**4. Report of the Portfolio Committee on Transport on the 2017/18 Strategic Plan and Annual Performance Plan (APP) of the Department of Transport, Dated 17 May 2017**

**INTRODUCTION**

The Portfolio Committee of Transport, having considered the 2017/18 Strategic Plans and Annual Performance Plans of the Department of Transport and its entities, reports as follows:

**1. INTRODUCTION**

**1.1 CONSIDERATION**

The Portfolio Committee on Transport considered the 2017/18 budget of the Department of Transport (the Department) on 2 May 2017. Prior to the briefing of the Department on its APP, the Auditor-General of South Africa (AGSA) presented its review on the draft 2017/18 Annual Performance Plans of the Department. In preparation for this report, the Committee was briefed further on the revised 2014-2019 Strategic Plans and 2017/18 APPs of the listed public entities of the Department.

**1.2 METHODOLOGY**

The Committee engaged with the AGSA, the Department and its entities on 2, 3, 5, 9 and 12 May 2017 on their revised 2014-2019 Strategic Plans and 2017/18 Annual Performance Plans (APPs) and budgets.

The Committee met with the following entities:

1. Airports Company South Africa (ACSA)

2. Cross-Border Road Transport Agency (C-BRTA)

3. Railway Safety Regulator (RSR)

4. Passenger Rail Agency of South Africa (PRASA)

5. Ports Regulator of South Africa

6. Road Traffic Infringement Agency (RTIA)

7. Road Traffic Management Corporation (RTMC)

8. Road Accident Fund (RAF)

9. South African National Roads Agency Limited (SANRAL)

10. South African Maritime Safety Authority (SAMSA).

The report details an analysis on how the Department plans to execute its mandate in the 2017/18 financial year through information accessed through:

• The Department of Transport’s Revised Strategic Plan and APPs for 2017/18;

• The revised Strategic Plans and the 2017/18 Annual Performance Plans of the entities that fall under the Department of Transport; and

• The report of the Auditor-General of South Africa on the review of the APPs of the Department and its entities.

**2. ANALYSIS AND SUMMARY OF THE 2017/18 ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF TRANSPORT**

The Constitution of the Republic of South Africa, 1996, identifies the legislative responsibilities of different tiers of Government pertaining to airports, road traffic management and public transport. In addition, the 1996 White Paper on National Transport Policy defines the different sub-sectors in the transport sector. Broadly, these are the infrastructure and operations of rail, pipelines, roads, airports, harbours and intermodal operations of public transport and freight. The Department of Transport (hereinafter referred to as “the Department”) is responsible for the legislation and policies for all these sub-sectors.

For the intermodal functions of public transport and freight, the guiding documents are the National Land Transport Act (No. 5 of 2009), the Public Transport Strategy, 2007 and the National Freight Logistics Strategy, 2005. The Department is mandated to conduct sector research and formulate legislation and policy to set the strategic direction of these sub-sectors. Furthermore, it is entrusted with assigning responsibilities to public entities and other tiers of Government. The Department also regulates the transport sector through the setting of norms and standards, as well as the monitoring of their implementation.

Transport is a function that is legislated and executed at the national, provincial and local tiers of Government. The implementation of transport functions at the national sphere takes place through public entities. For 2017/18, the budget allocation of the Department stands at R59.8 billion, up from R56.3 billion allocated to it in 2016/17. This translates into an increase of 6.2% in nominal terms, but a decrease of 0.1% in real terms (when taking cognisance of inflation).

* 1. **Organisational Structure of the Department**

In an endeavour to discharge its mandate, the Department is structured as follows:

* Programme 1: Administration;
* Programme 2: Integrated Transport Planning;
* Programme 3: Rail Transport;
* Programme 4: Road Transport;
* Programme 5: Civil Aviation Transport;
* Programme 6: Maritime Transport; and
* Programme 7: Public Transport.
  1. **Strategic Outcome-Oriented Goals of the Department**

The strategic outcome-oriented goals of the Department are as follows:

* Efficient and integrated infrastructure network and operations that serve as a catalyst for social and economic development;
* A transport sector that is safe and secure;
* Improved rural access, infrastructure and mobility;
* Improved public transport services;
* Increased contribution to job creation;
* Increased contribution of transport to environmental protection; and
* Effective and efficient management and support.
  1. **Programme and Sub-Programme Plans (Quarterly Targets)**
     1. **Programme 1: Administration**

