**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **147 [CW155E]**

**DATE OF PUBLICATION: 11 MARCH 2022**

**147. Mr G Michalakis (Free State: DA) to ask the Minister of Finance:**

With reference to Treasury Notice 1794, why has the R45.2 million Roads Maintenance Grant to the Free State been stopped and/or reallocated to other provinces? CW155E

**REPLY**

The request to stop R45.2 million of the Provincial Roads Maintenance Grant (PRMG) was made by the National Department of Transport (DoT) after it had engaged the Free State Department of Police, Roads, and Transport (FSDPRT). The FSDPRT was allocated R1.490 billion for the PRMG in the 2020/21 financial year. Included in the allocation was an amount of R180.7 million that was earmarked for the Strategic Road Network incentive. During the year, the DoT had observed underperformance on this earmarked portion and on the PRMG grant, which were discussed with the province. These engagements however did not result in performance improvement by the provincial department.

Following bilateral meetings between the DoT and the FSDPRT in early November 2021, the DoT wrote to the FSDPRT on 29 November 2021, notifying the department that it intended to stop 25 per cent of it’s the earmarked funds because of poor performance. The letter afforded the FSDPRT an opportunity to motivate for the funds not to be stopped. While the FSDPRT did respond, The DoT was not persuaded by the province as they only provided project plans for half of their allocation – around R90 million. Taking this into account and planning deficiencies identified earlier in the year, the DoT took a decision to stop the funds from the province and sought National Treasury’s approval. The National Treasury, after considering the DoT’s submission approved the stopping and published the required gazette.