

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 2622 [NW3038E]

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Mr. S B Farrow (DA) to ask the Minister of Finance:

- (1) Whether tax sharing arrangements with metros in terms of the 2009-10 Budget Review, whereby 23% of the revenues from the fuel levy earmarked for boosting budgets for roads and transport infrastructure with the view of phasing in the fuel levy based on sales revenue at each of these metros over the next four financial years is taking place; if not, why not; if so, what are the relevant details;
- (2) whether this or similar arrangements will be extended to South African National Road Agency Limited (SANRAL) in order to (a) avoid further tolling and (b) reduce the toll fees on the Gauteng Freeway Improvement Project; if not, why not; if so, what are the relevant details?

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REPLY:

- (1) The sharing of the general fuel levy with metros, based on 23 per cent of the revenues from the general fuel levy, was introduced from the 2009/10 financial year. To facilitate the smooth transition from the RSC levy replacement grant system to the sharing of the general fuel levy system, implementation has been phased-in over three years. In 2011/12, metros receive 25 per cent of the former RSC levies grant and 75 per cent of the sharing of the general fuel levy. Allocations in 2012/13 will be based on fuel sales only. The sharing of the general fuel levy was treated as a general revenue source given that its primary purpose was to replace the former regional services council (RSC) and joint services board (JSB) levies that were abolished from 1 July 2006. Municipalities were however encouraged to use such

funds to boost budgets for roads and transportation infrastructure given the link between fuel sales and road usage.

- (2) No, it is not envisaged that the tax sharing arrangements with Metros will be extended to SANRAL. SANRAL is funded for its non-toll road network directly through appropriations on the Transport vote. Such appropriations are in part financed through the general fuel levy that accrues to the National Revenue Fund. In adopting a toll-funding approach to financing the Gauteng Freeway Improvement Programme, account has had to be taken, inter alia, of the high traffic volumes and congestion on this network, the considerable benefit to users of the improvements to the freeways, the high costs of these improvements, the need to ensure funding for their continued maintenance, the financing costs associated with loans raised and the high overall expenditure burden already carried by the general fiscus.