**Strategic Objective: Enhance socio-economic transformation of the transport sector**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Status report on the transport sector socio-**  **economic empowerment**  **programmes for Gender, Disability, Youth and Children (GDYC) developed** | Status report of the transport sector socio-economic empowerment programmes developed | R150 | Conduct stakeholder consultations and compile a Draft status report | Submit and present the Draft status report to the DoT Executive Committee (EXCO) for quality assurance | Consider and incorporate EXCO inputs and recommendations | - |

**Strategic Objective: Enhance socio-economic transformation of the transport sector**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Number of Community Outreach Campaigns conducted on GDYC** | Nine (9) Community Outreach Campaigns conducted | R1 000 | Conduct one (1) Community Outreach Campaign | Conduct three (3) Community Outreach Campaigns | Conduct two (2) Community Outreach Campaigns | Conduct three (3) Community Outreach Campaigns |

**Strategic Objective: Provide strategic support to corporate services**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **DoT Human Resources Development (HRD) Strategy Framework implemented annually** | HRD implemented | Operational Budget | Compile a Monitoring Report on the Implementation of the 2016/17 HRD Framework | - | - | - |
| Develop and ensure approval of the 2017/18 HRD Plan | Monitor and ensure 50% implementation of the 2017/18 HRD Plan | Monitor and ensure 80% implementation of the 2017/18 HRD Plan | Monitor and ensure 100% implementation of the 2017/18 HRD Plan |

**Strategic Objective: Ensure good governance and a sound internal control environment**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Financial governance compliance and control improved** | Action plans to address audit findings developed and monitored | Operational Budget | - | Develop action plans to address audit findings and monitor progress | Monitor progress on the implementation of action plans | Develop the annual report on the implementation of action plans |

**2.3.2 Programme 2: Integrated Transport Planning**

**Strategic Objective: Facilitate integrated macro-transport systems planning to guide investments in the sector**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Roll-out of 10 National Transport Master Plan (NATMAP) interventions by March 2019** | Implementation of ten (10) NATMAP 2050 Priority Pilot projects monitored | Operational Budget | Develop Performance Monitoring Framework | Conduct Performance Monitoring on four (4) prioritised pilot projects | Conduct Performance Monitoring on four (4) prioritised pilot projects | Conduct Performance Monitoring on two (2) prioritised pilot projects |
| **White Paper on the National Transport Policy submitted to Cabinet by March 2018** | Final revised White Paper on the National Transport Policy submitted to Cabinet | Operational Budget | Publish Draft Revised White Paper on the National Transport Policy in the Government Gazette | Submit the White Paper on the National Transport Policy to the Department of Planning, Monitoring and Evaluation (DPME) for Socio-Economic Impact Assessment System (SEIAS) | Submit the White Paper on the National Transport Policy to the Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster | Submit the White Paper on the National Transport Policy to Cabinet |

**Strategic Objective: Promote national, regional and continental integration of transport infrastructure and operations**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Implementation of the Road Freight Strategy monitored** | Road Freight Strategy Implementation Plan developed | Operational Budget | - | Develop Road Freight Strategy Implementation Plan | Conduct stakeholder consultations on the Road Freight Strategy Implementation Plan | Consolidate stakeholder inputs and finalise the Draft Implementation Plan |

**Strategic Objective: Enhance socio-economic transformation of the transport sector**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Single Transport Economic Regulator (STER) Bill submitted to Cabinet by March 2018** | STER Bill submitted to Cabinet | Operational Budget | Submit the Draft STER Bill to Cabinet for approval to gazette for public consultations | Publish the STER Bill in the Government Gazette | Consider and incorporate inputs into the Draft STER Bill | Submit the Draft STER Bill to Cabinet |

**Strategic Objective: Reduce Greenhouse Gas emissions**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Green Transport Strategy submitted to Cabinet by March 2018** | Green Transport Strategy submitted to Cabinet | Operational Budget | Publish the Draft Green Transport Strategy in the Government | Submit the Draft Green Transport Strategy to the DPME and SEIAS assessment | Submit the Green Transport Strategy to the ESEID Cluster | Submit the Draft Green Transport Strategy to Cabinet |

