**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 2023-24 Annual Performance Plan of the Department of Transport, Dated 24 May 2023**

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

1. **INTRODUCTION**
	1. The Select Committee on Transport, Public Service and Administration, Public Works Infrastructure (the Committee) considered the 2023/24 budget of the Department of Transport (“the Department”) on 26 April 2023. In preparation for this report, the Committee was briefed on the revised Strategic Plan, 2023/24 Annual Performance Plan (APP) and 2023/24 Budget Allocations of the Department.
	2. In his introductory remarks Minister Mangcu highlighted the following:
2. The Department will be accelerating the attainment of the priorities of the 6th administration during the remainder of its term. Particular focus will be on the Passenger Rail Agency of South Africa (PRASA) rehabilitation and modernisation programme as well as the rolling stock renewal programme.
3. The Department will be taking an interventionist approach to addressing challenges in the roll-out of the Integrated Public Transport Network (IPTN). This will include the City Support Programme to build capacity and provide technical support to municipalities.
4. **Revised Strategic Plan and 2023/24 Annual performaNce plan**

2.1 Safety and security remain amongst the Department’s highest strategic and organisational goals. Over the Medium Term Expenditure Framework (MTEF) period the Department has targeted a 25% reduction (a reduction from 12 921 to 9 690) in road crash facilities.

2.2. A business plan / case and project plan for the transfer of the card production function from the Driver’s License Card Account (DLCA) to the Road Traffic Management Corporation (RTMC) was compiled and completed. A letter has been submitted to National Treasury (NT), supporting the dissolution of the DLCA, transfer of all assets and liabilities thereof into the RTMC. In addition to the Business Case, the Master Transfer Agreement, and Section 197 (of the Labour Relations Act, 66 of 1996) Staff Transfer Agreement between the DLCA and the RTMC have been signed by the Head of DLCA and RTMC CEO. Furthermore, a Business Case and Project Plan is currently being compiled for the rationalisation of RTMC and Road Traffic Infringement Agency (RTIA).

2.3. The Integrated Public Transport Networks (IPTN) for eight (8) cities (Cape Town, George, Ekurhuleni, Johannesburg, Tshwane, Nelson Mandela Bay, Polokwane and Rustenburg) are operational and are working towards expanding current services and increasing ridership volumes. The Department has earmarked for another four (4) IPTNs to become operational over the MTEF period.

2.4. For the 2023/24 financial year, a targeted 215 trains sets will be reconfigured and 192 coaches refurbished as part of the General Overhaul Programme. During the year an additional 25 Electric Multiple Unit (EMU) sets are to be deployed in priority corridors.

2.5. As part of its job creation focus of the Department, an intended 12 000 jobs will be created through the South African National Road Agency (SANRAL) Maintenance Programme and 3 000 direct jobs will be created through PRASA Infrastructure Programmes for the year. A further fifty (50) interns are to be employed and placed through the Department’s internship programme.

2.6. In respect of the Implementation of the Marine Transport Manufacturing Initiatives, the Department has targeted the generation of a R14.6 billion sector Growth Domestic Product (GDP) contribution and the creation of 5 000 jobs for the 2023/24 financial year.

