



**Budget Vote Address at the National Council of Provinces (NCOP), by
Minister of Transport, Ms Dipuo Peters, MP
CAPE TOWN, 10 JUNE 2015**

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

Allow me to take us back many years ago, when India and its leadership had to find solutions to many problems they faced and give direction to the nation. I quote;

“Long years ago we made a tryst with destiny,

and now the time comes when we shall redeem our pledge,
not wholly or in full measure,
but substantially...,
when we step out from the old to the new,
when an age ends,
and when the soul of a nation,
long suppressed, finds utterance.
It is fitting that at this solemn moment'
We take the pledge of dedication,
To the service of India, and her people,
And to the still larger cause of humanity ”

These words said by the 1st Prime Minister of India, Nehru and their symbolism resonate with our own South African reality of triple ills of poverty, inequality and unemployment.

When we delivered the 2015 Budget Vote on the 5th of May, we anchored our message on the Election Manifesto of the Governing party, which gave clarity on Political direction and delivery mandate. Over and above these we also focused our efforts on new priorities.

Firstly, we have set to strengthen the Road Accident Fund for expanded access to much needed benefits for road users through the introduction of the RABS Bill, which provides for the establishment of a new “no fault basis” regime called Road Accident Benefit Scheme (RABS) to replace the current Road Accident Fund (RAF). Secondly, we demonstrated that we are on course to improve our public transport system, including passenger rail, to benefit our people. Thirdly, we committed to accelerate road infrastructure development both as an

important lever of economic growth and a catalyst for job creation. And finally, to ensure the important role of integrated transport planning both horizontally and vertically across all spheres of Government.

Honourable Members

Whilst outlining this scenario, we should bear in mind that our focus must be where the buck actually stops in the provision of transport functions and services in the various spheres. In short, as the three spheres of government, we have specific, exclusive and shared responsibilities that we must exercise. It is for this reason that in 2014 we established the National Transport Planning Forum, which has representation across all the spheres and Government entities. This forum will lead strategic planning across the transport sector in the interest of promoting an integrated transport policy and strategy.

Let me also remind you that the driving force behind our transport policies is the National Development Plan (NDP). The Department's contribution to the NDP will be underpinned by the National Transport Master Plan (NATMAP) 2050 vision, which is aimed at delivering a dynamic, long term and sustainable transportation system framework for the whole Country.

In 2013, we conducted a National Household Travel Survey (NHTS) in order to understand the travel patterns of our people across the Country. We analysed the Survey data with a view to produce Provincial Reports that will provide valuable information on how our people travel to work, schools, places of worship and recreational places. This will indeed assist Provincial, Metropolitan, District and Municipal authorities to tailor their Integrated Transport Plans (ITPs) accordingly.

The year 2015 is the halfway mark for the implementation of 2011-2020 UN Decade of Action on Road Safety. A multi-sectoral campaign to reduce road carnage by 50% of what it was in 2010. We have committed ourselves to achieve this by implementing a 3-6-5 days road safety programme focusing on 4Es of Education, Engineering, Enforcement and Evaluation. We are in the process of drafting the Mid-term Road Safety Country report as required.

Honourable Members, on the 23rd June 2015 I will be launching the long awaited Road Safety Advisory Council, which among other things will advise Government on interventions to further reduce carnages on our roads.

Honourable Chairperson

The implementation of our public transport strategy and its major initiatives in all spheres of Government is undertaken to deliver to our people a better life for all, and the realization of the pledges we made in our government's founding philosophy as codified in the Reconstruction and Development Programme, the RDP document.

In 2014/15, the Public Transport Infrastructure and Systems Grant (PTISG) and Public Transport Network Operations Grant (PTNOG) covered projects in 12 cities with approximately R5,87 billion in grant funding. George Municipality and Tshwane Metro launched their pilot operations to test their Bus Rapid Transit services which are called "Go George" and "A re Yeng" respectively.

This brings to four (4) the total number of cities running the BRT operations, which includes "MyCiti" in the Western Cape and "Rea Vaya" in Johannesburg.

In these four (4) cities, the incumbent minibus operators on the affected routes form the core of the new operating companies, where over 1 000 direct jobs have been created.

Honourable Members,

Remember that the freedom charter says that the people shall govern, which reminds us that Government must involve the communities in the design and implementation of Programmes. This is one instance we would like Cities to be alive to the voice of communities when laying out the infrastructure and providing services. We wouldn't like to see communities forcibly removed to make way for the infrastructure. This however does not detract from the drive by Government to provide accelerated public transport infrastructure. We know that when communities are adequately consulted they will not resist this much needed development.