**2.3.3 Programme 3: Rail Transport**

**Strategic Objective: Enhance performance, efficiency and reliability of the rail transport sector**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **White Paper on the National Rail Policy submitted to Cabinet by March 2018** | White Paper on the National Rail Policy submitted to Cabinet | R2 406 | Submit the National Rail Policy to DPME for SEIAS assessment | Submit the Draft White Paper on the National Rail Policy to the ESEID Cluster | Consolidate inputs and update the Draft White Paper on the National Rail Policy | Submit the Draft White Paper on the National Rail Policy to Cabinet |

**Strategic Objective: Enhance performance, efficiency and reliability of the rail transport sector**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **National Rail Bill submitted to Parliament by March 2019** | National Rail Bill submitted to the ESEID Cluster | Operational Budget | Conduct stakeholder consultations on the National Rail Bill | Conduct stakeholder consultations on the National Rail Bill | Submit the National Rail Bill to DPME for SEIAS assessment | Submit the National Rail Bill to ESEID Cluster |

**Strategic Objective: Regulate and enhance transport safety and security**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Railway Safety Regulator Amendment Bill submitted to Parliament by March 2019** | Draft Railway Safety Regulator Amendment Bill submitted to the ESEID Cluster | R1 654 | Conduct stakeholder consultation on the Draft Railway Safety Regulator Amendment Bill | Consider and incorporate inputs on the Railway Safety Regulator Amendment Bill | Submit the Draft Railway Safety Regulator Amendment Bill to DPME for SEAIS assessment | Submit the Draft Railway Safety Regulator Amendment Bill to the ESEID Cluster |

**2.3.4 Programme 4: Road Transport**

**Strategic Objective: Ensure a sustainable transport infrastructure network**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Access Road Development Plan submitted to Cabinet by March 2019** | Conduct stakeholder consultations on the Draft Access Road Development Plan | Operational Budget | Conduct stakeholder consultations with provincial departments on the Draft Access Road Development Plan | Conduct stakeholder consultations with key municipalities on the Draft Road Access Development Plan | Conduct stakeholder consultations with sector departments on the Draft Access Road Development Plan | Incorporate inputs and consolidate the Draft Access Road Development Plan |

**Strategic Objective: Ensure a sustainable transport infrastructure network**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Construction and maintenance of provincial roads monitored in line with the approved budget** | Overall implementation of the *S’hamba Sonke* Programme (SSP) monitored in line with the Provincial Roads Maintenance Grant (PRMG) budget | R17 347 | Monitor implementation of the SSP through site inspections, bilateral consultations, and compile progress report | Monitor implementation of the SSP through site inspections, bilateral consultations, and compile progress report | Monitor implementation of the SSP through site inspections, bilateral consultations, and compile progress report | Monitor implementation of the  SSP through site  inspections, bilateral  consultations, and  compile progress report |

**Strategic Objective: Regulate and enhance transport safety and security**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **The 2016-2030 National Road Safety Strategy submitted to Cabinet by December 2017** | 2016-2030 National Road Safety Strategy submitted to Cabinet | Operational Budget | Submit the National Road Safety Strategy to the DPME for SEAIS assessment | Submit the 2016-2030 National Road Safety Strategy to the ESEID Cluster | Submit the 2016-2030 National Road Safety Strategy to Cabinet |  |

**2.3.5 Programme 5: Civil Aviation Transport**

The following targets under the Civil Aviation Transport programme have been revised:

|  |  |
| --- | --- |
| **Initial Target** | **Revised Target** |
| Airports Company South Africa (ACSA) and Air Traffic Navigation Services (ATNS) Amendment Bills submitted to Cabinet by March 2017 | ACSA Amendment Bill and ATNS Amendment Bill submitted to Cabinet by March 2018 |
| Amendment Bill for the rationalisation of the Air Services Licensing Act and the International Air Services Act submitted to Cabinet by March 2017 | Air Services Licensing and International Air Services Amendment Bill submitted to Cabinet by March 2019 |
| South African Civil Aviation Authority (SACAA) Amendment Bill submitted to Cabinet by March 2017 | Civil Aviation Amendment Bill submitted to Cabinet by March 2019 |

**Strategic Objective: Regulate and enhance transport safety and security**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Civil Aviation Amendment Bill submitted to Cabinet by March 2018** | Civil Aviation Amendment Bill submitted to Cabinet | Operational Budget | - | Submit the Aviation Amendment Bill to DPME for SEIAS assessment | Submit the Civil Aviation Amendment Bill to the ESEID Cluster | Submit the Civil Aviation Amendment Bill to Cabinet |

