

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2131 {295}**

**QUESTION:**

**2131 {295}.** **Ms O M C Maotwe (EFF) to ask the Minister of Public Enterprises:**

With reference to the Mining Indaba that was held in Cape Town earlier this year, wherein mining experts indicated that the mining industry had lost about R51 billion in 12 months because of Transnet’s inability to have functional railway lines and a sufficient number of working locomotives, and in view of the recent announcement by Transnet that they have suspended loading in Durban and the Reef because of network unavailability, which may cause further problems, what (a) is the full nature of the problems at Transnet that prevent them from functioning at optimal capacity and (b) steps has he taken to resolve the specified problems?

**REPLY:**

**According to the information received from Transnet**

1. Transnet Freight Rail faces three major challenges that impact its ability to deliver reliable rail services to all its customers on virtually all the corridors, with some more impacted than others.
   1. **Locomotive** availability and reliability have decreased significantly on all the key corridors but especially on the North and North-East corridors that primarily rails coal, chrome and magnetite. In 2017/18 when TFR railed 226 million tonnes (mt), TFR had a total of 2215 locomotives available whereas in 2022/23 it has 1533 locomotives available and 364 so called long-standing locomotives at the end of May 2023.

The tender to return to service the long-standing locomotives has closed with Alstom and Wabtec proposing a return to operations schedule for the speedy return to service of their locomotives. Negotiations with CRRC loco are ongoing. The impact of reduced locomotive availability is estimated to cost TFR approximately R16 million per day in lost revenue.

* 1. **Infrastructure:** Systemic underinvestment over the years has resulted in decreased reliability of infrastructure leading to increased derailments and speed restrictions that reduce available capacity on rail. To ensure the availability of cash to fund the maintenance of infrastructure, TFR is working on submitting an application to the interim rail regulator for full cost recovery tariffs. Furthermore, Transnet has taken the decision for TFR to exit all loss-making flows to ensure the profitability of all corridors. Lastly the operating lease on the container corridor is intended to curtail the losses on this corridor.

1.3 **Security:** Crippling theft & vandalism of key infrastructure and locomotives resulting in significant operational disruptions and additional unbudgeted costs associated with these repairs further reducing the funds available for scheduled maintenance. During the Covid shutdown period theft of copper cable escalated significantly. During the period 2016/17 to 2021/22, security related incidents increased by 179%.

TFR implemented various security initiatives ranging from the introduction of drones to support surveillance, customer partnerships to increase the deployment of security resources, specialised task teams in identified hotspot areas and various other initiatives that resulted in a 30% reduction in cable theft incidents during the 2022/23 financial year. Notwithstanding the improvement over the past year, the incidents remain high. Over 1000 km of copper cable was stolen during the 2022/23 financial year, costing TFR R310m to replace which is a reduction from the loss of nearly 1500km the previous year at a replacement cost of R462 million.

In 2021/22 and 2022/23, the majority (44% and 39%) of the cable theft incidents occurred on the Container Corridor. The scale of the theft of Overhead Track and Equipment (OHTE) is also the highest on the Container Corridor – 522km for the past year compared to an average of 130km per corridor for the rest of the system. During May 2023, the Container Corridor was severely impacted by unprecedented levels of theft and vandalism, resulting in a significant loss in available capacity. The situation was further exacerbated by the heavy rains during the same period that made repairing the network difficult. Operations have since resumed and improved following the implementation of additional security measures. TFR security has deployed ground forces in the targeted hotspot areas. This is an interim measure as engagements continue with law enforcement agencies to assist in the policing of the rail infrastructure.

TFR in isolation is not able to deal with the theft and vandalism of the rail infrastructure and made recommendations via the Industry Crime Forum (ICF) to the Non-Ferrous Metal Crime Combating Committee (NFMCCC) to support the following recommendations to the Natjoint:

* 1. The establishment of a dedicated crime court for criminal matters involving essential infrastructure,
  2. The establishment of dedicated specialised essential infrastructure task team (EEIT) units in each of the provinces, which includes members from visible policing, crime intelligence, and crime detection, dedicated to the protection of essential infrastructure and;
  3. For every SAPS station nationally to make available a dedicated small unit from visible policing, crime intelligence, and crime detection to focus on essential infrastructure related crime.

1. **Security:** the tender of Outcomes based Security closed with the roll out beginning shortly. In the case of the container corridor, given the potential operating lease, TFR has commenced the process to identify an Outcome Based Security service provider for 1 year on the Container Corridor.

**Remarks: Reply: Approved / Not Approved**

**Jacky Molisane P J Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**