

KWAZULU-NATAL DEPARTMENT OF TRANSPORT BUDGET SPEECH 2000

Presented by the Honourable Minister of Transport, Mr Sibusiso Ndebele

INTRODUCTION

Mr Speaker, Honourable Members, Honoured guests, Members of the media,

The government of KwaZulu-Natal was constituted on 18 June 1999.

This followed a punishing election campaign and a gruelling round of negotiations to reach coalition.

A fortnight after the establishment of the government in this province, I was in a supermarket in Johannesburg. I became apprehensive as I saw two African members of staff pointing at me. Clearly I was the subject of their discussion.

One of them, an old man of about 55 years, approached me and shook my hand. He congratulated me profusely, saying that I had no idea – how much what we had done in KwaZulu-Natal, had restored their self respect as a people of our province. He was from Nongoma.

The woman joined us, adding her words of support. She said that she came from KwaMashu.

Her words, were, “with you working together in KwaZulu-Natal, we can now rest. We can visit our families in the province in peace, and we can live peacefully here in Gauteng.”

Together, they explained to me that when any violent conflict breaks out in KwaZulu-Natal, it is immediately translated to those living and working in Gauteng.

No matter how peacefully they were staying in Gauteng at any time, there was always the fear that violence in KwaZulu-Natal would translate to violence in Gauteng. And vice versa.

This convinced me more than ever that the first delivery in KwaZulu-Natal must be peace.

Without peace, “it is vanity of vanities,”. All is vanity. (Ecclesiastes 1:2)
The drive to establish peace must be relentless.

Where peace is unknown
Make it welcome
Where peace is fragile
Make it strong
Where peace is temporary
Make it permanent

The Indicator South Africa, volume 16 no 4 of 1999, published by the University of Natal, reported the results of two opinion surveys. The first survey, conducted in April 1999, concerned the role of opposition parties in the political process. The second survey, conducted in August 1999, was on popular opinions concerning coalition government in KwaZulu-Natal.

I draw your attention to the key findings of the second survey:

- On the question as to whether the ANC and IFP should govern in coalition, or whether only one party should govern the province, 68% of respondents answered in favour of coalition.
- 72% of IFP, and 77% of the ANC supporters, recorded the highest level of support for the coalition government. 51% of DP, and 37% of NNP supporters, were in favour of coalition.
- On the question of whether or not the ANC-IFP coalition would promote peace in KwaZulu-Natal, 86% of IFP supporters agreed, 76% of ANC supporters agreed, 64% of DP supporters agreed, and 40% of NNP supporters agreed. Only UDM supporters, with 21%, were pessimistic concerning the ANC-IFP coalition government promoting peace.
- On the question of the coalition government positively influencing development, 89% of IFP supporters were optimistic, followed by ANC – 85%, DP – 64%, NNP – 46% and the UDM – 21%.

To sum up, the survey concluded that “the majority of respondents agreed that coalition government is a good thing that it will promote peace and development(and) that they were very positive about the expected performance of provincial government during the current term.

While only 53% approved of the performance of provincial government between 1994 and 1999, a high 75% expected better performance in the next five years.”

Clearly the KwaZulu-Natal public has faith in our coalition government and believes that it can achieve lasting peace and sustainable development. They know – and we know – that without peace, there will be no development – and that without development, there will be no lasting peace.

With peace, there is no reason why development programmes cannot be initiated to assist communities in all the regions and districts in KwaZulu-Natal.

The survey located the KwaZulu-Natal Coalition Government firmly within an African model of democracy that prioritises concrete economic performance, ahead of more abstract political issues. The conclusions of the survey resonate with what President Mbeki has always emphasised for our African Renaissance. Namely that political liberation, without economic liberation, might not in itself be sufficient to sustain our democracy.

Our South African history is one in which Black South Africans were systematically denied full participation in the economy. It is not surprising then, that the majority of South African citizens now look to their democratically elected government to deliver on economic issues. It is President Mbeki’s profound understanding of the need to narrow the gap between rich and poor that now labels him Mr Delivery.

We in this house fully appreciate that the majority of our KwaZulu-Natal citizens are considered poor.

- It is this majority that voted in our coalition government.
- It is this majority that believes that our coalition government can deliver its mandate of lasting peace and sustainable development.
- It is this majority that expects us as government to prioritise our budgets to shift resources towards those programmes that have most meaning in the lives of resource-poor communities.

Coalition governments work if the parties involved fully understand that it is agreed upon programmes of government, and their adherence to these, that binds them. It is usual for coalition

governments all over the world to allocate budgets towards those priorities that coalition partners agree upon.

We as political leaders cannot simply rely on an upturn in the economy to solve the problems of the poor. There is ample evidence to suggest that the very poor, and especially the rural poor, are least likely to benefit directly from growth in our economy.

Democratic South Africa is increasingly integrated into the global economy – which has a strong emphasis on high skills to ensure international competitiveness in productivity. Decades of social neglect have precluded the rural poor from developing the skills that now define international markets.

Our first step then as a coalition government should be to acknowledge our responsibility in the social and economic upliftment of our majority citizens. This means that we have to budget our priorities accordingly and that we must acknowledge programmes that make a difference by voting them additional funds.

When I became the first MEC of Transport in the 1994 KwaZulu-Natal government, I saw my mandate as one of providing a balanced road network, a safe road environment and, in the process, creating work and business opportunities for those previously denied them. I believe that under this coalition government, that this is still my top priority as MEC for Transport. In this, I am particularly mindful of the fact that the Department of Transport is a service-provider to all other Departments. Our performance affects the performance of all other Ministries.