**2.3.6 Programme 6: Maritime Transport**

The following target has been revisited:

|  |  |
| --- | --- |
| **Initial Target** | **Revised Target** |
| Merchant Shipping Bill (2016) submitted to Cabinet by March 2016 | Merchant Shipping Bill submitted to Cabinet by March 2018 |

**Strategic Objective: Regulate and enhance transport safety and security**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Merchant Shipping Bill submitted to Cabinet by March 2018** | Merchant Shipping Bill submitted to Cabinet | R1 103 | Develop the Draft Merchant Shipping Bill | Submit the Draft Merchant Shipping Bill to DPME for SEIAS assessment | Submit the Draft Merchant Shipping Bill to the Forum of South African Directors-General (FOSAD) Clusters | Submit the Draft Merchant Shipping Bill to Cabinet |

**2.3.7 Programme 7: Public Transport**

**Strategic Objective: Promote sustainable public transport**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Implementation of the revised Taxi Recapitalisation Programme (TRP) monitored** | Implementation Plan of the new TRP developed | Operational Budget | Develop Technical Specifications | Develop Inception Report | Draft design of the new TRP | Develop Implementation Plan of the new TRP |

**Strategic Objective: Promote sustainable public transport**

| **Programme Performance Indicator** | **Annual Target 2017/18** | **Allocated Budget ‘000** | **Quarterly Targets** | | | |
| --- | --- | --- | --- | --- | --- | --- |
| 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| **Integrated Public Transport Networks (IPTNs) funded and monitored in selected cities** | IPTNs monitored in selected cities (Ekurhuleni, Mbombela, Nelson Mandela Bay, Johannesburg, Cape Town, George and Tshwane) | Operational Budget | Fund and monitor implementation of seven (7) IPTNS | Fund and monitor implementation of seven (7) IPTNS | Fund and monitor implementation of seven (7) IPTNS | Fund and monitor implementation of seven (7) IPTNS |

1. **REVIEW OF 2017/18 DRAFT APP OF THE DEPARTMENT OF TRANSPORT BY THE AUDITOR-GENERAL OF SOUTH AFRICA**

The Auditor-General of South Africa on 2 May 2017 briefed the Committee on the scope of the review of the 2017/18 draft APP of the Department. The review assessed the process followed by the Department to prepare and submit strategic plans and APPs, as well as the measurability and relevance of the final draft indicators and targets planned for selected programmes. The review of the past 3 years in audit outcomes indicated that there has been a regression in the area of reliable performance reporting in the Department. Annual performance plans of PRASA, RSR, SAMSA and SANRAL also contained targets that were not specific, time bound and verifiable. Achievements reported by PRASA, RSR, RTIA and SAMSA were either incorrect or not supported by appropriate sufficient evidence to confirm the accuracy and reliability thereof.

