

**Address at the National Council of Provinces for the Budget vote of the Department of Transport by Ms. Dipuo Peters, MP, Minister of Transport, MP, Minister of Transport**

25 Jul 2014

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

**INTRODUCTION**

In accordance with the ANC programme of action and the National Development Plan Vision 2030, our top priority remains the evolution and transformation of our transport system to meet the demands of the growing economy.

Honourable members, our strategic interventions in all sectors of the economy, as informed by the ANC manifesto and the National Development Plan, undoubtedly call for inter-governmental cooperation and planning. As such, we are committed to the alignment of the national, provincial and local government integrated transport strategies, plans, policies and programmes.

**ACHIEVEMENTS IN PAST YEARS**

Honourable members, our strategies and programmes are informed by empirical evidence of what transpires on the ground. On the 17th of July 2014, we launched the National Household Travel Survey (NHTS). The main objectives of the NHTS were to understand the transport needs and patterns as well as the behaviour of our people to determine accessibility and preferences to transport services.

I am glad to announce that the findings indicate that there has been a huge improvement in access to social services through our transport network compared to the 2003 study. The 2013 study indicates a definite upsurge in rural transport availability; about 68 percent of trips to work are by taxi, 19 percent by bus and 13 percent by trains; 69 percent of individuals who attend educational institutions are most likely to use taxis, followed by 24 percent catching buses, while 5 percent use trains. The percentage of households who own or have access to cars, has significantly increased from 22.9 percent in 2003 to 32 percent in 2013.

Some of the achievements emanating from the transformation and development programme of the ANC, within the public transport sector, are the following:

We have expanded our road based integrated public transport system. Since its inception, in 2005/6, we have spent over R 25 bn on the integrated public transport infrastructure and fleet, in 12 cities. The system is already operational in Johannesburg and Cape Town. To date over

- 100 kilometres of dedicated lanes have been constructed in Cape Town, Johannesburg, Rustenburg, Nelson Mandela Bay and Tshwane;
- around 400 kilometres of mixed traffic feeder routes have been completed and opened;
- 58 Bus Rapid Transit (BRT) stations have been constructed as well as over 350 stops/shelters and 4 depots that can service more than 600 vehicles;
- over 900 buses have been purchased in Cape Town, Overberg, Nelson Mandela Bay, Tshwane and eThekweni.
- As we speak, the BRT system in Johannesburg carries about 45 000 passengers, whilst Cape Town's BRT transports about 53 000 passengers.

We have also invested over R 30bn in the infrastructure and rolling stock of the Gautrain, since its inception in 2010. The Gautrain has seen a steady increase on patronage over the past 5 years by attracting new users who had previously travelled by car. The current usage stands at 55 000 users daily.

Since 2006, our Taxi Recap Programme has seen the scrapping of 58 477 old taxis and R 3.2bn scrapping allowance paid to taxi operators.

The taxi industry is unquestionably one of our greatest public transport success stories. It contributes an estimated R40 billion to our economy to ensure that it continues to thrive in an increasingly competitive environment.

As revealed by the Travel Survey, 69 percent South Africans commute by taxis. This finding highlights the fact that the taxi industry is central to the movement of our people. The taxi industry is also a significant employer in its own right, with 360 000 direct jobs and 600 000 indirect jobs. As such, the industry contributes meaningfully to South Africa's economic growth.

With regards to our passenger rail network, during the past five years more than 50 world-class universally accessible train stations have been built, upgraded and/or, refurbished. Khayelitsha and Bridge City Rail extensions were completed and commissioned by President Zuma in October 2013. More than 2600 coaches have been upgraded and refurbished through the accelerated rolling stock programme. In the process, more than 2000 direct and indirect jobs were created. Our rail network carries more than 600 million rail passengers annually, thus making PRASA a critical contributor to the economy.

## **BUDGET ALLOCATION**

Honourable members, the ultimate reason why I stand before you today is to present the National Department of Transport budget for the financial year 2014/2015. The total department's budget amounts to 48.7 billion rand.

