**MINISTER FIKILE MBALULA AND PRASA BRIEFS SCOPA**

The Minister of Transport, Mr Fikile Mbalula along with the Passenger Rail Agency of South Africa’s (PRASA) officials appeared before the Standing Committee on Public Accounts (SCOPA) in parliament today, 05 February 2020.

The appearance was to brief the SCOPA on developments at the PRASA since the last appearance of November 2019. At the time, the Minister made an unequivocal commitment to take decisive action to turn PRASA around. The Minister outlined steps taken in intervening at the entity to stabilize operational performance in an urgent manner.

“We recognise the challenges and the crisis our rail agency is faced with and we are determined to address them. Following my last SCOPA appearance and from what transpired we elected to dissolve the Interim Board and place PRASA under administration. This was not an easy decision to make but was necessitated by the urgent need to tackle these challenges and get our trains back on track,” Minister Mbalula shared with SCOPA.

Minister Mbalula also took SCOPA in his confidence sharing the Shareholder Compact between him and the Administrator, which outlines in detail the terms of reference for his engagement.

Among the Administrator’s key priorities are the following:

• Addressing all matters raised in the Auditor-General’s report and ensure that there are no repeat findings.

• Accelerating interventions aimed at improving operational performance.

• Expediting implementation of the modernisation programme, with priority focus on fencing, signalling, perway and station upgrades.

• Rolling out security interventions across all corridors.

• Urgently developing capacity to manage PRASA’s capital programme, working with other state entities in the short term.

• Building capacity to support interventions aimed at recovering the system by establishing requisite supplier panels through competitive bidding or other means permissible.

• Attending to issues that require engagement with Transnet in order to unlock blockages that negatively affect operations.

• Ensuring effective consequences management and provide support to investigations currently underway by law enforcement authorities.

• Undertaking a review of PRASA’s organisational design and business model.

PRASA Administrator, Mr Mpondo took the Committee through his own diagnostic of the challenges at PRASA, the detail of the plan to turn the institution around and the progress he has made to date.

Minister Mbalula notes reports regarding civil society organisation United Behind’s court challenge of the appointment of the PRASA Administrator. The Minister is confident that decisions taken to address challenges at PRASA will withstand legal scrutiny. “It is unfortunate that our endeavours to bring about urgent stability and address critical challenges of rot, corruption and lack of proper governance at PRASA would be met with such challenge,” Minister Mbalula concluded.

**Ends**

**Issued by:**

**Department of Transport**