**3.1 Preliminary review of the 2017/18 APP**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Indicator** | **Annual target** | **APP**  **Q2, Q3 & Q4** | **Observation** | **Amendments by management** |
| **Targets not specific and measurable** | | | | | |
| Programme 2: Integrated Transport Planning | Roll-out of 10 NATMAP 2050 interventions by March 2019 | Implementation of ten (10) NATMAP 2050 Priority Pilot Projects monitored | Q2: Conduct Performance Monitoring on four (4) prioritised projects  Q3: Conduct Performance Monitoring on four (4) prioritised projects  Q4: Conduct Performance Monitoring on two (2) prioritised projects | Neither the APP nor the TIDs defines the priority projects that will be rolled out and monitored.  This makes it impossible to measure achievement at the end of any quarter or at year end. | Yes.  The Technical Indicator Description was amended to specify the priority projects to be implemented in each of the quarters i.e. 2, 3 and 4. |
|  | Regional Transport Market Access Strategy developed by March 2018 | Draft Regional Transport Market Access Strategy developed | Q3: Conduct a benchmarking exercise towards the Draft Regional Transport Market Access Strategy of SA | Target is not specific as information to be used as the benchmark is not defined. It would be difficult to determine whether the target was achieved if it is not specific. | Yes.  The Technical Indicator Description was updated to include the method of benchmarking, criteria for identifying member states for the benchmarking exercise and the members states identified. |
| Programme 3: Rail Transport | National Rail Bill submitted to the Cabinet by March 2019 | National Rail Bill submitted to the ESEID Cluster | Q1 & Q2: Conduct stakeholder consultation on the Draft National Rail Bill | Targets are not specific as stakeholders to be consulted are not defined. It would be impossible to measure quarterly achievements if the targets are not specific. | Yes.  Stakeholders have been included in the final Technical Indicator Descriptions, making the achievement of the targets measurable and well defined. |
| Programme 4: Road Transport | Access Road Development Plan submitted to Cabinet by March 2019 | Comprehensive stakeholder consultations conducted on the draft Access Road Development Plan | Conduct stakeholder consultations on the draft Access Road Development Plan  Q1: relevant provincial departments  Q2: relevant municipalities  Q3: relevant sector departments | Targets are not specific as stakeholders to be consulted are not defined. The targets are therefore not measurable as the desired level of achievement is unknown | Yes.  The final Technical Indicator Descriptions define the stakeholders for consultation in all the quarters, making the target specific and measurable. |
|  | Construction and maintenance of provincial roads monitored in line with the approved budget | Overall implementation of the SSP monitored in line with PRMG budget | Q1, Q2, Q3 & Q4: Monitor implementation of the SSP through the site inspections, bilateral consultations and compile progress report | In all four quarters, the TID does not define the parties involved in the bilateral consultations. Further there is no indication of which sites will be visited. It would be impossible to measure quarterly achievements if the targets are not specific. | Yes.  The final Technical Indicator Descriptions define the stakeholders for consultation in all the quarters, making the target specific and measurable. |
|  | Draft Bill for Founding legislations of road entities submitted to Cabinet by March 2020 | Review founding legislations of road entities conducted | Q1: Conduct status qou analysis of founding legislations of road entities | Target is not specific as road entities to be consulted are not defined. The target is therefore not measurable as the desired level of achievement is unknown  It is not clear whether the consultations will take place with all road entities. | Yes.  The final Technical Indicator Descriptions define the road entities that will be consulted, making the target specific and measurable. |
| Programme 7: Public Transport | Implementation of the National Land Transport Amendment Act monitored | Develop draft regulations for the Land Transport Amendment Act | Q3: Conduct public consultations of the draft Regulations through the Gazette process | Target is not specific as it is not defined who the consultations will be conducted with. | Removed from the APP.  Removal of this indicator may result in the Department not meeting its mandatory requirements. |
|  | Transport Appeal Tribunal (TAT) Amendment Bill submitted to Cabinet by March 2019 | Develop draft Transport Appeal Tribunal (TAT) Amendment Bill | Q3: Conduct public consultations of the draft TAT Amendment Bill through the Gazette process | Target is not specific as it is not defined who the consultations will be conducted with. | Yes.  The final Technical Indicator Descriptions define the stakeholders that will be consulted, making the target specific and measurable. |

1. **OBSERVATIONS**

The Committee commended the Department on the improvement in targets and indicators set by it through consultations with the Auditor-General of South Africa. It further noted the following observations regarding the revised Strategic Plans and the 2017/18 APPs of the Department and its public entities:

**4.1 Consultations with stakeholders**

The Department did not indicate the stakeholders that it plans to consult during the First Quarter with a view to developing the status report on the transport sector socio-economic empowerment programmes for Gender, Disability, Youth and Children (GDYC).

**4.2 NATMAP 2050**

The Department plans the roll-out of 10 prioritised NATMAP pilot projects.

**4.3 *S’hamba Sonke***

The Committee noted the targets set by the Department for the overall implementation of the *S’hamba Sonke* programme, monitored in line with the Provincial Roads Maintenance Grant (PRMG) budget.

The Committee noted the perception that some provincial departments no longer allocate funds towards the maintenance of their roads but would rather merely rely on the funds coming from the allocated PRMG.

**4.4 Skewed allocation of subsidies**

The Committee noted the skewed subsidisation of the various modes of public transport, the perceived skewed subsidisation between rail transport modes, as well as the glaring differences in allocations for public transport to various municipalities. The Committee further noted that the minibus taxi industry remains unsubsidised despite the volumes of passengers which it transports on a daily basis. The Committee was of the view that the subsidisation model should allow for the inclusion of all of the public transport modes and that there should be a move towards ensuring that the model leans towards the subsidisation of the user or passenger instead of the operator.