Of this budget allocation, 20, 1billion rand is earmarked for roads and public transport programmes in provinces and municipalities.

R14,9 billion has been set-aside for public corporations and entities, and 12, 2 billion rand for agencies.

## **ROAD AHEAD**

### **Passenger Rail**

Let me also state that while we celebrate our successes we do so with a clear knowledge that there are still critical challenges to address.

On passenger rail, some of the work that requires our attention is the modernisation of railway infrastructure, the General Overhaul and Refurbishment of coaches, the procurement of new rolling stock, renewal of the signalling technology, and the upgrading of our train stations. We have heard and experienced or seen the challenges faced by the commuters in Western Cape, KwaZulu-Natal and Gauteng, Government through DoT and the Passenger Rail Agency of South Africa (PRASA) is responding and we appeal for patience whilst work is being done to remedy the situation.

Over the next three (3) years we have committed 51 Billion for further infrastructure improvements and the new rolling stock.

PRASA, through the Gibela consortium, will acquire 198 new vehicles over the next three years and 3 600 new vehicles over the next 10 years. A factory, to be built in Ekurhuleni Metro Nigel by 2016, will manufacture the vehicles locally. More than 65 000 direct and indirect jobs are expected from this project.

Through a general overhaul/refurbishment of old rolling stock, more than 1 500 rail coaches will be revitalised and returned back to operations in the Eastern and Western Cape, Gauteng and Kwazulu Natal. This programme will continue to be a job creator and skills developer in our communities.

To increase passenger rail capacity, we have prioritised rail line extensions and station developments. Some of the rail extensions we are undertaking include the extension of the rail line between Mamelodi-Greenview and Pienaarspoort which will be completed in 2016. The project entails expansion of the entire Mamelodi Rail Corridor, by upgrading the existing Mamelodi Gardens, Pienaarspoort stations and constructing a new station known as Greenview. I will be conducting a project progress site visit on 8 August 2014.

In the Eastern Cape, in the Nelson Mandela Bay Metro, R926 m will be spent on the Motherwell rail link to serve as the backbone of the transport system in the area, with complimentary road based services. The feasibility study for the Queenstown – Umtata network extension is still under review by PRASA, with the main aim of determining whether rail transport is a feasible transport mode in this regard.

Through the National Station Improvement Programme, hundred and forty stations identified as priority stations will be upgraded in the next five years. In addition, the construction of twenty seven stations in the Western Cape, Gauteng and Kwazulu-Natal which started in July 2014 is expected for completion in 2016. These stations fall under the Corridor Modernisation programme whereby the priority corridors identified are:

- Gauteng: Mabopane - Pretoria - Germiston - Johannesburg - Naledi
- Western Cape: Khayelitsha/Kapteinsklip - CapeTown
- Kwazulu-Natal: Kwa-Mashu - Durban - Umlazi

Within this expansion programme, PRASA has set aside a considerable percentage of procurement for broad-based black economic empowerment (BBBEE) with a special emphasis on women-owned enterprises. As such PRASA is ensuring that the South African Network for Women in Transport (SANWIT) is fully on board regarding all its fleet renewal projects.

Honourable members, approximately 38 000 commuters are transported in one direction in the morning by 536 buses and in the opposite direction in the evening, along the R573, the Moloto road. In order to address the carnage on this infamous road, I would like to announce that an integrated rapid rail solution will be implemented, through PRASA. The Moloto Corridor Project has been registered as a PPP (Public Private Partnership), in accordance with Treasury Regulations 16. I must also point out that SANRAL will work on the R573 to ensure the quality standards of the road is maintained.

On 13 July, we hosted a public participation event in Kwa-Mhlanga where progress on the Moloto project was shared with the affected communities and leaders.

Honourable members, on the 5th of August 2014, I will launch the establishment of the Project Implementation and Management Office at PRASA, which will take the project forward as the body responsible for commuter rail services.

