




Department of
Transport







Gautrain Rapid Rail Link

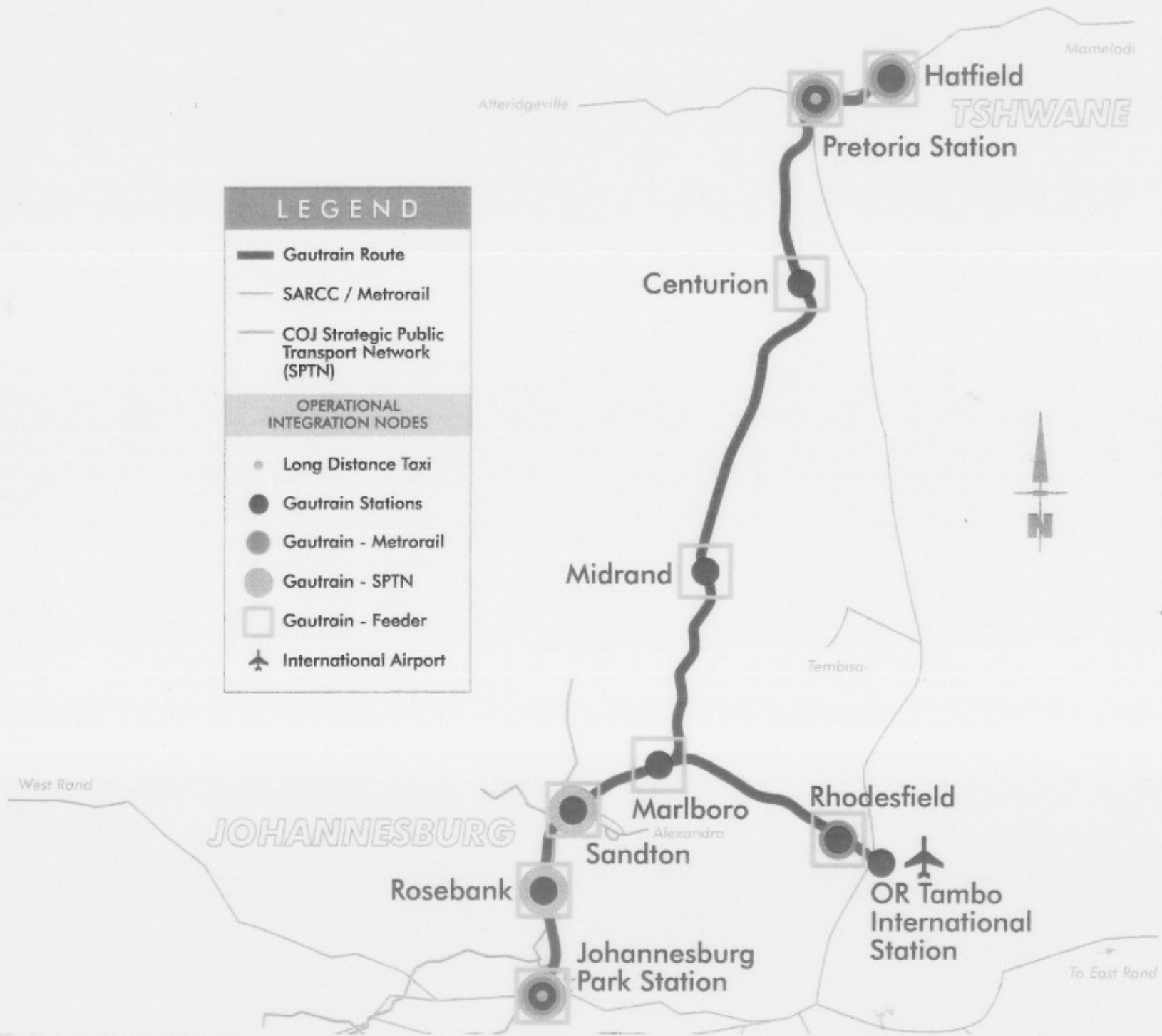


LEGEND

-  Gautrain Route
-  SARCC / Metrorail
-  COJ Strategic Public Transport Network (SPTN)