Therefore, much as I am appreciative of the fact that our 2000/2001 budget has increased from R696 million to R855 million, I want to say up-front that this is not enough. We have used, and will continue to use, our budgets to serve the public of KwaZulu-Natal. They expect much of us and deserve more than they are getting.

Estimated expenditure for the 1999/2000 financial year

Programme	Description	Estimated expenditure R'000
Administration	Overall management of the Department	R 53 295
Roads	Planning, design, construction, road maintenance	496 649
Road Traffic	Regulation of road traffic, law enforcement and motor licensing	126 440
Public Transport	Planning and regulation of public transport	8 241
Auxiliary and associated services	Radio Communication and Motor Transport for the Department	11 011
	Total	R 695 636

This house has always acknowledged that the Department of Transport has delivered on its mandate and that each year its performance has improved. We have always presented to you our results in measurable indicators for your scrutiny.

Budget

In 1999/2000, the Department of Transport received a budget of R696 million. In 2000/01, this has been increased to R855 million. While this is a 23% increase in nominal terms, in real terms the increase is limited because of increases in the costs of fuel, imported materials. Such increases impact more on the budget of the Department of Transport than they do on other departments.

Highlights of our 2000/2001 budget allocation are:

- R145 million to the Development Directorate, of which R15 million is earmarked for Zibambele and R130 million for Community Access Roads and the Emerging Contractor Programme.
- R354 million to Road Construction and Maintenance, with R7 million to the further planning of the John Ross Highway between Empangeni and Richards Bay. Not included in our total budget is R23 million for feeder roads for the Lubombo SDI.
- R19,8 million goes to road safety communication, advertising, research and evaluation. R10 million to road safety engineering or black spot projects.
- R75 million to RTI with R65 million of this dedicated to enforcement
- R12,2 million to public transport, excluding public transport subsidies which are paid by the national Department of Transport
- R15 million to equity, transformation and our Citizens Charter programme.

The Department of Transport continues to be a major source of revenue for the province of KwaZulu-Natal. By the end of March 2000, Motor Licensing alone will have raised R293,8 million – this includes R2,5 million from personalised numbers.

Chief Directorate: Roads

71% of our budget is allocated to the Chief Directorate: Roads.

Design of Roads and Bridges in 1999/2000

The following significant roads and bridges were designed in anticipation of their construction when funds and resources are available:

- D1267: Mooi River Crossing
- P47-6: Dokodweni Overpass
- D79: Klip River Bridge
- A2410: Mhlangeni River Bridge
- D995: Mgeni River Bridge

- MR100 Verulam to Ndwedwe: design of the upgrading of approx 12 kms of gravel to blacktop. The road serves a large rural community and carries commuter, agricultural and commercial traffic.
- MR 496 Empangeni to Richards Bay: the KwaZulu-Natal Department of Transport has designed the doubling of this major road that will be constructed by the SA National Roads Agency as a toll facility. Design will be finalised by June 2000
- MR2 Mr Edgecombe to Verulam: design of upgrade of approximately 8 kms of gravel road serving a rural community to blacktop. Construction of this link will be undertaken by the Departmental construction unit at Marberg.

The goal of the Chief Directorate: Roads is to develop a balanced road network where the hierarchy of roads and budget allocations are defined not in terms of privilege and power but in terms of their contribution to the economic, social and physical well-being of all of our citizens.

The Department of Transport has now completed its assessment of KwaZulu-Natal's needs for a balanced road network. This study has identified a road network of more than 42 000 kms. Parts of this network have previously been under different managements (that is NPA roads, KwaZulu Department of Works, KwaZulu Department of Agriculture) and are in a variable state of repair.

Other parts were totally neglected with no responsible authority in attendance.

We have 24 306 kms (728 blacktop, 17 578 kms gravel) of road network which are still maintainable. We have 17 719 kms of road which must be urgently upgraded to become maintainable. 800 kms of this are blacktop.

The total asset value of our roads is R11 billion.

The SA National Roads Agency is responsible for all national routes that carry inter provincial or international traffic – our N2 and N3, for example. Local authorities are responsible for all streets and roads within the TLC areas, which fall outside of our responsibility.

Our first responsibility is to ensure that all of these roads are kept in an acceptable condition. It will require an annual budget of R1,145 billion a year for five years to upgrade and maintain our road network to an appropriate minimal standard.

Road Maintenance

Blacktop and gravel roads are designed and constructed knowing that deterioration of the road surface will take place over time and that maintenance measures will be needed to keep up standards. Traffic levels, use by heavy vehicles, climate and topography all contribute to road deterioration.

Since 1975, traffic on our roads has increased by a minimum of 3% per annum. However since the mid-1970's, expenditure on road maintenance has declined to the extent that the amount made available at national and provincial levels for road maintenance in 1996 was less, in real terms, than the amount available in 1969.

The economic costs of poor road maintenance are borne primarily by road users. Current indications are that 6 billion kms are travelled on the KwaZulu-Natal provincial network annually. If current deterioration patterns continue – a direct result of decades of under funding – the increase in vehicle operating costs to the user will be R1,265 billion per year.

In education they say that *“if you think education is expensive, try ignorance.”*

In transport we echo JF Kennedy’s words: “It is not the wealth of a country that builds roads, it is roads that build the wealth of a country.”

