

*Enquiries: Head: Office of the MEC
Contact No: 011 355 7501
Reference: Annual Report Questions - 2021*

**HONOURABLE. G SCHNEEMANN
CHAIRPERSON: ROADS AND TRANSPORT PORTFOLIO COMMITTEE
GAUTENG PROVINCIAL LEGISLATURE**

Dear Hon Chairperson

RESPONSES TO QUESTIONS POSED BY THE GAUTENG LEGISLATURE FOR THE PORTFOLIO COMMITTEE MEETING TO BE HELD 25 NOVEMBER 2021 ON THE 2ND QUARTERLY REPORT 2021/22 FY; HOUSE RESOLUTIONS ON THE 4TH QUARTER REPORT 2020/21 FY; AND ON ANNUAL REPORT FOR 2020/21 FY

The Chairperson of the Roads and Transport Portfolio Committee, Hon G. Schneemann, tabled the following questions applicable to the Gautrain Management Agency having regard to the questions listed below. Please find attached the response for the item highlighted below.

1. 2nd Quarter for 2021/22 FY (Questions);
2. **Annual Report for 2020/21 FY (Questions);**
3. Responses to House Resolutions on 4th Quarter Report for 2020/21 FY (Questions).

RESPONSES TO QUESTIONS POSED BY THE GAUTENG LEGISLATURE FOR THE PORTFOLIO COMMITTEE MEETING TO BE HELD 25 NOVEMBER 2021 ON THE 2ND QUARTERLY REPORT 2021/22 FY; HOUSE RESOLUTIONS ON THE 4TH QUARTER REPORT 2020/21 FY; AND ON ANNUAL REPORT FOR 2020/21 FY

2. Annual Report for 2020/21 FY

6. The GMA should provide an update on the establishment of Vereeniging Intermodal Facility.

No.	Topic	Status
1	Intermodal Facility	<p>The taxi rank with related infrastructure was being constructed in accordance with the designs and specifications as presented to all stakeholders. The construction was overseen by a professional team of consultants. The contractor unfortunately experienced financial difficulties and the project could not be completed.</p> <p>A new taxi rank has been designed taking into consideration the issues that were raised on the previous design. The process of engaging the end users with the new design is progressing. Two meetings with the Taxi Industry took place and the next meeting will be with all stakeholders, including PRASA, TRANSNET, and the Municipal representatives. The construction process cannot commence until all stakeholders have signed off on the new design. As part of strengthening consultation process, a Governance Committee consisting of all relevant stakeholders have been established.</p>

RESPONSES TO QUESTIONS POSED BY THE GAUTENG LEGISLATURE FOR THE PORTFOLIO COMMITTEE MEETING TO BE HELD 25 NOVEMBER 2021 ON THE 2ND QUARTERLY REPORT 2021/22 FY; HOUSE RESOLUTIONS ON THE 4TH QUARTER REPORT 2020/21 FY; AND ON ANNUAL REPORT FOR 2020/21 FY

No.	Topic	Status
2	Phasing of the project	The project will be phased in two stages. The first stage will be to upgrade the temporary taxi rank to improve the drainage and the ablution facilities. This will allow finalising the planning and obtaining all approvals from relevant authorities and budget to complete the intermodal facilities.
3	Accommodation of small business owners	The hawker stalls will be accommodated in the temporary taxi rank after its refurbishment thus mitigating the loss of jobs due to its upgrade.
4	Progress on rebuilding the taxi rank	<p>The GDRT has appointed a new implementing agent. Challenges are cooperation from PRASA and Transnet in making information available relating to the project.</p> <p>GMA submitted a business case to GDRT and Treasury on the project and approval of sufficient budget is awaited to continue with service providers assisting the GMA. Budget is also required for construction of the project.</p>

15. The Gautrain should explain the following:

- **R29 208 000 funds from previous year;**

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The amount is retained as a result of the calculation of the surpluses or deficit as per the National Treasury instruction no. 6 of 2017/18 on retention of surpluses by constitutional institutions and Public entities listed in schedule 3A and 3C to the Public Finance Management Act (PFMA), 1999 (Act no. 1 of 1999).

(See attached instruction note)

- **R64 451 000 railway usage fee;**

The Railway Usage Fee (RUF) is a payment made in terms of the Concession Agreement (CA) to the Province by the Concessionaire once the Concessionaire's base case return on equity as set out in the CA is exceeded. This means that it is a profit- share mechanism to ensure that the Province shares in profits made by the Concessionaire where these exceed amounts predicted in the financial model.

The calculation to see if the Province is eligible to receive a Railway Usage Fee is carried out every six months (a "semester"). June 2018 was the first time that the Province received a RUF payment.

- **R6 730 000 interest income;**

Interest received from the funds invested as part of the cashflow management and projections.

- **R35 939 000 funds from prior year;**

This amount is made up of the funds from previous year as per the first point above and the interest income which together totals R 35 939 000.

- **The under expenditure (surplus) per cost driver; and**


The below are the under-expenditure cost drivers:

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	R'000
GMA Support Costs	11,208
Specialised Technical Services	1,620
Legal and Commercial Costs	5,952
Independent Monitor Costs	363
Patronage Guarantee	68,009
Operating Period Variations	8,411
System Improvements	9,031
Total	104,594

- **Why the R104 594 000 is referred to as the surplus instead of an under expenditure**
The statement of comparison of budget and actual amount in the Annual Financial Statement refers to the variance as a net receipts or budget surplus. It is for all intents and purpose the same as an under expenditure.

Yours faithfully,



Mr Jacob Mamabolo
MEC: Public Transport & Roads Infrastructure

24 November 2021