**MEDIA STATEMENT**

**COMMITTEE CALLS ON PRASA TO WORK WITH OTHER ROLEPLAYERS FOR RESETTLEMENT OF PEOPLE LIVING ON RAIL CORRIDORS**

**Parliament, Wednesday, 22 June 2021** – The Select Committee on Transport, Public Service and Administration and Public Works and Infrastructure was today briefed by the Passenger Rail South Africa (PRASA) on the progress in the modernization of passenger rail and rehabilitation of the passenger rail network in 10 priority corridors.

The Chairperson of the Committee, Mr Kenny Mmoiemang, said that the committee appreciated the presentation as it now understands better the issues affecting the Modernisation Programme. The issues include the rolling stock general overhaul, the fleet renewal programme and the massive budget required for the signalling and communications.

The committee also received an update on the status of the rehabilitation of the passenger rail network which included the challenges that PRASA faces  such as the securing and protection of their assets, reconstruction of corridors and the resumption of train services to the level that is required. One of the biggest challenges PRASA faces is operational funding to sustain its  mandate.

The committee heard that four out of five contractors who were appointed are new entrants and therefore there is a need for them to be developed. The management of the life cycle of assets  requires individual coaches to undergo general maintenance every nine to ten years and therefore PRASA plans to refurbish at least 380-400 coaches per year for the next five years at a cost of approximately R7.5 billion.

The committee heard that the program will create 2000 direct jobs and each contractor must train at least 20 youth each year. Under the Rolling Stock Fleet Renewal Programme, 96 new trains have been provisionally accepted.

The committee noted the progress made in the Signalling and Communications program in Gauteng  at 99.13% , Western Cape  at 921.31 % and KwaZulu-Natal (KZN) at 73%. However, the committee raised its concern that the process of advertising and evaluation of a tender can take up to 2 years to be completed. PRASA had informed the committee that they are trying to shorten this time frame to 2 months.

PRASA reported that 18 out of the 40 corridors nationally are functional except for KZN where only three are functional due to the recent floods. PRASA told the committee that they need to relocate the people who are living on and along the corridors for the corridors to be fully functional and developed. The committee urged PRASA to work with the Department of Human Settlements and other roleplayers to ensure that the people are settled in areas that are economically and socially viable for them.

The committee has noted the sharp decline in revenue as a result of paying passengers from the R646 million in 2008/09 to R147 million in 2019/20. This has impacted on the budget for PRASA’s operational costs. The committee also noted that ticket prices were last increased in 2015 and the generated revenue is not sufficient and that renders PRASA unable to pay their creditors.

The committee heard that PRASA is unable to pay the R2.4 billion debt owed to Transnet and they have requested the Department of Transport and National Treasury to assist them in developing an approach to address this debt. PRASA told the committee that they require an allocation of R1billion a year over the next 3 years to be sustainable.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON TRANSPORT, PUBLIC SERVICE AND ADMINISTRATION AND PUBLIC WORKS AND INFRASTRUCTURE, MR KENNY MMOIEMANG.**

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