I am particularly concerned how a continued deterioration in our road network will affect agricultural production and performance. Agriculture is a strong contributor to our provincial economy. An appropriate road network to support current production initiatives, and to realise our full potential, is of critical importance to our provincial economy. I am particularly pleased that organised agriculture is now fully participating within our Rural Road Transport Forums. This follows on from very productive talks with organised agriculture with KwaZulu-Natal on how specifically agricultural roads can be most profitably upgraded and maintained. I am equally pleased with the joint Department of Transport and Agriculture committees that have been set up to pilot joint initiatives in the Districts of Hlabisa and Nkandla. I would like to thank the Hon Minister Singh and the Department of Agriculture for their co-operation and support.

In 1999/2000, Cabinet responded to the critical maintenance needs of our road network by providing a R44 million conditional grant to the Department of Transport for road maintenance for blacktop roads. With this grant, we have completed work on the worst sections of the following major routes:

- The Eshowe by-pass, Knwaleni Hill between Eshowe and Melmoth, Dundee to Bloodriver, Bloodriver to Vryheid, Edendale to Lundy’s Hill, Merrivale to Boston, Bulwer to Underberg, Matatiele to Kokstad.

While road users on these routes will undoubtedly benefit from the R44 million conditional grant, I regret to inform this house that during the December/January floods, very extensive damage was done to our road network.

We reported in detail our most urgent road repair costs totalling more than R50 million.

Many communities are still cut off from the road network and many families are still experiencing hardship as a result. General mobility has been disrupted, and many people have no road access to work, schools or clinics.

The type of damage we are facing includes:

- Whole roads have been washed away
- Roads edges have been washed away or undermined
- Bridge walls have been damaged
- Extensive pot-holing and sink-holes
- Low level crossings have been washed away
- Approaches to bridges have been washed away

There has been a good injection of additional funding for National Roads in the Province, and the projects listed below were carried out in 1999/2000. This has improved the overall condition of the National Roads in the Province considerably.

Route	Description	Code	Value	Status
N2/21	Harding – Izingolweni	Rehabilitation	R89,6m	In progress
N2/22	Marburg – Mtentweni	Periodic Maintenance	R2,5m	Completed
N2/22	Marburg, Plaza Ext	Upgrade	R5,4m	Completed
N2/24	Mkomazi R – Lovu R	Periodic Maintenance	R7,3m	Completed
N2/25	Durban Southern - Gateway (2)	Upgrade	R40,4m	Completed
N2/25	Mlaas Canal – E B Cloete	Special Maintenance	R24,8m	Commenced
N2/29	Msunduze – Kangela	Periodic Maintenance	R12,7m	Commenced
N2/30	Kangela – Mduna	Rehabilitation	R66,0m	Commenced
N2/31	Mduna R – Mkuze	Rehabilitation	R27,3m	Completed
N2/23	Cato Ridge – Sanctuary Rd	Periodic Maintenance	R1,8m	In progress
N3/2	Camperdown – Athlone	Special Maintenance	R12,7m	Completed
N11/3	Nkunze –One Tree Hill	Periodic Maintenance	R8,4m	Completed
N11/4	Newcastle Bypass	Periodic Maintenance	R4,8m	Commenced
R61	CH Mitchell Bridge	Rehabilitation	R5,9m	Commenced
MR439	Hluhluwe – Lower Mkuze	Upgrade	R58,0m	Completed
MR439	Lower Mkuze River Bridge	Upgrade	R14,6m	Commenced
MR439	Phelandaba – Mocambique	Upgrade	R39,0m	In progresse

- Drainage systems and pipes have been obliterated causing road flooding
- Armco piping has rotted

So far, my Department has begun to repair the most critical damage and to provide temporary access to areas that have been cut off. This has been at the expense of schedule work.

I wish to report that the Department of Transport is undertaking a detailed assessment of the longer term structural damage caused to the road network by floods. What we can be certain of now is that the budget levels that I have reported on are in fact an under-estimate.

Road Construction

80% of goods and people within KwaZulu-Natal are transported by road. The number of vehicles on our roads increases annually and congestion levels demand that we give serious attention to upgrading parts of our road network. Upgrading programmes are by their very nature much more expensive than are maintenance programmes.

But they are worth it.

It was not that long ago that the road between Durban and Pietermaritzburg was a single carriageway. Traffic was slow, the economy was slow, growth was slow. Today the N3 between Durban and Pietermaritzburg has the highest traffic volume in the country. I think every-one will agree that the N3 has contributed very significantly to the growth of the Durban-Pietermaritzburg corridor.

What was experienced then between Durban and Pietermaritzburg is still being experienced today in our second biggest hub, Empangeni to Richard Bay.

Today I can announce that, after four years of intensive negotiation, the John Ross Highway between Richards Bay and Empangeni will be upgraded to a dual carriage highway at a cost of R200 million.

We will complete the design in June and construction will begin in September.

The project has some unique features – resulting from the extremely poor founding conditions over portion of the route, where the existing road has settled by up to 6 metres since its construction. To avoid this problem on the new carriageway, a bridge of over 1 km in length will be built over the floodplain, with piled foundations extending more than 60m deep into the floodplain sediments to support the structure. This will be the longest bridge ever built in South Africa and I am proud that my department will design it.

Another R200 million is being spent on the Lubombo SDI. This is being done in four phases.

I am pleased that the first phase, Hluhluwe to Lower Mkuze Bridge, costing R55 million, has been completed. At the extreme end, the section from Phelandaba o Mozambique, costing R39 million, is 80% complete.