OPERATIONAL INTEGRATION NODES

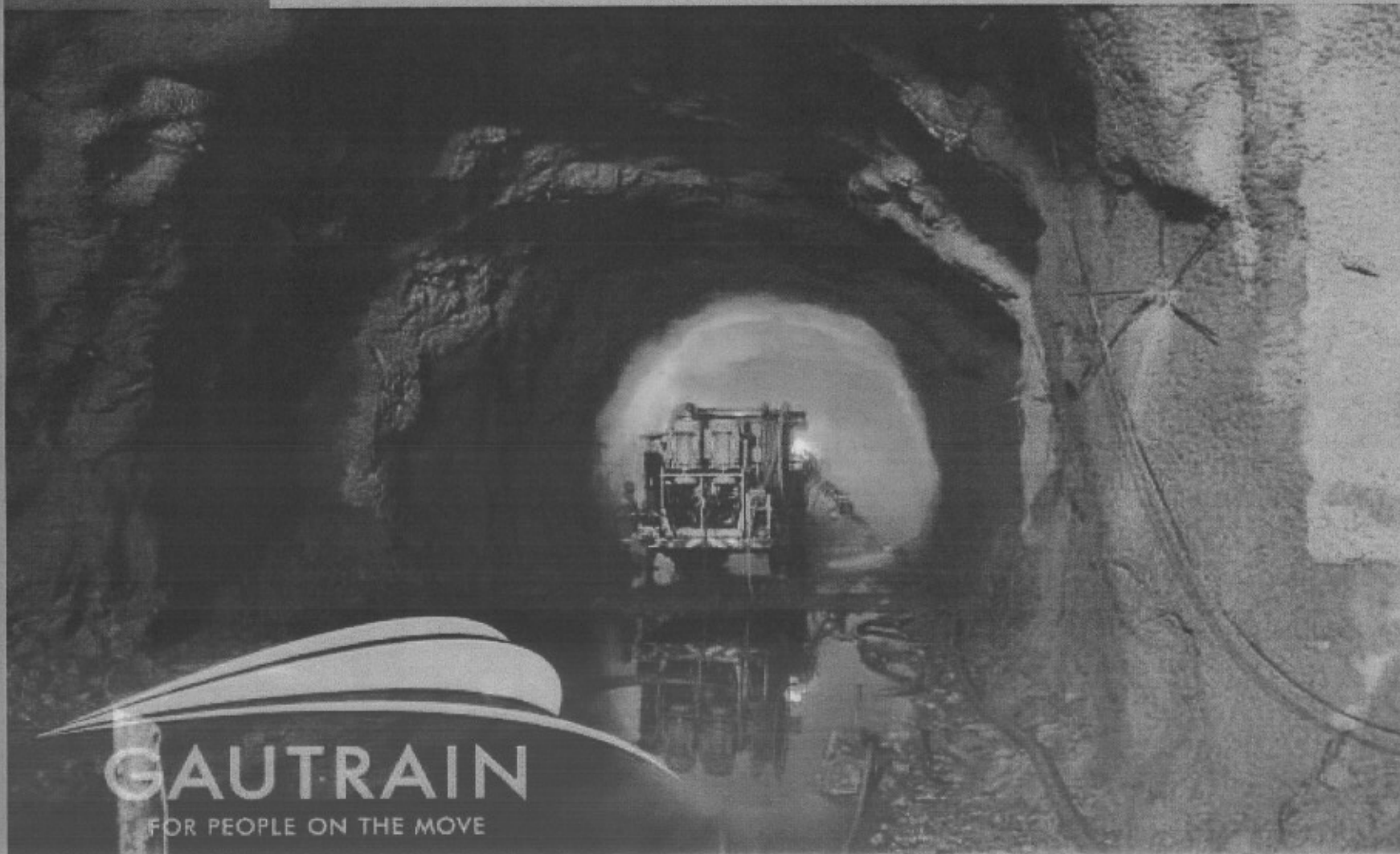
-  Long Distance Taxi
-  Gautrain Stations
-  Gautrain - Metrorail
-  Gautrain - SPTN
-  Gautrain - Feeder
-  International Airport



