



**Budget Vote Address at the National Council of Provinces
(NCOP), by
Minister of Transport, Dr Blade Nzimande, MP
CAPE TOWN, 05 JUNE 2018**

Honourable Chairperson,
Honourable Members of the National Council of Provinces,
Ministers, Deputy Ministers and MECs,
Representatives of South African Local Government Association
(SALGA)
Acting Director-General Mr Mathabatha Mokonyama and the entire
Department of Transport
The leadership and representatives of Transport Entities
All members of the Transport Fraternity
Members of the media
Distinguished guests
Ladies and Gentlemen

We have dedicated our budget vote this year to the memory of Isitwalandwe Nelson Rolihlahla Mandela and uMama u Albertina Sisulu and we devote our every action, every effort and every utterance to the realisation of their vision of a democratic, just and equitable society.

Guided by their example, we will use this last year of the fifth administration to reinforce our commitment to ethical behaviour and ethical leadership by fighting corruption and state capture.

We will also ensure that we improve our capacity to support black professionals, deal decisively with companies that resist transformation, use competition policy to open markets up to new black entrants, and invest in the development of businesses in townships and rural areas.

Honourable members, to reverse the apartheid spatial development patterns, the ANC government developed transport policies and frameworks to improve access to roads and transport, especially for the rural and the urban poor.

Indeed, as the three spheres of government, we have specific, exclusive and shared responsibilities for the three key elements of the transport system, namely; roads infrastructure, public transport and traffic management.

In ensuring a cost effective, accessible, reliable and safe transport system, we are also guided by the National Household Travel Survey (NHTS) to address the triple scourges of poverty, unemployment, inequality.

Honourable Members, to give effect to the Cabinet decision to place the North West provincial government under Section 100 (1) (b) of the Constitution, we have now established an intervention team that will be lead by the Acting Director General, to ensure that we continue to administer affairs of the Department of Community Safety and Transport Management and ensure that we continue to deliver services to the people of North West without a fail.

Honourable Members, through the S'hamba Sonke Programme (EPWP), we continue to invest in provincial roads to address spatial inequalities, create jobs, and to improve rural infrastructure and transport.

The total amount of **R 10,8 billion** was transferred to provinces as four tranche payments in the 2017/18 financial year.

From this amount, only **R 10, 4 Billion** was spent by provinces, which resulted in 97% spent of the total allocation.

Year to date analysis on non-financial performance will be finalized in July when according to the DORA framework the S'hamba Sonke grant evaluation report has been shared with provinces.

We will continue to implement a new system for classifying our road network according to the function they perform, and we will assign the appropriate authority to manage it.

Some provincial and municipal roads will be included in the road network for which national government is responsible. We will transfer the appropriate budgets to the authority that will manage the infrastructure.

In the 2018/19 financial year, SANRAL's key flagship projects remain the N2 Wild Coast, the Moloto R573 Road Upgrade, N1/N2/R300 Cape Town, N3 Van Reenen Development and N2/N3 Durban. These are at various stages of development.

The Road Accident Fund expansion programme has led to RAF having its presence in all the Provinces, with 100 Hospital Service Centres, five (5) Customer Service Centres and three (3) RAF Mobi vans servicing rural areas. Through this intervention, claimants can now access all RAF services as well as lodge claims directly.

We are also seized with the work to ensure that we harmonise our traffic law enforcement across all spheres of government and also ensure that we finalise the implementation of a 24 hour law enforcement shift in all provinces.

This will go a long way to ensure that we cooperate with all the stakeholders in provinces and municipalities to implement the National Road Safety Strategy.

Honourable Members, the newly appointed board of the Passenger Rail Agency of South Africa, will be responsible for the stabilization and turn-around strategy of the business.

In this current financial year, fifty-eight (58) new modernized train sets are earmarked to be deployed in the Gauteng North corridor.

Following the Pretoria to Pienaarspoort line, the next rollout will be Pretoria CBD ring rail, linking Hercules, Koedoespoort and Pretoria. Thereafter Pretoria to Saulsville and Pretoria to Mabopane and De Wildt lines will be commissioned followed by the Johannesburg line.

Signaling Systems in PRASA's three main regions – Gauteng, the Western Cape and KwaZulu – are also being upgraded in a multibillion rand project.

Among the areas we have given our urgent attention, are challenges facing PRASA in the Western Cape, Cape Town in particular.

We have begun tackling the safety and reliability of Metrorail in this corridor.

PRASA is currently implementing a signalling programme to replace the old signalling system, and the project is near completion.

Furthermore, we are at an advanced stage with the construction of the Central Operation Centre for the control of rail operation in the entire Western Cape.

We will be able to better manage our service, and improve our management and safety of our operations. Construction is expected to be completed by the end of June 2018.

To address the inadequacy of the rolling stock, we will continue to refurbish our current rolling stock to meet the immediate demand of this corridor.

