**REPORT OF THE SELECT COMMITTEE ON TRANSPORT, PUBLIC SERVICE AND ADMINISTRATION, PUBLIC WORKS AND INFRASTRUCTURE ON BUDGET VOTE 40: TRANSPORT AND ON THE STRATEGIC PLAN AND THE 2022-23 ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF TRANSPORT, DATED 18 MAY 2022**

The Select Committee on Transport, Public Service and Administration, Public Works Infrastructure, having considered the revised Strategic Plan, the Annual Performance Plan and Budget Vote 40: Transport, reports as follows:

**1. INTRODUCTION**

The Select Committee on Transport, Public Service and Administration, Public Works Infrastructure (the Committee) considered the 2022/23 budget of the Department of Transport (“the Department”) on 3 May 2022 in a joint meeting with the Portfolio Committee on Transport. In preparation for this report, the Committee was briefed on the revised Strategic Plan, 2022/23 Annual Performance Plan (APP) and 2022/23 Budget Allocations of the Department of Transport.

The Committee further engaged with the Road Accident Fund (RAF) on its 2022/23 APP and budget. The Committee could not engage with all of the Department’s entities prior to compiling this report due to limited meeting time before the scheduled Budget Vote Debate of the Department. However, it had received the Strategic/Corporate Plans and APPs from all the entities of the Department.

The report provides an overview of the 2022/23 budget and APP of the Department. It concludes by capturing the observations and recommendations.

**2. BUDGET FOR 2022/23**

For 2022/23, the Department receives R69.1 billion (excluding direct charges) – constituting 6.5% of the R1.1 trillion national budget vote.[[1]](#footnote-1) Nominally (without inflation), the Department’s budget increases by 5.7% from the previous financial year, and it increases by 1.1% when one takes cognisance of inflation (real terms). The significant increase is in the Rail Transport programme, which grows by 13.8% (above inflation), and increases nominally by 19% (without inflation). It is anticipated that the drastic increase in the Rail Transport programme is in line with the Department’s commitment to “addressing passenger rail challenges”, that it underscores as one of its policy priorities for 2022/23.[[2]](#footnote-2)

In terms of economic classification, transfers and subsidies comprise R67.7 billion (or 97.9%) of the departmental budget, and the bulk is allocated to the following bodies:[[3]](#footnote-3)

* Provinces and municipalities (R24.5 billion);
* Departmental agencies and accounts (R22.8 billion); and
* Public corporations and private enterprises (R19.9 billion).

The overall allocation to compensation of employees stands at R542.6 million, and remains unchanged as it was in the previous financial year (2021/22). This year, expenditure on consultants (business and advisory services) is set to increase from R417.8 million in 2021/22 to R456 million in 202223. The exponential increase in the use of consultants (business and advisory services) is in the Administration Transport programme that increases from R3.5 million in 2021/22 to R13.1 million in 2022/23, translating into an increase of 73.3%. The increase in the use of consultants in the programme is attributed largely to the increases in spending for the consultants to assist the Department in acquiring the services for the private-public partnership for its long-term accommodation and the finalisation of its document management system.[[4]](#footnote-4)

The Public Transport programme continues to have the biggest funding for the use of consultants, which increases from R250.6 million previously, to R264.3 million in 2022/23 (or 5.2% in real terms).

**3.** **COMMITTEE OBSERVATIONS**

Members made the following observations during discussions:

3.1 There is still a concern from the Committee regarding the slow filling of vacancies in Boards and senior management positions for the entities as well as the Department.

3.2 The Committee previously raised its concern with the Department that critical pieces of legislation were planned and/or submitted to Parliament late in its term and that the continuation of this will lead to the Committee and Parliament practically not being able to thoroughly interrogate the legislation with proper public participation in both Houses to bring the documents to finality.

3.3 The poor state of the provincial and municipal roads and apparent lack of routine maintenance of these roads to and from strategic economic nodes was appalling.

3.4 The reintroduction of passenger rail services to strategically significant routes was noted as well as reports of extensive flood damage to rail infrastructure in KwaZulu-Natal, but the Committee was of the view that more should be done to bring the full system back online as well as ensuring that passenger rail services is re-introduced from Msunduzi to eThekwini.

3.5 Continued delays in the printing and delivery of driving licence cards, along with breakdowns of the printing machine, proposals to introduce a new card format and interruptions/failures of the online booking systems were noted and the Department was requested to give honest feedback to the Committee on the backlog and system failures for the issuing of driving licence cards.

**4. COMMITTEE RECOMMENDATIONS**

The Committee recommends that the Minister, through the Department, should ensure the following:

4.1 The Department should give a quarterly update on the filling of vacancies in senior positions within the Department and its entities.

4.2 The Department should do its best to submit all planned legislation to Parliament by no later than the last quarter of year three (3) or at the latest by the first quarter of year four (4) of their Strategic Plans.

4.3 The Department must provide quarterly reports on the various municipal, provincial and national projects with the specific focus on pothole repairs. This report should also include the available platforms or methods for reporting potholes to the responsible sphere, the quarterly expenditure on pothole specific repairs, any public-private partnership or community partnerships in place for ensuring pothole repairs as well as the legal or departmental expenditure by each sphere on claims against the sphere for vehicle damage or personal injury claims due to potholes.

4.4 The Department and the Passenger Rail Agency of South Africa (PRASA) must provide quarterly reports on progress with bringing the full passenger rail service back online as well as the progress with new train roll-out and depot finalisation to store these trains safely. This report must also contain information on the appointment and roll-out of the security plans to prevent vandalism of, theft of and encroachment onto PRASA infrastructure and rail reserves.

4.5 The Department and the Driving Licence Card Account (DLCA) must provide quarterly reports on progress with narrowing the backlog of driver licence card production as well as progress on the Cabinet process towards the new card format.

The Committee recommends that the Council approve the budget of the Department of Transport. [The DA reserved its position on the report and abstained.]

Report to be considered.

1. National Treasury (2022). [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. Department of Transport (2022a), p. 100. [↑](#footnote-ref-4)