



ROADS AGENCY LIMPOPO (SOC) Ltd

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FOR IMMEDIATE RELEASE

Tuesday, 29 September 2020

RAL AGM WELCOMES CONTINUED STABILITY AT ROAD INFRASTRUCTURE AGENCY

Roads Agency Limpopo (RAL) SOC Ltd held its Annual General Meeting (AGM), which took place on Tuesday, 29 September 2020 in Polokwane, Limpopo.

The AGM also approved the Annual Financial Statements for the year ended 31 March 2019.

In his address to the AGM, MEC Masemola commended the Board of Directors and the Executive Management of the Roads Agency Limpopo for the improved financial stability and management processes at the Agency as expressed by the Auditor General South Africa in the recent audit process.

“The Agency has recently retained its Unqualified Audit Opinion for the financial year under review (2019/20) from the Auditor-General of South Africa.”

Most encouraging, said MEC Masemola, is the fact that RAL has not regressed on AGSA audit opinions in four years, and “we are hopeful the Agency will go a step further and achieve a Clean Audit Opinion within the next couple of years”.

“As the economy has reopened on the back of the easing of Covid-19 related restrictions, RAL will speed the implementation of road infrastructure projects in Limpopo Province. I recently went on a province-wide road site visits to inspect the state of some of the roads that were reported to be in dire conditions.

“The Agency will resume or start with major rehabilitation on those roads across the five districts of Limpopo as soon as the technical preparations are completed,” said MEC Masemola.

Directors: Mr. M.S. Ralebipi (Chairperson), Mr. G.M. Maluleke (CEO), Ms. W.N.G. Moleko, Mr. M.P.K. Tshivhase, Ms. T.M. Ramabulana, Mr. P.L. Makape, Mr. M.J. Phukuntsi, Ms. T. Kekana (Company Secretary)

2019/20 FINANCIAL YEAR

In the 2019/20 financial year, RAL had managed to complete a total of 87.62 kilometres of road at a total cost of R1.050 billion. Included in the amount are three (3) bridges.

The Agency also over-achieved on 80% on its targets for job creation, empowerment, and training of workers in its awarded contracts for 2019/20.

CURRENT PROJECTS

RAL currently has a total of twenty-one (21) under construction road infrastructure projects across the five district municipalities of Limpopo Province.

The Agency has managed to completed three (3) projects since it returned to its operations on 1 May 2020 when the country eased its restrictions on the national lockdown from hard Level 5 (to Level 4), giving permission to the construction sector to resume construction, maintenance and repairs of public works projects such as roads and bridges.

PROJECTS FOR THE 2020/21 FINANCIAL YEAR

In the current 2020/21 financial year, RAL already has twenty-one (21) road infrastructure upgrading projects under construction, including multi-year projects, spanning about 85km in various parts of the province with two bridges at an estimated cost of R662 million.

In total the Agency expected target on road infrastructure projects, for the 2020/21 financial year, is twenty-one (21) projects at the cost of 1.1 billion.

BUDGETARY CONSTRAINTS

The latest audited length of Limpopo's provincial road network is 98 493 kilometres, of which 74 757km is under the ownership of municipalities (local government), 20 091km is controlled by RAL (provincial government) and 3 645km by SANRAL (national government).

Of the network under RAL's control, only 6 406km or 32% is paved (tarred) while 13 685km (68%) is dirt or gravel as of end of March 2020. Currently, only 3 793km of unpaved road network is prioritised across the five district municipalities, subject to budget being made available.

R38 billion is what is currently required for this task from RAL's annual budget of just R1.5 billion split across operational costs, and road maintenance and upgrades.

Notwithstanding this backlog, the Agency has managed to put a considerable dent in this backlog since 2015, completing over 70 road infrastructure projects across Limpopo Province.

STRATEGIC PARTNERSHIP APPROACH

RAL's perennial budgetary constraints are well documented amidst increased demands for road infrastructure service delivery. This challenge has forced the Agency to be innovative in finding means to deliver projects in a cost-effective manner.

One such intervention is RAL's Strategic Partnership Approach, a key tenet of 2015-2020 now successful turnaround strategy that was adopted by the Board of Directors' five years ago, and is undoubtedly the most effective intervention yet (in this regard) in the history of the Agency.

The Agency has so far raised R789.5 million since 2015, in financial and non-financial deals, to supplement its budget in the construction and rehabilitation of Limpopo provincial roads.

AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)

The Agency managed to retain the Unqualified Audit Opinion for the recently audited 2019/20 financial year from its external auditors, the office of the Auditor-General of South Africa.

The Agency had been able to improve its audit opinion by the office of the AGSA from Adverse in 2012/13, after the Agency was effectively returned from a Section 100 administration in early 2014 after a tumultuous period of lack of leadership, mismanagement and systematic collapse of corporate governance.

RAL erstwhile host department, the Limpopo Department of Roads and Transport, was one of the five provincial government departments placed under administration by national government from 2011 to 2014.

The Agency is now working towards the Clean Audit Opinion.

Ends

Issued by

The Board of Directors

Roads Agency Limpopo SOC Limited

For further enquiries and to schedule interviews, please contact:

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Roads Agency Limpopo (RAL) Ltd is a state-owned company listed in schedule 3C of the PFMA, that is under 100% control and ownership of the Limpopo Provincial Government. The MEC responsible for Limpopo Department of Public Works, Roads and Infrastructure (LDPWRI) is its shareholder on behalf of the provincial government. The Agency was established in 1999, through the promulgation of its founding statute, the Limpopo Province Roads Agency Propriety Limited and Provincial Act 7 of 1998 as amended. RAL is registered in terms of the Companies Act 71 of 2008, as a state-owned company. Its functions are to plan, design, construct, maintain, control and manage all Limpopo provincial roads.