



**MINISTER OF TRANSPORT, DR BLADE NZIMANDE, MP, MEDIA STATEMENT
ON THE PRESENTATION OF THE BUDGET VOTE, PARLIAMENT GCIS IMBIZO
MEDIA CENTRE, CAPE TOWN**

Members of the media

Deputy Minister of Transport, Ms Sindisiwe Chikunga

MECs present

Acting Director General of Transport and DDG present

Chairpersons and CEOs of Transport SOEs and Entities

On the 15th July 2014, we began the fifth administration by delivering the budget policy statement which was essentially a blueprint and a commitment of what the ANC Government, through Department of Transport, seeks to achieve in its quest to deliver on the mandate of an efficient, safe, reliable and affordable transport for the people of South Africa.

This year is the centenary of President Nelson Mandela and Mama Albertina Sisulu. We honour and celebrate them.

To them, we owe a commitment to the poor, the oppressed, the wretched and the despised.

Today, we are humbled to report that 24 years later into our democracy, South Africa is indeed in a different and better place to live in.

I make these bold statements without any fear of contradiction because the progress made under the African National Congress Government is there for all to see.

Policies and legislation under this democratic government have resulted in the delivery of better transport services to the people of South Africa, despite the many challenges we have.

In preparing our budget vote, which will be presented this morning, I could not avoid to capture what I consider the essence of the reality that confronted us.

I recalled the well-known words with which Charles Dickens opened his novel, A Tale of Two Cities. And so I quote these words:

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of

incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way - in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only."

Ladies and gentlemen, our National Transport Master Plan (NATMAP) 2050 is explicit about the type of transport system that is needed to support economic growth and development in South Africa.

The NATMAP recognises that efficient, affordable and reliable transport systems are critical components of national economic development.

As we are nearing the end of this administration, we will continue to focus on improving mobility and access to social and economic activities by maintaining the provincial and national road networks, upgrading and maintaining rail infrastructure, and improving public transport for rail and road commuters.

Consistent with our objective of creating a people-centred society and to effectively address the critical questions of growth, reconstruction and development, we will, together with organised labour and the private sector, have to pay special attention to the issue of human resource development within the transport sector.

We will pay special focus in areas where there is lack of transformation, particularly in the aviation and maritime sectors.

Education and training must therefore be looked at very closely to ensure that we empower our employees, raise productivity levels and meet the skills needs of a modern economy by also recruiting young black and women professionals within the transport sector.

Important work will have to be done and significant resources devoted to the areas of research, science and technology and development in the transport sector.

We are indeed determined forcefully to confront the scourge of unemployment, not by way of handouts but by the creation of work opportunities.

Ladies and gentlemen, as a department and throughout our entities, we are taking urgent measures to deal firmly with crime, corruption and state capture.

The basic principle from which we will proceed from now onwards is that, we will run an administration determined to fight all forms of crime and corruption.

Through the RTMC Anti Corruption Unit and the HAWKS, we will continuously monitor our Driver Licence Testing Centres (DLTCs) specifically the illegal Issuance of learners and Drivers Licences and Road Worthy Certificates to unqualified drivers and vehicles that were not subjected to any examination.

Through the Forensic Investigation team we are relentlessly pursuing fraudsters and those stealing from the RAF. Amongst others, the team will deal with fraud detection, deterrence and prevention.

As at 31 March 2018, the Road Accident Fund repudiated a total of R1 450 496 207 claims due to fraud. This resulted in 105 convictions from 10 arrests.

The department's expenditure over the MTEF period is driven mainly by transfers to the South African National Roads Agency, the Passenger Rail Agency of South Africa, and provinces and municipalities for the construction, operations and maintenance of transport services and infrastructure.

The total expenditure is expected to increase at an average annual rate of 6.3 per cent over the medium term, from R57.9 billion in 2017/18 to R69.6 billion in 2020/21, with transfers accounting for 98 per cent.

As a result, spending on items related to goods and services is expected to increase at an average annual rate of 6.3 per cent, from R663.8 million in 2017/18 to R798 million in 2020/21.

Spending on compensation of employees is expected to increase at an average annual rate of 10.1 per cent, from R430.5 million in 2017/18 to R574.8 million in 2020/21, as job re- evaluation outcomes for upgrading salary levels 9 to 10 and levels 11 to 12 are implemented and as critical posts are filled.

Our work of upgrading, strengthening and maintaining non-toll national roads is undertaken by the South African National Roads Agency, which is funded by transfers from the department.

Over the medium term, R29.1 billion in the Road Transport programme is provided for capital-related investment on non-toll roads, R4.3 billion for the upgrade of the R573 (Moloto Road), R1.7 billion to compensate for the reduced tariffs for the Gauteng freeway improvement programme, and R18.2 billion for general road strengthening and maintenance.

In addition, R2.1 billion is provided in 2019/20 and 2020/21 for the construction of the N2 Wild Coast highway.

Expenditure in the Road Transport programme is expected to increase at an average annual rate of 6.7 per cent, from R27.1 billion in 2017/18 to R33 billion in 2020/21.

As key drivers of socioeconomic linkages, the condition of provincial roads is under continuous pressure with significant maintenance backlogs.

In this regard, the provincial roads maintenance grant, which is funded through the Road Transport programme, provides for funding to provinces based on road condition, weather patterns and traffic volumes.

Allocations to the grant are expected to increase over the MTEF period, from R10.8 billion in 2017/18 to R12.1 billion in 2020/21.

This inflationary increase is due to a Cabinet approved reduction of R1.9 billion to the grant over the medium term.

