

KwaZulu-Natal
Department of Transport
Conditional Grants and Capital
Expenditure

PUBLIC HEARINGS

MAY 2006



060505 copy to be made

Save as: Kyn hearing

(2)

Road Network

In keeping with Governments mandate to achieve equity the KwaZulu-Natal Department of Transport is progressively working towards its minimum road equity of 42 025kms.

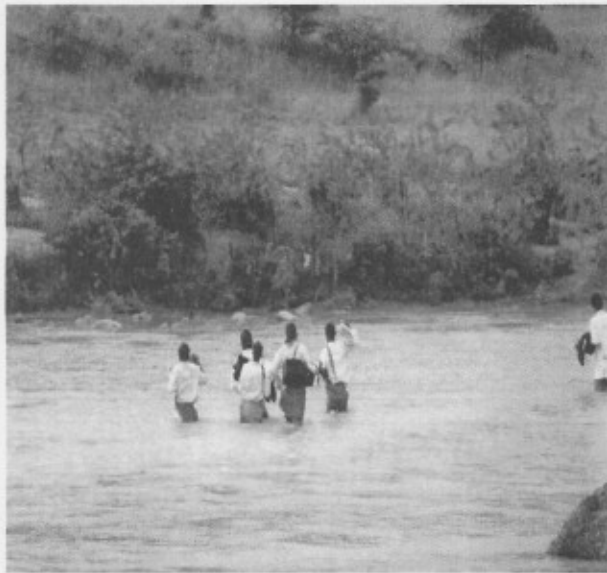
However, despite the budget increases received over the past years and the increases proposed over the MTEF period the department remains woefully under funded for the execution of its mandate. The Department requires additional funding to address the network backlog. The backlog has two components viz. securing a minimal equity road network, and restoring the network to its true asset value by increasing the level of maintenance expenditure. It is proposed to implement a 5 year strategy that required an annual **additional budget of R2,4 billion**.

Access

Access remains the key challenge to service delivery. The demand for pedestrian bridges and access roads is huge particularly in the rural areas of KwaZulu-Natal. In a submission to the Finance and Economic Development Portfolio committee in April 2006 it was put on record that there is need to be build 146 pedestrian bridges province wide at an estimated cost of R206 million. With regards to access roads, it was reported also to the portfolio committee that 2 740km still remains to be constructed at an estimated cost of R687 million. The backlog remains huge however, as shown in the table below.

Programme	Total Value of Projects	2005/06 Budget	Budget Shortfall (R'000)
Community Road Upgrading	R 1 175 000	R 60 400	R 1 114 600
Access Roads	R 687 800	R 113 500	R 574 300
Pedestrian Bridges	R 205 750	R 32 000	R 173 750
Total	R 2 068 550	R 205 900	R 1 862 650





The above backlog is based on current known demands and this will be reviewed on an ongoing basis and the the budgetary implications will be amended accordingly.

Transport Corridor Development

Economic development particularly at a local level still remains a focal point in the government agenda. Transport corridor development as a flagship project as outlined by the Premier continues to receive our attention and support as the Department. This project focuses on continued support for the Lebombo Spatial Development Initiative that is linked to the construction of Main Road 700. The revitalisation of the rail link in the area of P700 will lead to spin-offs similar to those seen on the M4 to Mpumalanga. Importantly, the corridor has the potential of linking Richards Bay and Vryheid.



In response from business representatives and community based organisations the KwaZulu-Natal Department of Transport is considering for proposals for the upgrading of provincial roads that are of strategic national importance namely:

Projects	Budget R'millions
Sipofu	50
Impendle	100
Sani Pass	240
Cecil Max Pass	90
John Ross Highway	450
Inanda to Pinetown	560
Ulundi to Vryheid	200
Total	1,690

Cross Border Demarcation

The Department has conducted a needs assessment study with regard to the road infrastructure which identified a serious backlog shortage of infrastructure needs in the Umzimkhulu Municipality, at a estimated cost of R1,2 billion.

Zibambele Programme

As pioneers of the Zibambele Programme, the KwaZulu-Natal Department of Transport will play a central role in the replication of this throughout other Provinces and municipalities in the country. There are currently 27,831 Zibambele members as at the end of the 2005/2006 financial year, mainting more than 14000 kms. The target for 2006/2007 is 32,041 contractors. The success of the Zibambele Programme receives accolades not only in KZN but in South Africa as a whole.

Previously the Zibambele programme has been seen as a poverty alleviation programme. However, there has been a dawn of a new paradigm, which is a shift from poverty alleviation to a developmental programme. This entails working with Zibambele Savings Clubs to form co-operatives or any other viable business deemed appropriate. For example the Department of Transport has collaborated with the Department of Agriculture on a pilot project whereby the Zibambele Savings Club in Vulindlela grow mushrooms.



Government Led Initiatives and Programmes

It is of critical importance to ensure that the ideals of a seamless government are upheld. To this end, the Department of Transport pledges its support for all government led programmes as per the mandates of the government of the day. Operation Mbo, Project Consolidate and the Accelerated Shared Growth Initiative of South Africa (ASGISA), amongst others are such programmes that this department will advocate for.