The Lower Mkuze River bridge is under construction right now, costing R14,6 million. This was visited late last year by Minister Nkosi Ngubane, Minister Mabuyakhulu, Minister Singh and myself. Phases two and three will be contracted this year.

Current indications are that on the first section of road, emerging contractors were contracted for some 30% of the value of roadworks. On the fourth section of road this increased to some 68%. Although funding for this road has been provided at a National level, the Steering Committee of the SDI road is chaired by Kwazi Mbanjwa, my DDG.

An additional budget of R23 million will be spent to upgrade part of the feeder road network essential to promote tourism and agricultural investments in the region.

Also in 1999/2000, a new consortium known as N3 Concessionaires was formed and was awarded a twenty-year toll concession for the N3 from Heidelberg in Gauteng to Cedara, just outside Pietermaritzburg. For this, they have paid R1,3 billion to the national Department of Transport, which has been used to offset national road debt.

As a part of the deal, they are required to upgrade the N3 when traffic counts reach a certain volume. It is anticipated that they will spend the equivalent of R2,1 billion on a new link on this road when, in approximately ten years time, traffic volumes demand the construction of a new pass.

Our own construction units have undertaken significant road upgrading programmes, some of which are still ongoing during this financial year. These include:

- Main Road 54, to link Nqutu and Blood River
- P100, which serves the community of Ndwedwe
- A new link between Gamalakhe and Boboyi.
- Rehabilitation on Main Road 46 – Vryheid to Hlobane

Emerging Contractor Programme

It gives me particular pleasure to also report on a road construction programme which is undoubtedly unique to KwaZulu-Natal. This programme concerns the construction and maintenance of roads identified as priority needs by Rural Road Transport Forums and the communities that they serve.

Zimbabwe Interview

Earlier this month, interviews were conducted with Zimbabwe operators on behalf of my department to assess the impact of Zimbabwe contracts in the lives of the families to whom contracts had been given. The following are excerpts from two interview in the PMB region:

Busi Mbanjwa is 45 years old and finished school in Standard 8. She has four dependents, her husband who is unemployed and three sons at school aged 10, 14 and 17.

- Her past work included washing, painting houses, collecting mud for daga, cutting and selling wood – all locally
- Before the contract she suffered from very high blood pressure from worrying about how to feed her family and pay school fees. Her blood pressure is now normal and she says it is because she does not worry so much anymore. She is able to feed her children, buy them shoes and jerseys for winter.

Fisane Zondi is 31 and completed schooling in Std 9. She has two dependents, a boy in std 2 and a girl aged 5.

- Before the contract, her mother used to help her with food from her pension. She learnt to sew and used to daga peoples houses for some money.
- She says it is wonderful to have the contract because she can now support her family with food, clothing and schooling. She has made a vegetable garden and grows mealies, spinach and cabbages. She would like to form a savings club and buy a sewing machine to make clothing and school uniforms to sell.

This fund is managed by the Development Directorate and the contract value of all roads funded through this directorate is reserved for emerging contractors.

National and provincial government have indicated a strong investment programme in meeting the infrastructure needs of disadvantaged communities. The projected surge in government expenditure in the construction industry coincides with more than a decade of recession in an industry that has seen many major role players wind up their businesses. This now creates a window of opportunity for black empowerment within the construction industry. This is in line with the programme initiatives of the Development Directorate.

If we miss this opportunity to normalise the road construction industry it will be lost forever. The Department of Transport takes pride in the fact that we are considered the country leaders in Emerging Contractor Programmes. This places a very special responsibility on us to succeed.

The Development Directorate has adopted a systematic approach to integrating the emerging contractor sector into the mainstream constructor industry as a powerful player. The 2000/01 budget allocation will now include a dedicated training budget.

The aims of the programme are to:

- Promote and support affirmative business – allowing previously disadvantaged contractors to aggressively compete for work in an open market in a sustainable manner
- Promote equity in the civil contracting sector – creating more employment opportunities and the development of black entrepreneurs.
- Promote sustainable business development – the emerging contractor will, through the programme, acquire the business skills, access to capital and business partnerships necessary to thrive in an open market.

The emerging contractor programme has excelled above the norm because of the relationship that has existed to date between the Department of Transport and the Tender Board. As a result of this, we will spend R150 million on emerging contractors by the end of 2000/2001.

I normally get information promptly from my Department when I ask for it. I am baffled why I am not getting a straight answer when I ask for any department in the country that spends this much on emerging contractors.

Zimbabwe

I am also proud to report on our Zimbabwe initiative.

After the June 1999 elections, the President of our country, Mr Thabo Mbeki, tasked all portfolio Ministers in South Africa with developing innovative programmes that meet the needs of the poor and bring them hope for the future.

In rural KwaZulu-Natal, as in other provinces that have large rural populations, there is a strong correlation between deep poverty and women-headed households. This is the result of centuries of underdevelopment, first through colonial rule and then through the apartheid migrant labour system.

In KwaZulu-Natal, the number of women-headed households has increased through decades of civil conflict, which saw thousands upon thousands of women widowed and children orphaned.

Consequently, I championed **R10 million expenditure** on the development of our **Zimbabwe (Doing It For Ourselves)** programme – this is a social responsibility programme that creates sustainable job opportunities for poor rural families through the maintenance of rural roads.

Our Zimbabwe programme is a direct spin-off from the findings of a delegation of engineers I sent to Kenya in 1998 under Mr Mbanjwa to study how they maintain their rural road network.