1. **2023/24 Budget Allocation and Medium Term Expenditure Framework**
	1. The Committee requested the reason behind the significant decrease (32.3%) in the budget allocation for the Road Transport programme. The Department responded that a R23.7 billion provision was made for SANRAL during the 2022/23 financial year towards settling its debt associated with the discontinuation of the Gauteng Freeway Improvement Project. It was not necessary for such an allocation to be made under the Road Transport programme for the 2023/24 financial year.
	2. Transfers and subsidies account for an estimated 98 per cent (R255.3 billion) of the Department’s expenditure over the next 3 years. Of this, R155 billion is directed towards transport public entities and agencies to carry out their mandated functions, and R98.5 billion is transferred to other spheres of government with concurrent transport functions through the Provincial Roads Maintenance Grant (PRMG), the Public Transport Operations Grant (PTOG), the Public Transport Network Grant (PTNG) and the Rural Roads Asset Management Systems Grant (RRAMSG).
	3. Transfers to SANRAL is expected to increase at an average annual rate of 13 per cent from R22,895 billion in 2022/23 to R33,211 billion in 2025/26. The agency will utilise this allocation to maintain the national non-toll network, R3.9 billion for the N2 Road Wild Coast project, R2.9 billion for the R573 (Moloto Road) development corridor and R2.2 billion for the Gauteng freeway improvement project.
	4. R52 billion is allocated to the PRMG over the medium term. The refurbishment and rural bridges components of the grant provides for road refurbishment efforts and the construction of 96 rural bridges, for which R10.9 billion is earmarked. The RRAMSG is expected to increase at an average annual rate of 4 per cent and has been allocated R362 million over the medium term.
	5. The MTEF Focus Areas for the Department of Transport include cultivating an enabling environment for the maintenance national and provincial road networks, facilitation of an integrated road‐based public transport networks and revitalise passenger rail services. Critical issues for oversight include the allocation of R6.9 billion to PRASA for the implementation of its Rolling Stock Fleet Renewal Programme. R10.8 billion has been allocated under the PRMG as follows:
2. R6.8 billion toward addressing the refurbishment backlog of provincial roads;
3. R3.7 billion towards building rural bridges under the Welisizwe Rural Bridges Programme, and
4. R307 million towards costs for the repair of provincial roads in the Eastern Cape and KwaZulu-Natal damaged by the April 2022 floods.
	1. Scholar transport is only provided to students who have to walk 5km or more to school. Through the Shova Kalula Bicycle Distribution Programme, 8 000 bicycles will be distributed to provinces and schools to service learners where no public transport is available or who are not covered by scholar transport. The programme now also provides learners with protective clothing and minor repair kits.
5. **OBSERVATIONS AND KEY FINDINGS**
	1. The key transport safety concerns include over 12 000 (2019 baseline) road crash facilities occurring in the Country annually, theft and vandalism of key infrastructure (stations and railway lines), commuter safety, the continued use of unroadworthy, old taxis and scholar transport regulation.
	2. It is targeted that potholes reported through the SANRAL portal (part of the National “Vala Zonke” Pothole Repair Programme) are to be closed within 14 days. Based on the personal experience of the use of the portal, a Committee member could report that months have passed since a pothole has been reported without it being tended to. The Department reported that the system also depends on the involvement of municipalities and provincial departments responsible for roads.
	3. On 16 March 2023 it was reported that the Central Line in the Western Cape has partially opened. No undertaking has yet been secured from the Department of Human Settlements, the City of Cape Town and the Housing Development Agency in respect of the resettlement of people living along the Cape Town Central Line, in Langa, Philippi and Khayelitsha.
	4. The Department reported that delays in the implementation of Integrated Public Transport Networks (IPTN) are a result of protracted consultation with Taxi Operators in respect of the establishment of Vehicle Operating Companies. It is anticipated that the Mangaung and Rustenberg IPTN will commence with operations in May 2023 whereas the “Go – Durban” IPTN will commence with operations in June 2023.
	5. All three spheres of government have experienced difficulties in reducing road fatalities and the Department, together with the Department of Planning, Monitoring and Evaluation, is therefore commissioning an impact evaluation study of the National Road Safety Strategy.
	6. The deadline of January 2023 for the scrapping of illegally converted panel vans was not reached. A survey on the extent of illegal taxi operation has been conducted through which 299 370 vehicles on eNaTIS were cross matched with the 119 292 vehicles on the Operating Licence Administration System (OLAS) to determine the number of minibus vehicles without Operating Licences. The survey found that a total of 109 172 minibus vehicles provided a positive cross match, indicating 190 198 (64%) minibus vehicles that were unmatched and thus operating illegally.

* 1. The Department is currently consulting with the Taxi Industry on its intention to set a date in 2025 as the revised cut-off date for the scrapping of illegally converted panel vans and unsafe taxis. A large portion (approximately 40 000) of the taxi’s initially identified for the recapitalisation project were not operated with valid operating license, which is a requirement for recapitalisation.
	2. The License – card production machine is obsolete and prone to breakdowns and this poses a risk to the production of 6 500 000 license cards over the MTEF period. The Department is in the process of procuring a new machine.
	3. An assessment undertaken by the Department determined that three (3) provinces (Northern Cape, North West and Western Cape) did not have dedicated public transport law enforcement units.
1. **recommendations**

The Committee recommends that the Minister ensure that the Department:

* 1. Should not allocate its resources in a manner that is skewed toward certain provinces and neglects others. Projects servicing rural areas should be amongst the priority projects to be identified together with stakeholders during the 2023/24 financial year as part of the Regional Integration Strategy.
	2. Assist the cities of Msunduzi, Buffalo City and Mbombela in meeting the re-admission criteria of National Treasury so as to regain entry to the IPTN programme.
	3. Expedites the implementation of digital driving licenses.
	4. Enhances its efforts to increase the patrol of South Africa’s coastal borders. Porous borders allows for the illicit trade of goods and portrays a negative international image.
	5. Given the burden on the South African road network, the target of only 10% for freight moved from road to rail should be reviewed, with the intention of increasing the percentage.
	6. Should verify and test the “appetite” of the private sector to invest in rail infrastructure as part of the process of finalising the Rail Private Sector Participation (PSP) framework to be approved by Cabinet during 2023/24. The Committee cautioned against a scenario where little public investment is made in the hope that the Private Sector will make such investment.

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

Report to be considered.