Expanded Public Works Programme (EPWP)

The Cabinet of KwaZulu-Natal led by our Premier entrusted the coordination of the Expanded Public Works Programme to the Department of Transport. We have established a special EPWP Directorate under the Strategic Planning Chief Directorate to lead this programme. Through EPWP we will also accelerate infrastructure investment in the underdeveloped urban and rural areas of our province to improve service delivery in the areas of the second economy, including the provision of roads and rail. Challenges faced by the EPWP entail the sustainability of this programme as well as the application of EPWP principles in the implementation of the projects even at municipal level. This would be central to our role as the Department of Transport in leading this programme

2010 Soccer World Cup

The success of the 2010 World Cup is at the forefront of our planning in the Department of Transport amidst budgetary constraints. Road Infrastructure development, Integrated Transport Planning, a safe, regulated, affordable and efficient public transport system as well as overall safety on our roads are the critical issues that we have embarked upon a drive to ensure that KwaZulu-Natal and South Africa as a whole is ready to host the 2010 Soccer World Cup. A report has been submitted to the National; Department of Transport detailing the road infrastructure needs for the 2010 World Cup which is approximately R3 billion.

Collaboration with the National Department of Transport

I would be failing in my duty if I do not acknowledge the contribution of the National Department of Transport to infrastructure development in this Province. The John Ross Highway Project, the Isikhwebezi River Bridge, the NKODIBE Interchange, the Road to eQhudeni, to mention but a few are evidence of this collaboration with the national Department of Transport to change the lives of the people of this Province. Indeed there is hope for the weak

in KwaZulu-Natal when there is partnership and collaboration amongst the different spheres of government for the general good.

Conclusion

In summary the Department requires an additional budget of R16,752 billion. If this is funded over a 5 year period it amounts to R3,350 billion per annum.

environment and an effective and efficient public transport system.
Massification of our rural growth and sustainable economic growth and development is not possible unless it is

KwaZulu-Natal Department of Transport

Summary of Infrastructure Expenditure Trend

	Outcome			UnAudited	Medium-Term Estimates		
	Audited	Audited	Audited	Actual			
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Capital							
New Construction	175,877	288,549	128,351	341,412	347,292	416,751	429,414
Rehabilitation/ Upgrading	407,505	509,827	598,371	614,215	669,276	845,732	1,020,363
Infrastructure transfer					1,000	1,000	5,000
Current	48,448	51,190	289,790	476,976	459,728	513,792	691,853
Sub Total	631,830	849,566	1,016,512	1,432,603	1,477,296	1,777,275	2,146,630
Conditional Grant							
Provincial Infrastructure Grant	132,449	200,121	282,594	315,121	348,194	448,190	479,007
Total	764,279	1,049,687	1,299,106	1,747,724	1,825,490	2,225,465	2,625,637
% Conditional Grant	17%	19%	22%	18%	19%	20%	18%

**KwaZulu-Natal Department of Transport
Summary of Infrastructure Expenditure
2005/06 Financial Year**

	Budget	%	Actual	%
Capital				
New Construction	371,255		341,412	
Rehabilitation/Upgrading	580,730		614,215	
Current	480,606		476,976	
Sub Total	1,432,591	82%	1,432,603	82%
Conditional Grant				
Provincial Infrastructure Grant	315,121	18%	315,121	18%
Total	1,747,712	100%	1,747,724	100%

KwaZulu-Natal Department of Transport
CONDITIONAL GRANT
Project Schedule 2005/06 Financial Year

Project name	District	Project details	Target Outputs	Actual Outputs	2005/06 Budget R 000's	2005/06 Expenditure R 000's
Local Roads	Zululand District Municipality	New Gravel Roads	24	23.1	5,893	6,440
Local Roads	Zululand District Municipality	New Gravel Roads	23	27.7	5,486	6,987
Local Roads	Umkhanyakude District Municipality	New Gravel Roads	46	47.1	10,766	12,144
Local Roads	uThungulu District Municipality	New Gravel Roads	54	49.2	12,820	15,384
Local Roads	Uthukela District Municipality	New Gravel Roads	43	44	10,000	11,686
Local Roads	Umzinyathi District Municipality	New Gravel Roads	36	37	8,374	6,806
Local Roads	Amajuba District Municipality	New Gravel Roads	21	21.5	4,885	5,398
Local Roads	Umgungundlovu Municipalities	New Gravel Roads	43	41	10,064	11,700
Local Roads	Sisonke District Municipality	New Gravel Roads	31	30	7,197	9,239
Local Roads	Ugu Municipalities	New Gravel Roads	50	49	11,700	11,766
Local Roads	Ilembe District Municipality	New Gravel Roads	34	35	8,055	3,483
Local Roads	eThekwini	New Gravel Roads	16	17	3,881	3,624
ARRUP: Projects	All	Upgrading from gravel to surfaced road	21	24	216,000	210,464
Total			442	446	315,121	315,121