We have adopted the Kenyan “length man” system to meet the social circumstances of our rural population.

While world wide development investments usually target those sectors of a population with a high potential to succeed, our Zibambele initiative gives road maintenance contracts to the poorest and the most marginal in rural areas.

In this, it is indeed a bold initiative.

Zibambele has put to work those people who would normally be left out of any opportunity because of their desperate poverty. In the process, the long term prospects of each Zibambele household are enhanced through improved access to schooling, credit, to nutrition and to skills training.

All but one percent of Zibambele contracts have been issued to households that are headed by rural black woman – this makes Zibambele arguably the biggest rural gender empowerment programme in the province. **Zibambele contracts have been issued to families that had a zero income before the start of this programme.** Each contract runs for one year, but it is intended that contracts will be extended annually and that they will last for as long as the road maintained is of value to the community.

Currently, there are 2 700 Zibambele contracts up and running in KwaZulu-Natal. Each contract brings a monthly household income of R250,00 for a maximum of sixty hours work per month.

When Zibambele contractors are given a contract, they are also given a wheelbarrow, a pick, a shovel, a machete and a slasher. Zibambele women have requested that we add to this a hoe. These tools will be replaced when they wear out or are damaged, bringing resources of inestimable value to areas largely dependent on subsistence.

These tools in themselves have made a difference to family livelihoods in that they have increased both the scope and the quality of gardening activities.

In 2000/2001, we have set a target of 6 000 Zibambele contractors. We have also begun to link the Zibambele system with a labour-intensive road construction programme.

This year, we will expand the Zibambele initiative by introducing a Zibambele Support Programme, through which the Development Directorate will provide road safety, occupational safety, and life skills training to Zibambele contractors. DOT staff will facilitate the accessing of funding for, and the organisation of, savings clubs, small scale co-operatives, agricultural and craft initiatives for Zibambele families.

The Department of Transport's Zibambele motto is "give us the money today and we will put people to work tomorrow." In 2000/2001 we will aggressively seek out additional funding for our Zibambele programme.

Basket of funding for Nkandla

As promised we have seen increased activity on the roads in the Nkandla district over the past year. This follows our commitment to give special budgets to districts which have a hopelessly inadequate road network, very high levels of poverty and a significant agricultural potential.

21 emerging contractors have been involved in the following projects:

- Construction of 3 causeways on roads A 1541, P16/2 and P708
- Construction of 3 community access roads namely A 1598, A1503 and the Nsimbini road using labour-based construction techniques
- 55 km of improvement of 5 gravel roads namely P707, P708, D1593, D1599 and P50 north of Nkandla
- rebuilding and repair of pipe culvert headwalls on 344 km of provincial road, and
- last, but not least, the upgrading and surfacing of 14 km of P50 from Nkandla to Nkandla forest.

The cost of this work totals R6,367 million.

Summary of the Chief Directorate: Roads

The Department of Transport is in a unique position in that it can make a significant impact on the well-being of the region as a whole. With sufficient funding, it can bring about new road developments that can diversify the rural economy, increase agricultural production, dramatically increase time-savings and reduce the social and economic costs associated with rural life.

It is precisely because road and transport infrastructure is so crucial in sustaining economic and social development that the Department of Transport has now weighted its budget in favour of addressing structural inequalities.

We have already adopted a proactive management style, as is evidenced by what we have achieved to date.

- In April 1997, we successfully completed the amalgamation and integration of the former Natal Roads Department and the KwaZulu Works Department's Roads and Bridges division
- At the same time, we initiated the Community Access Roads Needs Study as a first step in identifying the minimum requirements for equity in our road network and for poverty alleviation in rural communities. This study has received national acclaim and has now been adopted in the Eastern Cape. 30 Rural Road Transport Forums were established as permanent links to, and for consultative decision-making with, rural KwaZulu-Natal
- The Roads Bill was drafted with specific provision made for the inclusion of a "local" category of road that would be proclaimed and funded
- We also established ourselves as a key role player in the national Department of Transport's "Moving South Africa" initiative
- We prepared a report, "The Road to Wealth and Job Creation" – a plan to create jobs and SMME development – in February 1998. This was adopted by all nine provinces and KwaZulu-Natal Department of Transport was tasked with producing a national road to wealth and job creation strategy. This was presented at the Presidential Jobs Summit in October 1998 by the Hon Minister of Public Works, Mr Jeffrey Radebe.
- We also negotiated Tender Board approvals and concessions for the employment of emerging contractors and Zibambebe maintenance contracts. We established a register and grading system for emerging contractors to whom extensive contracts have already been awarded, and aggressively rolled out our Zibambebe system in all regions of the province

- During this time, the Department of Transport instilled within its ranks a cultured of development concerning the crucial role of roads in the transformation process. The senior management structure of my department was successfully reorganised to improve both representivity and service delivery.
- Six lead consultants have been appointed to assist the Development Directorate in preparing and implementing more effective business plans. This has allowed for development programming based on maximum outputs for every rand spent.

CHIEF DIRECTORAT: TRANSPORTATION

Taxi Registration, Democratisation and Re-capitalisation Programme

On Tuesday, 29 February 2000, I met with the provincial taxi industry and they gave their full support to the taxi re-capitalisation process that has claimed media attention in recent months.

This is a plan to revamp the country's taxi industry by replacing the aging fleet of 126 000 vehicles with custom- made 18 and 35 seater taxis.