**4.5 Matters raised by the AGSA**

The Committee noted with concern that the Auditor-General of South Africa found that, in a review of the past 3 years in audit outcomes, there has been a regression in the area of reliable performance reporting in the Department. Annual performance plans of PRASA, RSR, SAMSA and SANRAL also contained targets that were not specific, time bound and verifiable. Achievements reported by PRASA, RSR, RTIA and SAMSA were either incorrect or not supported by appropriate sufficient evidence to confirm the accuracy and reliability thereof.

The Committee was of the view that these issues must be addressed by the Department through oversight over its entities.

**4.6 Consequence Management**

The Committee noted with concern the apparent lack of consequence management by the Department and its entities. The Committee was of the view that the Department should improve its consequence management, as well as its oversight over its entities.

1. **RECOMMENDATIONS**

The Committee recommends that the Minister of Transport ensures that**:**

**5.1 Consultations with stakeholders**

The Department provides the Committee, prior to the presentation on the First Quarter performance, with information on the stakeholders that it plans to consult in each of the targets where they have indicated that stakeholder consultation is to take place. It should further indicate the criteria that will be used to select these stakeholders and indicate whether the criteria took cognisance of the rural/urban divide.

The Department should, for all targets regarding the consultation with stakeholders, wherever it intends to or is required to consult with stakeholders, either identify the applicable grouping or category of stakeholders or state the specific stakeholders where the target allows for this.

**5.2 NATMAP 2050**

The Department gives a comprehensive briefing to the Committee on the NATMAP including the pilot projects.

**5.3 *S’hamba Sonke***

The Department regularly monitors and evaluates the implementation of the PRMG with a view to ascertaining whether the Grant is used for its intended purpose and whether the Department receives value for money**.** The Department should further do quarterly presentations to the Committee on the manner in which it monitors the implementation of this grant, as well as the programme targets set for the 2017/18 financial year.

The Department should provide the Committee with a comprehensive progress report on the implementation of the *S’hamba Sonke* Programme stretching from 2014 to date, indicating whether the projects budgeted for under this programme have been successfully finalised, with a view to enabling the Committee to conduct oversight over these areas so that it can ascertain, inter alia, whether there is value for money.

**5.4 The National Road Safety Strategy**

Given the persistent carnage on the country’s roads, the Department should continuously monitor whether the road safety programmes or strategies implemented by the RTMC and RTIA are yielding positive results.

The Department provides the Committee with a comprehensive briefing on the National Road Safety Strategy, once approved by Cabinet.

**5.5 Human Resources**

The Department should continue engagements with National Treasury in order to ensure that all critical vacant posts are filled with suitably skilled employees.

**5.6 Skewed Public Transport Subsidies**

The Department should make a presentation to the Committee which indicates what methodology is used to determine the allocation of public transport subsidies, what rationale is followed in the differentiation between subsidisation of the different public transport modes and the different allocations to municipalities, as well as why some modes of public transport are excluded from being subsidised.

The Department should also ensure that a presentation is done to the Committee on the BRT Report from Municipalities currently implementing such systems or in the process of planning to implement such a system.

**5.7 Moloto Corridor**

The Department, along with SANRAL and PRASA, should provide the Committee with a comprehensive progress report on the 2017/18 implementation of theMoloto Corridor Project (both Road and Rail), followed by regular quarterly reports on the projects going forward, with a view to enabling the Committee to conduct oversight over this project so that it can ascertain, inter alia, whether there is value for money.

The Department should provide the Committee with a progress report specifically on the Moloto Rail Project, indicating the status of the Memorandum of Understanding with China, including the viability study report findings, as well as progress reports on the Environmental Impact Assessment Reports required for the project.

**5.8 Remedial action based on matters raised by the AGSA**

The Department should determine the cause of the regression in the area of reliable performance reporting of itself, as well as the identified entities. The Committee, in light of the AGSA remarks, recommends that the Department should insure closer co-operation with the Department, its entities and the AGSA in order to address these concerns prior to the final audit of the Annual Report, and make a presentation to the Committee on the strategy proposed to implement remedial action which will address these issues.

**5.9 Prioritisation of Consequence Management**

The Department should present an oversight plan to the Committee which it will implement over the entities to ensure that consequence management is implemented. It should further present on consequence management which it will be implementing internally on a quarterly basis.

Report to be considered.