
TOTAL	21 000 000	Maintenance/Reseal

13

ROADS SUBSIDY CATEGORY B (LOCAL) MUNICIPALITIES TRANSFER PAYMENTS

07/08			08/09		
ROUTINE MAINTENANCE	CAPITAL MAINTENANCE (RESEAL)	CAPITAL CONSTRUCTION	ROUTINE MAINTENANCE	CAPITAL MAINTENANCE (RESEAL)	CAPITAL CONSTRUCTION
R3,879m (R0,879m roll-over)	R10,437m (R0,437m roll over)	R13,085m (R5,085m roll over)	R2,5m	R11,2m	R3,5m

14

**TRANSFER PAYMENTS
CAPE METROPOLITAN TRANSPORT FUND
(CCT)**

2007/08	2008/09
R27,7m: <ul style="list-style-type: none"> • R8,7m • R9,0m Granger Bay • R10,0m Hospital Bend West bound 	R23,3m: R4m 2010 R5m Westbound N2 R5,5 N2 East bound R6m +R2,8m

15

**ROADS INFRASTRUCTURE
FLOOD DAMAGE 2006**

- R91m additional funds received from National Treasury
- Total costs of repair ± R185m
- Shortfall of R94m expected to be funded by department

16

ROADS INFRASTRUCTURE FLOOD DAMAGE 2007

- Estimated damage R440m
- Initial indication that funds will be made available from national over three years
- However, National view is that second and further years are not unforeseen and must be budgeted for by Departments

17

FLOOD DAMAGE ESTIMATES PER MUNICIPAL DISTRICT

MUNICIPAL DISTRICT	R'MILLIONS
Cape Winelands	12,29
Overberg	8,40
Central Karoo	10,91
Eden	408,37

18