### **Integrated Public Transport Networks**

Honourable members, the construction of Integrated Public Transport Networks which includes BRT systems shall continue in Tshwane, eThekweni, Rustenburg, Polokwane, Nelson Mandela Bay, George, Ekurhuleni and Mbombela. We also expect Mangaung and Msunduzi to start construction by 2016.

Johannesburg and Cape Town will continue to expand their networks in this period with Rea Vaya reaching Alexandra and Sandton. MyCiti reaching Khayelitsha, Mitchell's Plain, Lansdowne, Wynberg and Claremont. By 2017 we expect 200 000 passengers a day on Rea Vaya and 120 000 a day on MyCiti.

Tshwane will start initial operations before the end of 2014. By 2016/17, 50 km of bus-ways and around 50 stations will connect Soshanguve to the central business district (CBD) via Pretoria North, and will also connect the CBD to Mamelodi via Hatfield and Menlyn. By 2017, it is expected that the Tshwane A re Yeng system will carry over 100 000 passengers daily. We are very proud of Tshwane's decision to convert Paul Kruger Street into a pedestrian and BRT only street.

By 2017:

- Rustenburg plans to carry 100 000 passengers from the townships to the North East and North West of the CBD, daily.
- Ethekewini will carry 100 000 a day from Bridge City in Inanda to Pinetown.
- Ekurhuleni will carry 50 000 a day between Tembisa, Kempton Park, O.R. Tambo and Boksburg.
- George will carry 20 000 a day and will convert all existing services into a formal network.
- Mbombela will carry 50 000 a day from the western townships to Nelspruit and White River.
- Polokwane will carry 50 000 a day from Seshego to the CBD.

Mangaung and Msunduzi are in the process of completing their planning for 2014/15 and we hope to secure funding for them to start construction in 2016.

I am also pleased to announce that all these 12 Municipal Public projects will adopt the same smart card standard as set by the regulations in 2011. This will enable a single card to be used on all public transport systems nationally. The DoT is liaising with both PRASA and the Gautrain Management Agency

with regard to the speedy implementation of the national smartcard standard for public transport across both rail and road modes.

#### Bus Services

The bus subsidies have increased steadily, with about R14 bn spent over the past 5 years. In the current financial year, the subsidy will be allocated as follows: Gauteng R1, 8 billion; KwaZulu-Natal R904 million; Mpumalanga R491 million; Free State R215 million; Eastern Cape R195 million; North West R90 million; Limpopo R291 million; Northern Cape R43 million; and the Western Cape R779 million.

The state of our bus services especially in the small municipalities requires our urgent attention. The challenges that continue to undermine the efficient and effective performance of public transport, in particular subsidized bus services include among others the fact that subsidized public transport contracts remain bus only contracts. The majority of these contracts have been managed and extended on a month-to-month basis since 2003. As a result, most small bus operators are not able to recapitalize their fleet. There are also serious barriers to entry into the formal bus industry for small and emerging operators.

As a result, the DoT has decided to take the lead in the transformation of this industry. We have developed a National Public Transport Transformation Plan to move away from month to month subsidised contracts, but also to integrate taxis and small busses into mainstream public transport and unbundle monopolies to allow seamless entry by small operators. We are confident that this approach will indeed go a long way in transforming the public transport service.

The DoT has also taken a decision to convene a National Taxi Summit with the taxi industry and relevant stakeholders to discuss and find common ground on matters that affect the taxi industry such as the bus subsidy, the taxi recap programme, economic empowerment and law enforcement among other things to be discussed. We intend to have this summit during the course of this year.

#### **Scholar transport**

Honourable members, the transportation of our learners to and from schools, remains a major challenge. The ability of learners to access education is hampered by the long distances they have to travel to school. As a result, the Department of Transport and the Department of Basic Education (DBE) are developing the national learner transport policy. The policy will provide a uniform framework to address this challenge.

Regarding the Shova Kalula bicycle programme, I would like to announce that the Department of Transport has been able to source the necessary funding. To date 95 000 bicycles have been distributed to needy children who walk long distances to school. A further 21000 will be distributed in the next three years.

#### **Road Infrastructure**

Honourable members, it is important that our roads programmes address provincial economic development, urban mobility and rural access to achieve an optimal road network for our country.

