



**TRANSPORT MINISTRY
REPUBLIC OF SOUTH AFRICA**

**SPEECH BY THE MINISTER OF TRANSPORT MS. BARBARA CREECY ON THE
OCCASION OF THE DEPARTMENT OF TRANSPORT BUDGET VOTE 12 MAY 2026,
CAPE TOWN**

Honourable House Chair

Deputy Minister Mr. Mkhuleko Hlengwa

Chairperson of the Portfolio Committee Hon Donald Selamolela

Members of the Committees

Chairpersons and CEOs of the Entities reporting to the DOT

Acting Director-General, Mr Mathabatha Mokonyama and Senior
Managers of the DOT

Honourable Members,

This Seventh Administration is committed to building an economy that works for everyone. Consequently, logistics and mobility reform must be at the heart of our programme for long term, sustainable economic growth.

An effective and efficient transport, mobility and logistics system will unlock opportunity, restore competitiveness, reduce inequality and enable inclusive growth.

The geopolitical and economic environment in which we operate, is filled with rapidly shifting challenges. Dramatic fuel price increases threaten the sustainability of households, road freight transport and the taxi industry. Trade routes and supply chains are being reconfigured.

Whereas South Africa was once regarded as the logistics hub of the Southern African region, we will face increasing competition from our neighbours as they invest in new rail and port capabilities.

Accordingly, as his Excellency President Ramaphosa said at the inaugural Transport Conference: “We cannot afford complacency, instead we must choose reform over stagnation. We must choose competitiveness over decline. We must choose inclusive growth over exclusion”

Today we table a Budget of R102 billion, a significant sum of money to build a transformed transport system that will equally serve the nurse from Davyton who must arrive on time for her shift, the student from Khayelitsha who studies at the tech in Muizenburg and the farmers and miners and car manufacturers nationwide who must get their produce to international markets as efficiently and quickly as possible.

Since the adoption of the National Rail Policy in 2022 and the Freight Logistics Roadmap in 2023, rail and port reform are at the centre of this agenda

The Transnet Rail Infrastructure Manager (TRIM) was established in November 2024, and a month later published the First Network Statement together with the Rail Access Tariffs.

The establishment of TRIM will allow Transnet to focus on the maintenance and revitalisation of the rail infrastructure, while allowing third-party operators to increase the capacity and volumes of tradable goods and commodities.

Tomorrow, TRIM will announce the names of the first 11 private Train Operating Companies who aim to move up to 24 million tons of freight per annum starting 1 April next year. This will ensure more South African minerals, vehicles and agricultural produce reach international markets, securing jobs and earning much needed revenue for our fiscus.

In this new financial year, we are formally establishing the Transport Economic Regulator so that going forward port and rail fees are independently determined to ensure a level playing field for all operators.

Significant strides have been made in unlocking investment and accelerating infrastructure delivery. The Durban Container Terminal Pier 2 Concession has reached financial close and will increase port handling capacity from 2.0 million to 2.8 million TEUs a year.

This milestone establishes a bankable model for future public-private sector participation. This year will see a robust pipeline of Private Sector Participation projects advancing to market, including the Ngqura Manganese Export Corridor, Richards Bay Dry Bulk Terminal, and the Container Corridor between Gauteng and eThekweni.

Through the Budget Facility for Infrastructure, R16.8 billion in public investment has already been approved and is in execution across the coal

and iron ore lines and port infrastructure. Applications for a further R23.6 billion are being developed.

Improved rail and port infrastructure are already increasing throughput on key export corridors, ensuring improved network reliability, and achieving gains in job creation and emissions reduction.

Honourable Members

Road transport, including trucking, buses, taxis and e-hailing services remain a critical component of this intermodal logistics system. Consequently, our reform agenda cannot focus on rail alone.

Recent events have demonstrated the vulnerability of our road transport industry to international fuel price variations and availabilities. National Treasury has provided much needed short term mitigation measures. The Road Accident Fund (RAF) portion of the fuel levy has come under public scrutiny.

The Department is already reviewing the proposed Road Accident Bill to reduce contingent state liability by creating a no-fault system and a standardised injury compensation system. In addition we are now researching options for a hybrid funding model that will include both private and public contributions, to lessen the burden on the fiscus going forward.

Having said this Honourable members we wish to emphasise today that Road Safety is a National Crisis. Last year South Africa lost over 11 418 lives on our roads, one of the worst rates globally. Deputy Minister

Hlengwa will give more detail on our consistent road safety campaign which is slowly but steadily reducing the accident rate and the death toll.

Over the past few years, we have seen a significant increase in trade movements to the Port of Maputo. Freight traffic has reached 1800 trucks a day, crossing the border. These numbers have contributed to congestion at the Lebombo Border post, and on the N4.

The Cross-Border Road Transport Agency has been collaborating with the Border Management Agency (BMA), SARS, SANRAL and other law enforcement authorities to find a lasting solution to the congestion and concomitant delays.

Over the past few months, officials from South Africa and Mozambique started co-locating at the Lebombo port of entry and within the Kilometre 7 facility. Through arrangement, there has been a demonstrable reduction in processing times of freight vehicles.

By next year we aim to integrate digital systems so that Kilometre 7 facility represents a critical reform intervention that will strengthen South supports seamless trade with Mozambique and reinforce our country's position as a reliable regional logistics and transport hub.

I take this opportunity to thank my counterparts at the BMA and SARS for this effective partnership and look forward to this being a blueprint for all our other cross border truck stops.

Honourable Members

In the 2026/27 financial year, targeted investments in maintaining, rehabilitating, upgrading and expanding the road network remain key to the movement of people and goods.

