

BudgetSpeech2022: Billions allocated for public infrastructure spending

The Passenger Rail Agency of South Africa (Prasa) will over the next three years spend R42.1bn to implement its commuter rail recovery plan.



Source: Col André Kritzing via [Wikimedia Commons](#)

In the 2022 Budget Review, the National Treasury said as a result of this intervention, the total passenger trips provided by Metrorail were expected to increase from 69 million in 2021/22 to 358 million by 2024/25.

The intervention is among a raft of community development allocations in the Medium Term Expenditure Framework (MTEF). This function supports access to housing and basic services, affordable public transport, and spatial transformation and urban development.

In the review, the National Treasury says the medium-term expenditure is expected to grow at an average annual rate of 7.9%, from R212.5bn in 2021/22 to R266.7bn in 2024/25.

In his Budget Speech, Finance Minister Enoch Godongwana said the South African National Roads Agency (Sanral) receives an additional R9.9bn for maintaining the non-toll road network.

"Over and above this, the Budget Facility for Infrastructure has approved funding for several water projects," he said on Wednesday.

These include the R2.1bn allocated for raising the Clan William Dam, R1.4bn for the Lepelle Water Board for the Olifantspoort and Ebenezer plants. The Umgeni Water Board will be allocated R813 million for the Lower uMkhomazi Water Supply Scheme.

"I am also pleased to announce that the project to modernise six border posts, including Beitbridge, is at an advanced stage of preparation. Feasibility studies have been completed and a request for proposal (RFP) will be issued in March 2022," he said.

The Treasury said because the provision of shelter, basic services and public transport is a combined responsibility of municipalities, provinces and public entities, transfers and subsidies account for the largest share of expenditure in this function, constituting 78.7% of total spending.

The local government equitable share receives an additional allocation of R28.9bn over the period and remains the largest expenditure item within transfers and subsidies. The equitable share funds the costs of providing free basic services to low-income households and subsidises the operations of poor municipalities.

It added that the Department of Water and Sanitation was expected to publish the Green Drop Report, assessing the state of municipal wastewater management systems, by 31 March 2022.

"Based on the results of the report, the department will prioritise medium-term projects for implementation in the water services infrastructure," the Budget Review reads.

Meanwhile, the budget for municipal water and sanitation is expected to increase from R11.6bn in 2021/22 to R13.9bn in 2024/25.

For more, visit: <https://www.bizcommunity.com>