The Cape Town corridor requires about hundred and ten (110) train sets. In the next twenty four months, we will operate eighty-eight (88) fully configured train sets.

However, we are also working on our plans to roll-out the new rolling stock, including putting in place enabling infrastructure such as the depot programme, perway and electrical works, to support the deployment of the new rolling stock fleet, although I am concerned at the slow pace in these projects.

I have therefore directed the new board to pay urgent attention in dealing with these challenges and I expect a plan within the next two months.

I will also convene a series of stakeholder meetings in the coming months, which will include PRASA, the City of Cape Town, trade unions and their shop stewards, municipal councillors, and political formations.

We have already re-launched the Shosholoza Meyl service from Johannesburg to Musina and are committed to launch the Johannesburg to Mahikeng, Pietermaritzburg to Kokstad; Sterkstroom to Maclear; Hoedspruit to Kaapmuiden; the Durban via Port Elizabeth to Cape Town, and Cross Border Services from Johannesburg to Bulawayo, Maputo and Lobatse.

Honourable Members, to live-up to the affirmation of the Reconstruction and Development Programme, that commuters should be encouraged to use public transport, we will be reviewing the entire regime of the public transport subsidy, including the amounts for the bus industry, commuter rail, Gautrain and the BRT systems.

We will continue to monitor the performance of the Integrated Public Transport Networks (IPTNs), and we have also finalised the process to review the impact and performance of the Taxi Recapitalisation Programme. The findings have been submitted to Cabinet.

We remain determined to transform this industry for the benefit of commuters.

We also remain concerned about the levels of violence in the taxi industry, which has claimed many lives in the Eastern Cape, KwaZulu-Natal, Western Cape and Gauteng.

I strongly condemn these acts of violence and its associated reasoning. Together with the Minister of Police, we are working tirelessly to ensure that perpetrators of these acts are apprehended.

Honourable Members, the introduction of the National Land Transport Amendment Bill, which is on its way this House, will further transform and restructure the national land transport system by ensuring a seamless working environment by all spheres of government.

Honourable Members, we will improve the sustainability of the Shova Kalula bicycle project and increase its reach to including fostering partnerships with the departments of Agriculture, Sports and Recreation, community development offices and health workers.

We are also steadfast in the implementation of the National Learner Transport Policy to ensure that all learners who qualify to receive transport are provided with safe and reliable transportation.

Through the new Rural Transport Strategy, we will focus on the priorities of rural district municipalities and provinces, as well as improving the inadequate provision of rural transport infrastructure and services. This will contribute towards the development of the local and provincial economies by improving access to public transport.

Chairperson, our aviation sector remains a beacon of hope and the pride of the nation.

In the last budget debate, we promised to come back and report to this House on the outcomes of the ICAO's Universal Safety Audit for our civil aviation programme. Today we are proud to mention that we excelled in the audit.

The results reveal that South Africa's Effective Implementation rating has increased from 83.83% in 2013 to the current rating 87.39%.

This rating is significantly higher than the world average of 60%, and positions South Africa as number 1 in Africa, and number 31 globally.

Part of our efforts in this sector is to ensure that we continue to transform the aviation industry by producing the necessary aviation skills, targeting the previously excluded groups, on the basis of class, gender and race.

We will thus, unapologetically take drastic measures to foster the transformation agenda, eradicate gate keeping and bottlenecks by eliminating the reliance on privately owned aviation academies which have a record of discriminating against State funded African students, while promoting and qualifying their white counterparts.

Honourable Members, we are honoured to report that South Africa, represented by the National Department of Transport, retained its International Maritime Organization (IMO) Council seat. We would like to thank the Portfolio and Select Committees on Transport and Cabinet for their unwavering support.

On the Operation Phakisa Oceans Economy in the Transport and Manufacturing category, to date we have invested R6.9 billion, and we have created 4507 jobs.

Chairperson to respond to the implementation of the Cabotage Chapter of the Comprehensive Maritime Policy, we now have a 100% female black-owned company, Semona, with a specific focus on the energy sector.

The second company is Mnambithi Shipping a 100% Black owned company which is in the process of purchasing a chemical tanker vessel with the aim of registering and flagging the vessel locally. This will increase the number of registered vessels and will be the first 100% Black owned South African registered vessel.

Through the Ports Regulator's Tariff Strategy, we will re-balance ports tariffs towards a more cost effective price level, and reduce the cost of living for all South Africans, including lowering the cost of doing business.

Honourable Members, the increased investment in the transport system offers great opportunity for this sector to contribute to the government initiatives to reduce inequalities, poverty and unemployment.

The sector requires all organs of state in all three spheres of government to work together effectively and plan in a coordinated way for the delivery of an efficient transport system.

I am committed to the gender transformation in the transport sector. I also want to embark on an investment drive into research and innovation, to support the sector. I also want to prioritise working with the Department of Higher Education and Training on the provision of skills for transport.

I thank you