In the 2015/16 financial year, the ANC Government will proceed to invest R5,95 billion through Public Transport Network Grant (PTNG) in the twelve identified cities. We expect Ekurhuleni to be the third Metro in the Gauteng Province to launch this pilot services. In keeping with advancement of Intelligent Transport System (ITS), we will continue working closely with the Gauteng Provincial government, the three (3) Metros, PRASA, Gautrain Management Agency and the taxi industry to integrate all subsidized modes in the Province into a single interoperable smart card by end of 2016/17 financial year.

Honourable Members

Let me reiterate that our objective to ensure safety in the taxi industry has been a resounding success. The scrapping of old taxis and replacing them by safer vehicles has been a major stride for us. Since 2006 we have scrapped a total to 61 254 old taxis with a total payment of R3,4 billion for scrapping allowances.

The Taxi Recapitalisation Programme will however undergo an extensive review focusing on its sustainability, affordability and the mapping out of a future integrated rollout solution. We also intend to strengthen our support to empower the taxi industry to participate in the entire value chain.

Another element which is central to the Provinces is the issue of bus subsidies. The public transport subsidy is allocated to the Department of Transport. However, the actual design, the day-to-day administration and management of bus services are devolved to the Provinces. The Division Of Revenue Act (DORA) dictates that the National Department of Transport monitors that the requisite minimum public transport standards are met and financial rules and regulations are consistently adhered to.

The National Department of Transport is ultimately responsible for ensuring that these services are provided to all commuters in a safe, reliable, affordable and cost-effective manner. The funding of contracts is currently being implemented through the Public Transport Operations Grant (PTOG), which has grown from R3, 5 billion, to R4, 9 billion in 2015/16.

Honourable Members

It is important to note that the growth in PTOG funding has lagged far behind the actual cost escalations of the bus contracts. Another challenge has been the

alignment of these bus contracts to the Integrated Rapid Public Transport Network (IRPTN). We are in the process of finalizing the transformation plan that will ensure this alignment in order to roll out quality Integrated Rapid Public Transport Networks.

We are also considering a phased-implementation of IRPTN while ensuring that the current subsidized bus contracts do not collapse. It is for this reason that the MINMEC meeting of 6 May gave approval for Provinces to sign three year bus contracts in order to enable planning authorities to develop appropriate transport network plans, as well as securing funding for the implementation of quality public transport.

With regards to the Passenger Rail Services, I am satisfied that there is a fair balance in increasing the capacity of Metrorail in all Metropolitan areas. We have allocated R 4 billion for rail operations and R4,1 billion for the Capital Programme which will enable PRASA to upgrade and strengthen the capacity of our passenger rail services.

In this 2015/16 financial year, PRASA is expected to take delivery of the first twenty (20) train sets built in Brazil as part of the Rolling Stock Renewal Programme. Plans to build a R 1 billion factory in Ekurhuleni to produce the 580 trains and create an estimated 65 000 direct and indirect jobs over the ten year contract period are on course.

As part of the preparation for the new rolling stock, upgrades and modernization of stations and depots to the tune of R2,2 billion are being undertaken in the following areas:

- Duffs Road station in KZN;
- Philippi Station in the Western Cape; and
- Park station extension in Gauteng.

It is indeed true, that as the ANC Government we have a good story to tell, especially when it comes to BridgeCity and Park Station.

BridgeCity in KZN hosts multimodal transport facilities, shopping complex, office blocks and residential apartments.

Park station as a Southern African multi-modal facility of note, is boosting services ranging from all major banking institutions, car rentals, restaurants, pharmaceutical outlets to regional and continental bus depots. Park station makes transport connectivity across the country and to some extent across the region is a reality.

To conclude the package the Department of Health has been drawn in with the view to have BridgeCity and Park Station to provide public health facilities.

Chairperson

To continue with the good story, there are four major projects in the implementation of the Priority Rail Corridor Strategy.

- In the Eastern Cape, the R1, 6 billion Motherwell rail link feasibility study has been concluded, and procurement processes are underway. The

Mthatha Station will also be upgraded to accommodate the provision of mainline services.

- In the Western Cape, the Blue Downs Rail Extension feasibility report has also been concluded and is under review by relevant stakeholders.
- In the Gauteng Province, the Mamelodi-Greenview-Pienaarspoort rail extension is in progress. The new line accompanied by new signaling became operational in 2014 and the construction of the Greenview Station is ready for handover. The construction of the Pienaarspoort and Mamelodi Stations is scheduled to start in the current financial year.
- In Mpumalanga, the 120km Moloto Rail Corridor Development is gaining traction with the feasibility study having been completed and engagements National Treasury ongoing.

Honourable Members

The road infrastructure remains a critical area of our transportation system and still carries the bulk of the movement of goods, services and people. It is a well-known fact that Provinces are facing serious challenges in dealing with road maintenance and rehabilitation backlogs due to shortage in budget allocations. Provinces and Municipalities have fully embraced the NDP imperatives and are incrementally improving budget allocations for road infrastructure.

