

DEPARTMENT OF TRANSPORT BUDGET VOTE SPEECH

Speech by the Deputy Minister of Transport, Mr Mkhuleko
Hlengwa, MP
National Assembly, Cape Town | 12 May 2026

Honourable House Chair,
Minister of Transport, Ms Barbara Creecy,
Chairperson of the Portfolio Committee, Hon Donald
Selamolela,
Members of the Committees,
Chairpersons and CEOs of entities reporting to the
Department of Transport,
Acting Director-General, Mr Mathabatha Mokonyama, and
senior managers of the Department,

We present this Budget Vote at a time when our country continues to navigate fiscal constraints, ageing infrastructure, and growing demand for safe, affordable, and reliable mobility. This Budget Vote reflects our commitment to ensuring that every rand spent delivers measurable impact — prioritising delivery over intention and outcomes over expenditure.

Today, we account to the people of South Africa on the progress made and the work that lies ahead. Every road paved, bridge built, rail line extended, and port modernised represents an investment in our people, the competitiveness of our economy, and the promise of a more connected South Africa.

AARTO Rollout

Regarding the rollout of the Administrative Adjudication of Road Traffic Offences (AARTO) Act, the Department has allocated a ring-fenced budget of R163 million for the 2026/27 financial year to support national implementation.

Following concerns raised by municipalities and stakeholders, a considered decision was taken to defer Phase Two implementation to 1 July 2026. This deferment has enabled intensified stakeholder engagement and the systematic resolution of identified concerns. We remain confident that the AARTO rollout remains on track for implementation on 1 July 2026.

Road Accident Fund: Governance and Financial Sustainability

The Road Accident Fund has, in recent years, experienced governance challenges and institutional instability. We have responded decisively through the appointment of an interim board and the strengthening of consequence management processes.

The RAF has approved comprehensive audit action plans to address all findings raised by the Auditor-General of South Africa. Disciplinary, recovery, and corrective measures are being implemented in line with legislative and governance requirements. Misconduct involving plaintiff attorneys has also been referred to the Legal Practice Council on a case-by-case basis.

The RAF Board has resolved to withdraw litigation relating to the accounting standard previously applied by the Fund. The RAF has reverted to GRAP 19 and discontinued the inappropriate use of IPSAS 42.

The Fund has also recorded notable improvements in claims settlement performance, maintaining payments of at least R4.6 billion per month since September 2025. This marks a significant improvement from previous averages of R2.1 billion per month, amounting to cumulative settlements of R43.2 billion during the financial year.

The process to appoint a substantive RAF Board is underway, with the names of applicants now published for public comment.

Road Accident Benefit Scheme (RABS)

As part of efforts to address the long-term financial sustainability of the RAF, the Department is finalising a review of the legislative and compensation framework. The current model is not financially sustainable.

Accordingly, we intend to introduce the Road Accident Benefit Scheme Bill to Parliament this year. The proposed framework provides for defined structured benefits on a no-fault basis.

The growing use of alternative energy vehicles — including electric, hybrid, and gas-powered vehicles — will inevitably reduce fuel levy revenue, which remains the primary funding source for the RAF.

To address this, a gap analysis and business case are being finalised, focusing on:

- the policy and operational design of the RABS benefits model;
- the interface between RABS and third-party motor insurance products;
- the applicable legal and regulatory framework; and
- financial, actuarial, and funding considerations.

Road Traffic Management Corporation

The RTMC continues to make significant progress in improving service delivery through digital transformation and systems modernisation.

Expansion of NaTIS online services has resulted in sustained growth in online vehicle licence renewals, exceeding 6.9 million cumulative renewals. Online vehicle

registration services have similarly improved accessibility, reduced dependence on physical service centres, and enhanced convenience for citizens.

By the end of the 2025/26 financial year, eight of the nine provinces had fully deployed the NaTIS Computerised Learner's Licence Test solution. A pilot project has also been launched at the Sandton Driving Licence Testing Centre and will be expanded during the 2026/27 financial year.

These reforms include the rollout of e-disc services, integrated point-of-sale devices, and the phased implementation of the Digitalised Driving Licence Test Sheet.

Road Safety

As part of the Department's six priorities, we remain committed to halving road fatalities by 2030.

To strengthen implementation and accelerate progress towards this goal, the National Road Safety Strategy 2016–2030 was reviewed during 2025. The revised strategy adopts a comprehensive, data-driven, and outcomes-based

approach focused on safer roads, safer vehicles, safer road users, and stronger institutions.

It further prioritises sustainable funding partnerships, the establishment of a National Road Crash Data Observatory, predictive analytics, hotspot identification, evidence-based interventions, and stronger anti-corruption measures within licensing, testing, and enforcement systems.

In 2025, South Africa recorded a 6.2% reduction in fatalities and a 6.4% reduction in fatal crashes compared to 2024. Improved collaboration and enhanced law-enforcement visibility also contributed to a 5% reduction in festive-season crashes and fatalities.