Included in the grant's allocation is an amount of R1 billion over 2018/19 and 2019/20 for the rehabilitation and maintenance of coal haulage roads in Mpumalanga.

The total funding to the grant over the medium term will provide for 5 085 kilometres of rehabilitated surfaced roads and 13 935 lane kilometres resealed between 2018/19 and 2020/21.

Transfers to the Passenger Rail Agency of South Africa, which account for 32 per cent of the department's total expenditure, allow the agency to focus on modernising South Africa's passenger rail network. However, I remain concerned about under spending at PRASA.

Over the MTEF period, the agency's spending is expected to be mainly on maintaining existing assets while intensifying investment efforts to modernise the passenger rail sector.

This is anticipated to be achieved through purchasing new rolling stock for the Metrorail commuter service.

As part of the modernisation programme, over the medium term, the agency plans to provide 125 new trains for Metrorail, signalling upgrades amounting to R6.4 billion, and various upgrades to depots and stations.

The passenger rail agency projects that by 2020/21, it will be subsidizing 392 million annual passenger trips on Metrorail and 1.5 million passengers on the long distance mainline passenger service.

The agency plans to spend a minimum of R1.2 billion over the medium term on rail maintenance operations and inventories to ensure that current and new rolling stock is fully functional and that trains are on time, reliable and safe.

Capital transfers for rail infrastructure in the Rail Transport programme is expected to increase at an average annual rate of 3.3 per cent over the MTEF period, from R13.3 billion in 2017/18 to R14.7 billion in 2020/21.

This inflationary increase is due to a Cabinet approved reduction to the programme of R6 billion over the medium term.

Ladies and gentlemen, an integrated public transport network is key to providing functional, sustainable and affordable transport solutions to urban commuters.

The public transport network grant, which is funded through the Public Transport programme, funds the infrastructure and operations of integrated public transport networks in 13 cities across South Africa.

Over the medium term, allocations to the grant are expected to increase at an average annual rate of 1.5 per cent, from R6.2 billion in 2017/18 to R6.5 billion in 2020/21, to support planning and construction in thirteen (13) cities; and fund the indirect operating costs of services in Johannesburg, Tshwane, Cape Town and George, which have begun operating rapid transit bus services on new routes.

This inflationary increase is due to Cabinet approved reductions of R2 billion over the medium term.

The number of weekday passenger trips on the networks in these 4 cities is expected to increase from 153 395 in 2017/18 to 260 240 in 2020/21.

We will, within the next twelve month, implement various projects under my direct supervision.

Let me briefly mention these:

- Over the medium term, the R573 Moloto Road will be upgraded at a cost of R1.1 billion;
- Road infrastructure damaged by disasters will be rehabilitated at a cost of R647.9 million over the medium term, through an additional allocation to supplement the reprioritisation in the provincial roads maintenance grant;
- In the current financial year there will be an increase number of law enforcement officers on public roads;
- The Department will advocate that law enforcement be declared an essential service, to ensure availability of traffic officers on a 24/7 schedule on the country's our roads;
- A ministerial task team consisting of official from the Department of Justice, the National Prosecuting Authority and the Road Traffic Management Corporation has been established to review current legislation and to reclassify traffic violation from Schedule 5;
- We will continue to conduct road shows with provinces, municipalities and private sector on the new Road Safety Strategy and plans;
- Through SANRAL we will implement Horizon 2030 Strategy and reconfigure the organisation to ensure it can deliver on its mandate optimally;
- We will implement key flagship projects include the N2 Wild Coast, the Moloto R573 Road Upgrade and the Durban-Free State-Gauteng Logistics and Industrial Corridor;
- The demerit points system, which is an integral part of the AARTO, will be implemented nationally as part of the rollout that is envisaged to take place after the promulgation of the AARTO Act;

- We will continue to refine the Linking Africa Plan, as a transport and trade plan which seeks to improve the unimpeded flow of commercial transportation, increase productivity, dependability, transport reliability and safety of cross-border movements between South Africa and SADC member states.
- We will continue to advance transformation in the Aviation industry that is seemingly reluctant to advance and fully embrace the transformation agenda;
- The Department will submit the ACSA and ATNS Amendments Bills to Cabinet and Parliament during the 2018/19 financial year. The Bills addresses future stability, predictability, transparency and sustainability in the economic regulation of the aviation industry;
- We will continue to work tirelessly with all relevant stakeholders to implement Operation Phakisa projects including enhancing the competitiveness of the South African Ship Register, which currently, stands at four (4) ships.
- We will continue to foster close relationships with the taxi industry.

We shall carry out this plan within the context of a policy aimed at building a strong and growing economy which will benefit all our people.

Many details of our overall plan remain to be presented during our budget vote presentation in Parliament.

To address these challenges, the Deputy Minister and I have thrown the gauntlet to the public servants employed at the Department of Transport and our Entities.

We will certainly require consistent discipline on the part of our government employees in order for us to achieve our objectives.

As I conclude, I wish to deal with a matter that is of great concern to me, and that is the incessant media leaks within my department, and its entities.

If we are to achieve the vision I have set out above for the department and the sector, we need high caliber professionals, with impeccable moral and ethical conduct.

Such professionals will not conduct themselves in the manner that sometimes happen, where confidential and sensitive communications between entities and the Minister are leaked to the media, as a form of forcing the hand of the Minister in a certain direction.

I want to state categorically that I will not run department through the media. Genuine media interest in our work, to inform the public is welcome, but not the current practice by some to use the media to try and blackmail the Minister. That will not be tolerated.

I thank you.