The South African National Roads Agency (SANRAL) is expected to receive almost R31 billion this year. These funds will be used for capital expenditure on the non-toll network, the Gauteng Freeway Improvement project operations; the N2 Wild Coast route for ongoing construction on major bridges, and new road sections on our national highways as well as the development of the Moloto Road corridor.

These large-scale projects will continue to improve safety and shorten travel distances while creating over 35,000 job opportunities and supporting more than 2,000 small enterprises. Investment in public infrastructure projects is a significant catalyst for job creation and economic development.

Serious challenges remain at provincial and municipal levels, where finance and in house capacity for road maintenance is often inadequate. Since 2013 Provincial governments have transferred 13 000 kilometres of provincial roads to SANRAL for management and maintenance.

This is not a sustainable long-term strategy and will ultimately impact SANRAL's ability to maintain the National Road Network without introducing widespread tolling.

Next month we will host a joint MINMEC between Treasury and Transport to find a mechanism to frontload the Provincial Road Maintenance Grant so that provinces can upgrade more of their priority roads sooner.

The revitalisation of the passenger rail system continues to go from strength to strength with yearly passenger journeys surpassing 100 million at the end of March 2026. This sixfold increase over four years reflects deliberate and sustained investment in infrastructure, rolling stock, security, and institutional reform.

In Gauteng, Kwa Zulu Natal and the Western Cape we are increasing train frequencies, improving security, reducing vandalism and ensuring connectivity for communities previously excluded from reliable transport services.

At the end of 2025 a Request for Information (RFI) process for passenger rail was launched to gauge the appetite for investment in rapid regional rail, depot modernisation, rolling stock leasing, automated fare collection, and optic fibre installation.

With current fiscal shortages we are also in discussion with National Treasury on frontloading mechanisms so we can conclude restoration of outstanding priority lines. Honourable Members we heard your impassioned cries on the Daveyton line! We must just agree with National Treasury on how to resolve this!

Effective passenger rail systems must be integrated with other modes of transport to ensure safety and efficiency.

The taxi industry remains a key part of the national transport landscape and is also one of the largest black-owned sectors in the country, with its

revenue estimated at between R60 – R100 billion annually, contributing about 1.4% to GDP.

This year we will conclude the review on the Taxi Recapitalisation Grant. Work is being done between the Department, taxi associations and financial institutions to de-risk the cost of new vehicles and provide affordable finance to taxi operators.

Formalisation of the taxi industry is an important factor in unlocking further value for the industry.

SANTACO has piloted a cashless route in Gauteng, which is a first step in regularising and de-risking the industry.

This year, together with provinces and municipalities we are reviewing the road-based Public Transport grants, including the Public Transport Network Grant and Public Transport Operations Grant budget. Our goal with these grant reforms is to enhance efficiency, reduce waste and ensure a more cost-effective solution for commuters.

Honourable Members

The aviation sector continues to demonstrate strong recovery and growth, contributing meaningfully towards the achievement of the yearly target of 42 million passengers and 1.2 million tons of air freight moving through the Airports Company South Africa (ACSA) network of airports by 2029.

ACSA recorded 37.498 million passenger arrivals and departures in the year to date, representing a significant increase from 34.508 million recorded in the previous year.

In relation to air cargo, strategic infrastructure investment is on track to commence in March 2027. This development is complemented by a focused sector strategy targeting high-value cargo segments, including pharmaceuticals, e-commerce, aerospace and defence, perishables, diamonds and metals, and automotive components.

To prevent air traffic disruption and additional costs to industry, Air Traffic Navigation Services (ATNS) has ensured 250 of 388 published flight procedures have been successfully maintained. A Project Management Office has been established to proactively monitor compliance, and trainee flight procedure designers are progressing toward qualification by mid-2026.

To address red tape in issuing Air Services Licences and Foreign Operators Permits new Licensing Council members have been appointed, and the automation of these processes is underway to ensure future traceability and transparency.

As our flag carrier, South African Airways remains a key national asset. The airline is hard at work to reformulate its Corporate Plan in the face of an exponential increase in aviation fuel costs. No effort will be spared to ensure that with route rationalisation and careful fleet expansion, the entity and its subsidiaries remain going concerns

The Department of Transport is responsible for oversight on twenty State owned public entities. Ensuring good governance and focus on legislative mandate is proving a difficult task.

Our efforts in this regard are fourfold:

- Firstly to ensure newly appointed Boards represent a strategic balance between accounting, legal, governance and industry specific technical skills;
- Secondly through the establishment of the Entity oversight branch in the Department to ensure Corporate plans are up to date, performance and spending are accounted for on a quarterly basis and ensuring that the AG's recommendations are effectively implemented.
- Thirdly to deal with irregular expenditure and allegations of financial mismanagement both through the implementation of systematic consequence management, and proactive probity audits by the Auditor General after the award of large contracts as was the case in the DLCA and the current Gauteng Signalling contracts.
- Fourthly, in this financial year, the department plans to introduce a shareholder-led evaluation aimed at enhancing the assessment of boards by linking their performance to that of the entities they oversee. The rationale for this is to ensure that board assessments are linked to the entity's performance outcomes, audit results, and their impact on service delivery under their mandates.

In closing, Honourable Members, 2026-2027 represents the midway point of the Seventh Administration. Our interventions and ambitious policy reforms are starting to bear fruit, and we remain committed to securing a future where the transport sector acts an enabler of prosperity, and not a constraint; a future where affordable and safe public transport connects communities, one where transport infrastructure serves the needs of our people.

Let me take this opportunity to thank Deputy Minister Hlengwa for his consistent support, Acting Director General Mokonyama and team DOT for all their hard work; and the Chairs and CEO's of all Transport Entities for your dedication to improving performance and good governance in the entities under your control. To Chairperson Selamolela and all members of the Portfolio Committee your oversight and insight keeps us on our toes!

I Thank you!