

SANRAL'S 2030 STRATEGY GETS THUMBS-UP FROM BAKWENA

Bakwena Platinum Corridor Concessionaire (Bakwena), operator of the N1N4 routes, supports the South African National Roads Agency's (SANRAL) Horizon 2030 Strategy, which was presented to its various stakeholders on Friday 29 September.

Bakwena commercial manager, Liam Clarke, says as a contributor of private funding, Bakwena understands the challenges faced by SANRAL. "Infrastructure is an economic growth enabler, needed to fulfil basic social needs such as access to basic services, schooling, accommodation, health and other social services. Transport and transport infrastructure make the mainstream economy accessible to communities.

"As the SANRAL report highlights, road infrastructure competes for national funding with a host of other socio-economic imperatives. This is why an integrated funding strategy makes so much sense and why Public Private Partnerships (PPPs) play such an important role in the funding of South Africa's roads."

SANRAL's partnerships with concessionaires such as Bakwena, bear testimony to the successful provision of roads and services, in line with international best practices. "Concessionaires invest heavily in road infrastructure by developing green or brown field projects. Their investment into infrastructure saves government's coffers and allows the fiscus to be spent on other areas, including further road development," says Clarke. He says PPPs are also drivers of economic development. "By way of example, the N1N4 links Namibia, Botswana and Zimbabwe with Gauteng, effectively linking communities with facilities and economic activities.

"Users, too, get to travel on quality roads with sufficient capacity that reduce road transport and travel costs and ensure convenient and safe travelling.

Bakwena's corporate social investment focus areas include, but are not limited to, road safety, health, environment and heritage as well as social economic development. Notably, the organisation initiates extensive social development programmes amongst the communities along the routes it constructs, operates and maintains.

"These partnerships lead to enriching the lives of communities along the routes. Bakwena has introduced several initiatives to create awareness around road safety at local schools and within the local communities. It has also built foot bridges for pedestrians and run programmes aimed at raising awareness about the environment and health issues such as breast and testicular cancer."

It makes sense then for infrastructure that provides a direct measurable service to users to be funded through concession contracts and directly billed to the user, that is, via the user-pay principle.

In the period leading up to 2010 R15 billion was spent on South Africa's road infrastructure using private funding. "If this had been left to funding from the fiscus, SANRAL would have only achieved this spend by 2018. Private funding played a critical role in expediting the process and will continue to do so in the foreseeable future. Over the past two years, Bakwena, alone, has invested R1,2bn in infrastructure development on the N1N4.

For ongoing success, the corporate sector requires an enabling institutional framework, consistent government policies and political dedication. The greatest challenge is to educate the public to understand the concept of benefits exceeding total costs (including toll) of a concession toll road.

Clarke says a toll road is only considered if the priority of the road is high and there is limited funding available. "Importantly, maintaining and increasing road infrastructure is regarded as one of the greatest opportunities to create jobs in South Africa. SANRAL and toll road concessionaires are constantly under pressure to maximise job opportunities and relieve the unemployment crisis in the country. Bakwena currently creates an average for 750 people annually to be employed in road maintenance and upgrades.

He adds that if South Africa is serious about poverty alleviation it should be serious about infrastructure development. "Without infrastructure, investment in the country will be limited and the economy will not be able to grow to its full potential."

Importantly, there needs to be a strong collaborative culture amongst all stakeholders. "This means government, business and civil society need to work together in a coherent way to find solutions for the country. This is why it is so important – as SANRAL's report states – to improve our nation's perception of SANRAL, and why we believe it is critical to improve perceptions of road concessionaires," concludes Clarke.