Background to re-capitalisation

- Historically, those finance houses that were prepared to deal with the taxi industry levied exorbitant fees and charges. On average a taxi operator will pay a 32% deposit (50 000) for a new vehicle and will pay 25% interest on re-payments. High costs have affected the ability of taxi operators to renew their vehicle fleets.
- In addition to this, parts and components used for the maintenance of vehicles have become progressively more expensive in real terms, which has resulted in taxis not being properly maintained.
- While costs have been increasing for the taxi operator, there has been a decrease in real terms in the fares collected from taxi passengers. Coupled with overtrading from the issuing of too many permits before 1994, this has resulted in shrinking of profitability for taxi operators.
- Current 16 seater taxis are designed in such a way that does not prevent overloading. This is unacceptable both for road safety reasons and for commuters.

These problems prompted government to develop an economic restructuring and re-capitalisation programme. The national re-capitalisation programme is a co-ordinated solution in six areas:

- 18 and 35 seater vehicles will be produced to replace the existing aging fleet. The Department of Trade and Industry is co-ordinating a tender process. A manufacturing company will be selected which will be able to be cost-effective, meet the safety requirements for this public transport industry, and will be able to provide after sales service and manufacturing stability for this critical service industry. Successful bidders will be selected at the beginning of April this year.
- The programme will run over four years – in other words operators will be able to submit their vehicles for scrapping until 2004/5.
- A competitive vehicle finance and insurance facility will be built into the programme. In addition, a management infrastructure will be set up to manage transactions within the industry.

- Smart-card technologies will be incorporated for fare collection. Vehicle tracking devices and other technological developments will be used for anti-theft and to control operational in efficiencies..
- It is envisaged that the vehicles will come with a full-maintenance plan over four years. Such a plan will ensure that the vehicles do not depreciate as quickly as at present.

The programme is planned to start in October this year.

When the national Department of Transport launched their recapitalisation programme in late 1999, it became immediately evident that synergy existed between what we have packaged in this province over the last two years and the national programme.

Indeed, KwaZulu-Natal is acknowledged as a country leader in both its preparations for, and recent reaction to, the national recapitalisation process.

In KwaZulu-Natal we have long seen the recapitalisation of the taxi industry as one of the ultimate stages in the restructuring of this industry. We have long realised that the present 16 seater taxis were not the ideal public transport solution for commuters in this country – for reasons of road safety, overcrowding, and non-profitability for the industry.

However we have known that recapitalisation would fail if the structural and economic problems facing the taxi industry were not addressed first.

In the last five years we have had acute insight into the problems that have dogged public transport in our country.

I have on many occasions outlined the problems of the unregulated, consumer-unfriendly, unsafe, unprofitable and overtraded taxi industry we inherited in 1994.

We have systematically laid the foundations for a well-structured, financially viable industry that has the infrastructure and management capacity to meet commuter needs.

Taxi Registration

The last five years have been a nationwide drive to stabilise the taxi industry through the registration with provincial government of all taxi associations, all taxi operators, their vehicles and the routes they drive.

Before democracy five years ago, an archaic taxi permit system existed that gave no clear operational rights and responsibilities. Almost 60% of the industry did not even have permits. As a result, there was extensive overtrading of taxi routes.

KwaZulu-Natal is acknowledged to have led the strategic development of the registration programme that manages market entry and gives clear rights and responsibilities to taxi operators for specific routes.

To date, **all 305 taxi associations in KwaZulu-Natal have been registered** with the provincial taxi registrar. The verification of registration information through a transparent challenge process is almost complete. Those taxis whose registration details were unchallenged were issued with Interim Operating Permits. Operating Permits will be forwarded to those whose details were challenged once the challenge process – which includes a tribunal to hear appeals against rulings by the taxi registrar – is finalised.

Part of the restructuring of the KwaZulu-Natal taxi industry that we have been concerned with in 1999/2000 has been initiating the creation of democratic associations, which are accountable to their members and the communities they serve. This feeds into the national process to restructure the taxi industry.

The aim is to ensure that decisions taken at local, regional and national taxi association level enjoy the support of all operators.

There are key national milestones:

The first part is the drafting of the national constitution

- The drafting team met yesterday and instructed all provinces to submit democratic schedules by Monday. They have two weeks to submit inputs into the drafting process – our input is already finalised in the form of our provincial constitution.
- The first draft of the national constitution will be released on Friday, 14 April and it will be finalised by 1 May 2000.

Enforcements of Taxi Registration

The KwaZulu-Natal Department of Transport is actively engaged in the implementation of the KZN Interim Minibus Taxi Act, No. 4 of 1998. The act aims to eradicate the culture of illegal taxi operation and to create effective mechanisms and structures to regulate the minibus taxi industry. Enforcement is linked to the implementation of the act and is phased as follows:

Phase 1: here authorised operators are those with interim operating authorities. The penalty for operating without an interim authority is impoundment of the taxi for a minimum of 30 days or until the owner complies with the requirements of authorised operation

Phase 2: this starts with the issuing of legitimisation permits – here only operators with permits issued by the Local Road Transportation Board are deemed to be authorised operators. Interim authorities no longer apply. Penalties in this phase include a 30 day taxi impoundment and a fine of R10 000.

Phase 3: begins then the conversion of radius permits to route permits has been finalised. Permits will specify the taxi's route and radius permits will no longer apply. Fines will rest at R20 000 with a 30 day taxi impoundment.