ACCOUNTABILITY

- Business Plan concluded between the Department and the Gauteng Provincial Department of Transport, Roads and Works
- Approval of key milestone related payment schedule
- External certifier in place since 2006
- Quarterly reports received on time 2007/08
- Dedicated expert appointed responsible for administering the Conditional Grant and implementation of the Gautrain Integration Plan
- Gautrain Management Agency Act promulgated and Board appointed

ACHIEVEMENTS



GAUTRAIN
FOR PEOPLE ON THE MOVE

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- Land
 - 1207 of 1224 affected properties have been made available
- Utilities
 - Rate of monthly expenditure improved however, still lower than anticipated – currently being investigated
- Design
 - Concessionaire has fallen short of planned design submission targets

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- Construction
 - Project 46% completed at the end of March 2008, however planned percentage was set at 52%
 - Project 2.5 – 4 months behind schedule since effective date of September 2006
 - Parties are of opinion that delays can be mitigated
- Financial
 - Private sector funding from lenders used Feb – November 2007
 - For the balance of the year all DORA funding was transferred

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PHYSICAL PROGRESS

- Tunneling
 - Tunneling at 8 out of 10 tunneling faces have commenced
 - Tunnel Boring Machine has completed 10% of the planned 3000 meters
 - Overall progress approximately 3800 meters of projected 15 000 meters
- Viaducts
 - Construction has started on 6 of the 9 viaduct superstructures