However, pedestrian fatalities remain a major concern, accounting for approximately 45% of annual road deaths. In response, we are implementing a year-long Pedestrian Management Plan focused on targeted, data-driven interventions.

Public Transport

Honourable Members,

Public transport remains essential to economic growth, social inclusion, and human development, particularly for low-income households.

Existing funding instruments, including the Public Transport Operations Grant, Public Transport Network Grant, Taxi Recapitalization Programme, and Learner Transport Programme, will be restructured and transitioned into a unified public transport fund as a result of the current challenges, leading to the Public Transport Network Grant being wound down, with a reduction of R8.6 billion over the medium term.

However, planning mismatches, fragmented funding, and persistent underspending have highlighted the need for a new framework for road-based public transport. This includes consolidating fragmented funding streams and formally integrating the minibus taxi industry into a safer, more efficient, and better-regulated transport network.

This reform process will support the long-term sustainability of the sector while de-risking the taxi industry to attract greater formal investment through improved regulation, transparency, and safety standards.

Existing funding instruments — including the Public Transport Operations Grant, Public Transport Network Grant, Taxi Recapitalisation Programme, and Learner Transport Programme — will be restructured into a unified public transport funding model. As part of this process, the Public Transport Network Grant will gradually be wound down.

Despite grant reductions, R7.544 billion was disbursed to municipalities through the Public Transport Network Grant for infrastructure projects and bus rapid transit operational support.

In parallel, the Public Transport Operations Grant transferred R8.082 billion during the 2025/26 financial year to subsidise road-based public transport services administered by provincial transport departments.

We have completed several integrated transport plans across rural district municipalities and will, over the medium term, support detailed implementation designs for pilot projects in two district municipalities.

We are also addressing long-standing inefficiencies within the permit and operating licence environment. Administrative backlogs and bureaucratic delays that have constrained transport operations are being actively resolved.

Scholar Transport Safety

As part of the National Road Safety Strategy, targeted interventions will be implemented to improve scholar transport safety, including the establishment of a National Technical Committee and the finalisation of the National Scholar Transport Policy.

We will also undertake a comprehensive review of the Shova Kalula Programme — our non-motorised transport initiative aimed at addressing mobility challenges in underserved communities where many learners still walk long distances to school.

Since 2001, over 130 000 bicycles have been distributed through the programme. We are now assessing its impact and defining a clear, evidence-based path forward.

Maritime Safety

Honourable Members,

As a strategic maritime nation, South Africa welcomed its re-election to the International Maritime Organization Council after a four-year absence.

Our seat at the IMO Council strengthens South Africa's ability to shape international shipping regulation, decarbonisation frameworks, and maritime safety standards that affect not only our ports and coastline, but the broader Southern African region through our lead maritime agency, SAMSA.

Ongoing instability in the Middle East has shifted global shipping patterns, creating potential economic opportunities

for South Africa through increased maritime traffic around the Cape of Good Hope.

In response, SAMSA and the Maritime Rescue Coordination Centre remain on high alert to provide search and rescue services along one of the world's busiest shipping corridors.

A major concern remains South Africa's capacity to prevent marine pollution and respond effectively to potential oil spills. Accordingly, the Department and its agencies continue to maintain oil pollution prevention capabilities and emergency towing services for vessels in distress.

Cross-Border Road Transport Agency: OCAS

Strengthening regulatory integrity and professionalism in the cross-border transport sector remains a key priority for the Cross-Border Road Transport Agency.

During the 2026/27 financial year, the Agency will advance implementation of the Operator Compliance Accreditation System by accrediting at least 40 qualifying operators.

OCAS is a modern, risk-based compliance framework designed to strengthen market access regulation within the cross-border road transport sector. It introduces enforceable standards for operator registration, licensing, and authorisation, supported by operator audits and continuous compliance monitoring.

Through differentiated regulation, compliant operators will benefit from streamlined processes while oversight of higher-risk operators is strengthened.

The Agency's collaboration with SARS, including alignment with the Authorised Economic Operator Programme, will further improve secure and seamless trade across borders.

Corporatisation of the National Ports Authority

To increase competition, improve port efficiency, attract

investment, and support economic growth, the Department has embarked on a programme of freight logistics reform.

A central component of this reform agenda is the establishment of the National Ports Authority as an independent entity, separate from Transnet, in line with the National Ports Act of 2005.

An independent Ports Authority will strengthen strategic and operational autonomy, accelerate infrastructure investment, increase private-sector participation, and improve overall port performance.

After more than two decades of delays, a Task Team established in March 2025 has recommended a corporatisation model, with a final decision pending consultation with the Minister of Finance.

Conclusion

In conclusion, the Department of Transport remains committed to building a safe, reliable, accessible, and

sustainable transport system that supports economic growth and improves the quality of life of all South Africans.

Through continued investment in infrastructure, road safety, public transport, and institutional reform, we aim to create an integrated transport network that responds to the needs of both our people and the economy.

We therefore call on all stakeholders — government entities, the private sector, and communities alike — to work with us in advancing an efficient, resilient, and future-ready transport sector.

I thank you.