So far, phase one of the enforcement has begun with targeting the more volatile and violence prone areas in the province. Campaigns have been conducted in Mandeni, Newcastle, Ladysmith, the Midlands and the Durban Metro area. 250 vehicles have been impounded in the process. Special pounds have been established in each area and training workshops for enforcers were held before the onset of enforcement campaigns.

2000/2001 will see a concerted information campaign to ensure taxi operators understand the implications of the taxi Act and to ensure informed compliance with its regulations. Enforcement agency training will continue and enforcement will be rolled out through the rest of the province.

- During this period, a mass communication plan will unfold at both national and provincial levels
- 1 April to 12 May 2000 – conduct provincial elections to elect provincial taxi council.
- 13 May to 30 June – provincial taxi councils prepare for the election of a national taxi council

1 July 2000 – national taxi council elected.

All these elections will be managed by independent electoral bodies. At the end of this process we will have provincial and national democratic structures within the taxi industry. The provincial taxi council will then initiate a process to elect regional taxi councils and local associations.

In 1999/2000, the Department of Transport embarked on a methodical enforcement programme for taxi permits once the registration process was complete. This has ensured compliance with the permit system and has been a resounding success. There are more details of this in your annexures. It is envisaged that in 2000/2001, the national Department will allocate R23 million to KwaZulu-Natal for this enforcement process.

In 2000/2001, our challenge will be to use our successful registration programme as the basis for the implementation of the taxi recapitalisation programme.

Our role, as provincial government, will be:

- To co-ordinate the scrapping allowances
- To assist in the election of representative leadership through the democratisation process
- To provide structural and human resources support to ensure the success of these programmes. We still start with a road show targeting all taxi operators which will explain where we are in the restructuring of the taxi industry – and where we go from here through the recapitalisation process.
- To provide a peaceful environment for the smooth operation of the taxi industry

Last week, I sent a letter to all local authorities and other state institutions dealing with the taxi industry, highlighting a number of issues for concern. These mainly dealt with the co-ordination between our taxi registration processes and the granting of ranking and operational permits at a municipal level. I also raised the issue of the reluctance of some local authorities and enforcement agencies to enforce traffic regulations and to implement the various by-laws needed to enforce an orderly taxi industry.

To this end, I highlighted:

- Road Traffic Act of 1977 as amended: This Act regulates the roadworthiness of vehicles and the types of vehicles for private and public use
- Traffic by-laws of all local authorities which also regulate public usage of all public transport facilities, such as rank and bus stops.

I also highlighted the need to ensure that regulations regarding obstruction of roads in any manner are stringently enforced. All law enforcement agencies need to ensure that at any sign of a blockade, roads are cleared first before any negotiations take place.

I took this step because in many parts of the province there have been serious violations of various pieces of legislation without any action from relevant enforcement agencies. The Interim Minibus Taxi Act of 1998 was not intended to disempower government institutions from ensuring proper control of taxis and any other road users.

Co-operation from relevant authorities in these matters will be to the benefit of all of us.

Economic Empowerment in the Taxi Industry: Umthombo, Investment Company

I reported, during last year's budget speech, on the involvement of my Department in the development initiatives aimed at establishing economic empowerment structures for the taxi industry.

The point of departure, ladies and gentlemen, is the premise that as we legalise the taxi industry, we as government cannot absolve ourselves of the responsibility to ensure that a foundation for sound economic development exists for the taxi industry to build upon.

This is, **the only sector of the South African economy where black people can claim dominance.** We cannot afford to ignore this.

Furthermore the taxi industry plays a significant role in **the day-to-day mobility of the working class population.** In this regard they play a pivotal role in ensuring that the wheels of our economy continue to turn.

Over the past twelve months the Department of Transport continued to facilitate the economic development agenda within the taxi industry.

- The establishment of the **14 Taxi Industry Co-Operatives** within the province was finalised.
- 8 of these now have a fully developed infrastructure (offices; banking accounts; retail facilities) and have started trading. They are **now fully-fledged legal economic entities**, ready to serve the economic interests of their members.
- **Umthombo Investments Company**, which is owned 100% by the 14 Co-Operatives, was registered and launched in April 1999. Its role is to consolidate the buying power of these 14 Co-ops, as well as to extend the economic muscle of the Taxi Industry into areas broader than the operation of taxis. Umthombo became operational in July 1999 and within six months of operating has developed a Distribution Business, an Insurance Business, as well as a Property Development Business to manage the development of Taxi Cities.
- **Umthombo Distribution Services** has for the past six months been trading in tyre distribution. To date a total of 3 400 tyres have been distributed to the various co-ops with a total turnover of R1.3 million. The business is now in the process of rolling out the distribution of other taxi related components such as brake pads; engine oils, body panels, wind screens and other components. The projection is that the distribution business will move into a positive cash-flow position in the next twelve months, with turnover estimated at R14 million.
- **Umthombo Insurance Services** sold its first policy in August 1999. The first product, a fully-comprehensive vehicle cover, is the most beneficial in the market in terms of its custom designed features, and is the cheapest the taxi industry has ever been able to access in terms of rates. Discussions are currently taking place with partners regarding a massive expansion of the customer-base as well as the addition of other attractive value-adding products.
- **Malandela Motor Assemblers** have now reached an agreement with another of the groups that have been short-listed in terms of the Recapitalisation Project. The agreement sees Umthombo Investments Company being included as a Consortium Partner and also sees the Malandela plant being integrated into the manufacturing strategy of the Consortium. It now depends on the Consortia being awarded the tender.
- **The Property Development Unit** is managing a schedule for the development of taxi cities across the 14 economic nodes. Some of the significant developments are as follows:
 - The Ogwini Taxi Co-operative in Port Shepstone will be taking over the ownership and the operation of their first petrol filling station before the end of March 2000. Also, a site for the erection of a Taxi City has been identified and the feasibility studies are now in progress.
 - The Umzinyathi Taxi Co-operative in Newcastle will be taking over the ownership of their first petrol filling station in April 2000