To date the successful S'Hamba Sonke programme has created a total of 60 089 full time jobs. The S'hamba Sonke budget allocation for the next Medium Term Expenditure Framework (MTEF) is R9.3 billion and the allocation for 2015/2016 is R9.9 billion.

The budget for this programme is allocated to provinces in the following order:

- R1.2 billion for the Eastern Cape
- R1.7 billion for KwaZulu-Natal
- R1.1 billion for Limpopo
- R1.5 billion for Mpumalanga
- R1. 0 billion for the Free State
- R500 million for Gauteng
- R600 million for the North West province
- R600 million for the Western Cape; and
- R600 million for the Northern Cape

Through this programme, we expect to create an additional 60 100 jobs and 212 662 work opportunities. The programme aims to:

- register 330 interns (engineering)
- rehabilitate 1 100 km of roads and reseal 3 000 km of roads
- re-gravel 3 150 km of roads and,
- as part of Operation Tselantle we intend to patch some 810 000 square metres of pot-holes.

This programme will ensure that our communities have access to schools, clinics, economic opportunities, other sports, social and religious amenities. We commit to target most of the rural access roads to schools, clinics and economic centres within the current financial year.

The Department has entered into a partnership with the Department of Trade and Industry with the aim of creating an enabling environment for the development of emerging contractors. This work will be continued with the new Department of Small, Micro and Medium Enterprises. The programme will assist with the development of a pool of new contractors who can provide additional capacity in the road construction sector.

Gauteng and Mpumalanga have been selected to pilot this small, medium and micro-enterprise (SMME) programme during this 2014/15 financial year. The outcome will direct the development of guidelines, consistent with industry's best practices and standards for uniformity.

### **Blue Economy**

Honourable Members, at the end of 2013, realising the opportunities that remain mostly untapped in our maritime domain, President Zuma's Cabinet adopted a resolution on the development and adoption of the South African Oceans Economy policy, commonly referred to as the Blue Economy. This policy is aligned with the 2050 Africa Integrated Maritime Strategy adopted at the 22nd Ordinary Session of the African Union, in January 2014. It is also premised on the National Development Plan.

Opportunities that have been identified as job drivers, are ship repairs, ship building and ports operations and management. Given the fact that, the east and west coast of Africa are buzzing with off-shore oil and gas explorations, opportunities for manufacturing and repair of related oil rig equipment and platforms, have also been highlighted by the blue economy policy.

### **National Transport Forum**

Chairperson, as part of our attempts to improve planning and coordination across all spheres of government, we are in the process of establishing a National Transport Forum to collaborate and coordinate all key strategic transport planning matters. This Forum would also provide practical advice to all spheres of government by establishing a transport skills “brains trust” for planning and implementation.

### **Regional Integration**

Last year, through the Southern African Development Community (SADC), we embarked on a study to unpack the status of regional infrastructure and harmonisation of transport standards in the SADC region. This was to ensure that the transport infrastructure link to our neighbouring countries meets acceptable standards.

This study has been completed and we will soon commence with the development of a decongestion strategy for the Maseru Border Post to reduce congestion at the border post. This project is a direct outcome of our Freight Movement Optimisation Plans for commercial borders. Subsequently we will develop a Regional Corridor Strategy to help deal with issues of regional corridors.

Ladies and Gentlemen, the governments of Zimbabwe and South Africa are working on a strategy to decongest Beitbridge, the biggest and busiest border post in Southern Africa.

Last but not least, let me seize this opportunity to announce that I will establish a multi-modal Transport Advisory panel, consisting of experts on all modes of transport, researchers and academic institutions and major transport stakeholders.

Honourable members, I have highlighted the key projects that this budget will seek to achieve, in order to deliver an efficient, safe and affordable transport system to the people of South Africa.

Honourable Members must now monitor and ensure we honour our commitments. Where we face challenges, we will report and request assistance, especially with regard to impact of services on the broader South African society.

I thank you.

Issued by: [Department of Transport](#)