According to the budget review, the Provinces improved their spending on S'hamba Sonke programme by 100% in 2014/15, and that spending is set to be maintained in the current financial year. Through the Provincial Road

Maintenance Grant (PRMG), the budget allocation for S'hamba Sonke in 2014/15 was R 9.4bn for 725 projects. Provinces were able to achieve commendable results with the maintenance of secondary road network through this Programme, whereby a total of over 170 000 jobs were created.

In the current financial year, Provinces will receive an allocation of R 9.8 billion for the 1 102 approved projects. The S'hamba Sonke Programme has played an important role in both employment creation and road maintenance. The budget for this programme is allocated to Provinces as follows:

- R1,3 billion for the Eastern Cape;
- R1,8 billion for Kwazulu-Natal;
- R998 million for Limpopo;
- R1,7 billion for Mpumalanga;
- R1,1 billion for Free State;
- R456 million for Gauteng;
- R822 million for North West;
- R859 million for Western Cape; and
- R788 million for Northern Cape.

SANRAL is responsible for the national road network of 21 403km which includes both toll and non-toll roads, which are the arteries of our economy. Non-toll roads account for about 85 percent of the network and are funded through the national fiscus. Only 3 120 km (15%) of our total network is tolled and 201km of that is part of the Gauteng Freeway Improvement Programme (GFIP).

For the current financial year, SANRAL will proceed with its implementation programme which includes projects such as the N2, N7 and R71 improvements in KZN, Western Cape and Limpopo. It will also continue with the N3 Development Corridor stakeholder consultations. A total of fourteen projects with the overall budget allocation of R400 million for the 2015/16 financial year are planned.

An amount of R1.1 billion has been set aside for the upgrade of R573 Moloto Road. This is a great achievement for the people of Mpumalanga, Gauteng and Limpopo. The re-classification of this road to a national road under SANRAL has commenced and it will form part of the non-toll road portfolio.

Honourable Members

The transport sector development plans cannot be complete without addressing challenges of accessibility and mobility of the rural masses. The lack of frequent public transport in most of rural areas does not make any moral, political or economic sense. To address this, we are in the process of finalizing the Rural Transport Strategy in line with Government's focus on rural development. This is intended to enable the delivery of infrastructure, stimulate public transport and enable the rural masses to have access to services and opportunities.

We have targeted a number of rural areas such as Sekhukhune, Umkhanyakude, Thaba Mofutsanyane, OR Tambo and Chris Hani districts for a number of Non-Motorised Transport, access roads and public transport initiatives.

The Shova Kalula Bicycle project is also making great strides. We have already distributed more than 90 000 bicycles countrywide. In the current MTEF we plan to implement a multi-year programme which will ensure the distribution of 30 000 more bicycles across all Provinces. The biggest challenge this project is faced with now is the lack of access to bicycle repair services. This is an area where more work needs to be undertaken in line with the co-operatives model of the Department of Small Business Development.

We therefore believe that all these initiatives will ensure mobility of the poorest of the poor in the rural communities.

The days of unregulated, insecure and unsafe learner transportation are numbered. Cabinet has approved the much-awaited National Learner Transport Policy and we call upon members of Parliament to expedite its processing.

Honourable Members

The aviation sector is also critical particularly in our ability to meet passenger demand and growth, which is expected to surge from the current 35 million to over 45 million passengers in the next 5 years. Meeting this growth necessitates enormous investment in airport infrastructure and the finalization of the National Airports Development Plan. This plan will provide for the Airports Development Strategy that takes cognizance of the bigger economic plan of the City and Region in which the Airports operates, including secondary airports and those outside the control of ACSA.

In the Western Cape; we are realigning the runway at the Cape Town International Airport to improve the management of aircrafts inflow.

In the Eastern Cape, in line with President Zuma's targeted focus on King Sabata Dalinyebo (KSD) municipality's socio-economic development, we need to synergise the N2 wild coast development, R61 road improvement as well as revamping the Mthatha airport. We intend to ensure this airport retains its category 6, international status.

In the North-West, we will work hard to retain the international status of the Pilanesburg Airport and will also assist Mahikeng Airport to acquire international status. The Mahikeng Airport is being revamped to enable the re-launch of commercial domestic flights very soon.

Honourable Members

The radical transformation of the transport sector as envisaged in the NDP, is not an option but an obligation to address massive challenges of inequality, poverty and unemployment. It is a pledge and trust that we are called upon to dedicate our services to.

This Ladies and Gentleman reminds of the words of our Former, Late President Mandela, I quote.

“The call now is for each of us
to ask ourselves,
Are we doing all we can,

to build the Country of our dreams?....
We must all strive to be inspired
by the deep-seated love of our Country,
Without regard
to race, colour, gender or station in life”