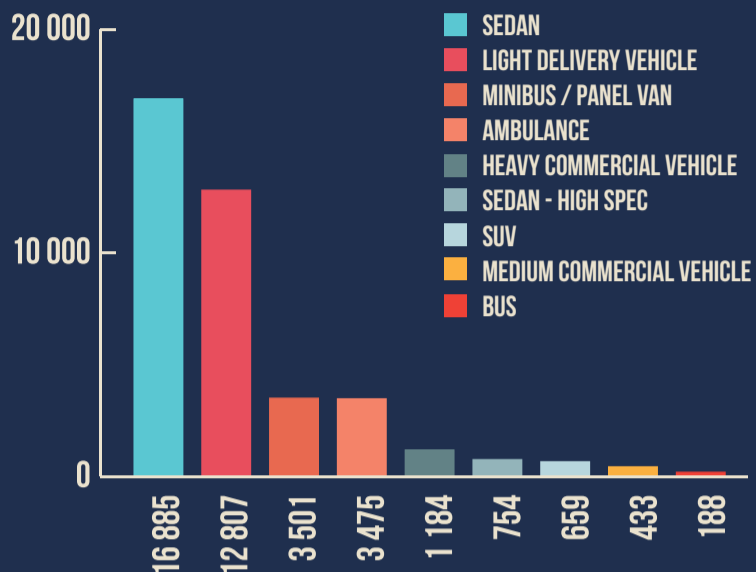


PROVINCIAL VEHICLE

FLEET MANAGEMENT

VEHICLE TYPES



PROVINCIAL GOVERNMENT DEPARTMENTS SPEND OVER

R5 BILLION ON TRANSPORT RELATED EXPENSES IN THE PREVIOUS FISCAL YEAR

COST OF MANAGING VEHICLE FLEET

R2.8 BILLION

WAS SPENT ON MANAGING A FLEET OF NEARLY

40 000 VEHICLES

CURRENT COST OF VEHICLE IN FLEET



COST PER VEHICLES VARY FROM

R56 000

TO

R85 000

PER VEHICLE

URGENT NEED TO EQUALISE SPENDING

52% OF THE FLEET IS OVER

5 YEARS OLD

AND ANOTHER

31% OF THE FLEET IS OVER

7 YEARS OLD

COMBINED CASH-BACKED SURPLUS ACROSS ENTITIES (5 PROVINCES (GP, FS, EC, NC, WC) 2016/17 AMOUNTS TO **R2,75 BILLION**

NEXT STEPS

Consider executing one or more of the following:

Scenario 1: Don't replace any vehicles other than those that need to be replaced due to obsolescence (theft, accident etc.) which results in an increase in operating expenditure and aging of the fleet

Scenario 2: Dispose and replace all vehicles older than **7 years** requires an investment of **R3.5b** and results in a **R1.6b** saving in operating costs

Scenario 3: Dispose and replace all vehicles older than **5 years** requires an investment decision of **R4.2b** and results in savings of **R2.1b** in operational costs

Scenario 4: Dispose and replace all vehicles older than **3 years** requires an investment of **R6.4b** and results in savings of **R2.8b** in operating expenditure