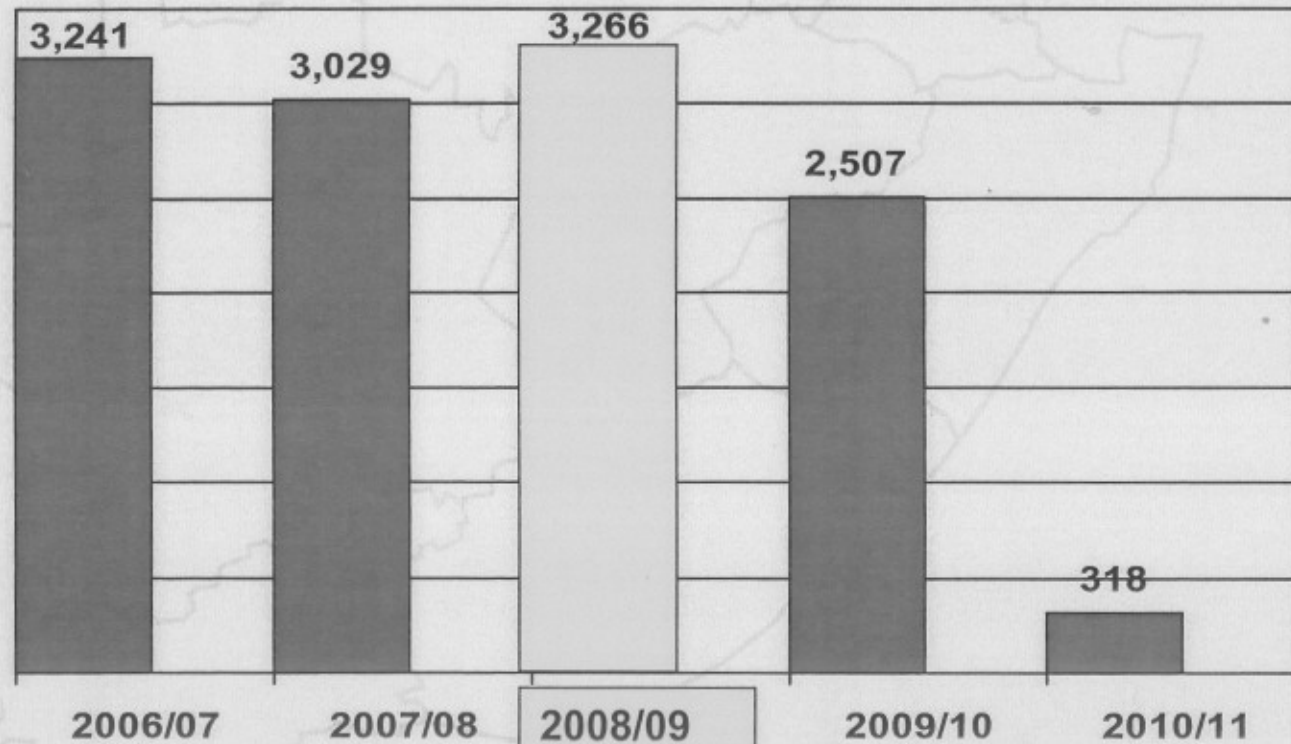
Gautrain expenditure and budgets

R Million

Actual

Actual

-----Medium term budgets-----



Total budget R12,36 bn over 5 years

SARCC's Expenditure For 2007/08

**“Accelerating the Momentum for
Change”**



INTRODUCTION

- Public investment in rail on the increase
- Well functioning rail passenger transport critical
 - growing economy
 - congestion
 - rising fuel costs
 - Construction industry capacity
 - Construction industry price escalation
- Supply of building materials
- Investment in Skills, Operations and Infrastructure

MTEF (Incl. S Meyl)

Department
of Transport

R'000	2007/08 1	2008/09 2	2009/10 3	2010/11 4	Total (2,3,4)
Operational Subsidy Inflation Adjustment - SARCC Additional for Smeyl	2,259,119	2,485,031	2,683,650	2,844,669	10,272,469
		18,559	30,307	36,096	84,962
		500,000	450,000	400,000	1,350,000
Capital Grant Additional for SARCC	1,696,078	2,267,686	3,484,144	3,693,193	11,141,101
		100,000	200,000	700,000	1,000,000
TOTAL	3,955,197	5,371,276	6,848,101	7,673,958	23,848,532
PTIS	476,000	210,000	450,000	0	1,136,000
TOTAL	4,431,197	5,581,276	7,298,101	7,673,958	24,984,532

CAPITAL EXPENDITURE AS AT 31 MARCH 2008

R'mil		SPENT TO DATE	ANNUAL BUDGET	% SPENT
ROLLING STOCK	A	1,663.18	1,356.86	122.58
INFRASTRUCTURE	B	185.23	220.42	84.04
PERWAY, BRIDGES, STRUCTURES AND OTHER		155.22	67.84	228.81
ELECTRICAL		21.28	67.84	31.36
SIGNALS & TELECOMMUNICATIONS		8.73	84.74	10.30
IT & SYSTEMS + MOVEABLES	C	32.00	33.90	94.40
SUB - TOTAL	(A-C)	1,880.41	1,611.18	116.71
PROPERTY PORTFOLIO (Managed by Intersite)	D	81.59	84.90	96.10
SUB - TOTAL	(A-D)	1,962.00	1,696.08	115.68
PUBLIC TRANSPORT INFRASTRUCTURE SYSTEMS (PTIS) 2010 Projects	E	137.34	656.00	20.94
GRAND TOTAL	(A-E)	2,099.34	2,352.08	89.25

Funds committed to date (not yet payable)

- The amount actually paid out on the 2010 World Cup projects as end of March 2008, amounts to R 127.89 million.
- However, with 2010 projects, commitment have been undertaken with the approval of projects by Finance Capital Committee and Board of Control amounting to R 1,348 billion.
- Regarding the above committed projects, the construction work have commenced.

Expenditure and funds committed as at 31 March 2008

- Approval already given on the following expenditure (amounting to R620 million):

Construction of platform heights

Provision on signage at various stations

Construction of new station

Provision of parking facilities

Provision of lighting on platforms

- The completion date for the above projects is set for April 2009
- Construction will commence by September 2008

Medium term budgeting challenges

- Despite visible improvements, commuter rail services remain on a 'knife edge'
 - ***A major incident in one region could trigger a crisis in the entire system, Tshwane Train Burnings an example***
- Lack of understanding of the financial sector of rail industry
- Ability to fund and resource
- Accelerating the rolling stock refurbishment programme
- Lack of capacity in the rail industry
- Investment in skills
- Potential shortages of building materials
- Price escalation in the building industry
- Increasing patronage leading to extreme overcrowding