- The Simunye Transport Co-operative in Empangeni has received approval to erect a Taxi City development on council owned land. Final drawings are being prepared and feasibility studies are being conducted.
- The Utukela Transport Co-operative in Ladysmith has received approval for the development of a Taxi City on a Prop net owned site.
- There are activities to finalise the release of land in all the rest of the 14 areas for taxi city developments.

The past twelve months have been concerned with the establishment of a firm foundation, in terms of structures and infrastructure, for economic development within the taxi industry. These foundations are now in place. The taxi industry can now boast of corporate structures that they can use to conduct business and to improve their economic status over time.

Umthombo Investments Company: Balance Sheet at 31 January 2000

CAPITAL EMPLOYED	3 021 209
Share Capital	-1 930 676
Retained income	<u>1 090 533</u>
EMPLOYMENT OF CAPITAL	
Fixed assets	480 872
Telephone system	55 124
Office furniture	162 003
Computer software	106 342
Computer equipment	157 404
Current Assets	1 320 029
Stock	117 158
Debtors	313 609
Bank	836 681
Receiver of Revenue	52 581
Current liabilities	710 369
Sundry creditors	299 685
Trade creditors	410 684
Net current assets	609 660
	<u>1 090 532</u>
Note: the bank balance includes R600 000 which has been ceded to First National Bank as security for guarantees provided by them. Consequently, this amount is not available for working capital.	

Now they have to take control of their economic destiny. As these structures begin to function, the role of our department begins to decrease.

To date, the Department of Transport has provided R8 million in seed funding for Umthombo. This expenditure is tabulated on the page opposite.

Bus Contracts

I turn now to the issue of public transport subsidies.

Before 1994, the administration of bus subsidies was a national government competence, but the last five years have seen **increasing responsibilities for bus subsidies being transferred to the provinces.**

While the **R250 million budget** for KwaZulu-Natal bus subsidies still resides at national government, we have the policies and programmes needed to design, implement and monitor bus contracts right here in our province.

Consequently, KwaZulu-Natal is the only province to comprehensively manage bus contracts at a provincial level. We rely on the national Department merely for the physical payment of subsidies.

Monitoring of bus contracts

As a part of our provincial responsibility for bus contracts, my department has undertaken the **monitoring of bus contracts.** For this, we budget **R2,5 million** per annum.

I am pleased to announce that in 2000/2001, we are implementing an intensive empowerment programme that will see the **phasing over of this budget to monitoring teams consisting of community representatives along the bus routes.**

As with Zibambele, this programme will target the poorest households along the bus routes, bringing both **social payments and communication infrastructure** to these areas.

Traditionally, the monitoring of bus contracts is used to verify claims submitted by operators for payment and to ensure quality control. Up to now, monitoring contracts have been awarded through open tender and monitoring teams have been attached to our technical consulting firms. A scheduled detailing this is included in the additional information in your speech.

In cases where members of the public have believed that services are below standard, they have been able to phone either the operator or the monitoring firm. However this has not been widely publicised. Communities affected by poor bus services have not known what their rights are, or what channels to follow.

Monitoring / Inspection of tendered contracts

Monitors check:

- Whether a trip was undertaken or not
- Adherence to timetables – too early or late
- Conditions of busses – cleanliness, destination boards, etc
- Load factors on different trips or routes
- Complaints from commuters regarding service

Each month representatives of the Department, monitoring team and operators meet and discuss any penalties, any commuter complaints and any service amendments. In this way we endeavour to ensure that operators perform according to their contracts and that service demands are met.

Monitoring Penalties

- Trip not operated – no pay and 40% fine. If the operator reports a number of trips not operated that is less than that reported by the monitoring agent the fine is doubled.
- A 25% penalty if the trip is 6 – 15 minutes late. A 40% penalty if it is 15 – 30 minutes late.

If the trip is more than 30 minutes late, the operator is not paid for the trip.

- If the trip leaves earlier than scheduled, the penalty is 40%.
- If a bus breaks down, the operator has 30 minutes (within 8 km) and up to 45 minutes (over 8 km to find a replacement or pay a 40% penalty. If the breakdowns amount to more than 2% of trips, an additional penalty for all breakdowns in excess of 2% is levied.
- Failure to pick up or put down at a stop earns a R60 penalty.
- Broken or missing doors, leaking roof – R120.
- Broken seats – R30.
- Dirty bus – R30.
- Deviation from prescribed route – R100.

Our new approach in 2000/2001 will consist of the following:

- We will establish and publicise a **dedicated call-line** – a toll-free number- for bus service complaints. Complaints will be addressed immediately and then followed up at monthly meetings with the Department of Transport, the contractor and the monitoring team.
- We will **analyse all bus contracts** and match them to Rural Road Transport Forums and other organs of civil society that cover the area. What we foresee is that these community forums will assist us in establishing **technical committees** representative of all communities along the route. These will be pulled into our existing monitoring arrangements to establish capacity on how monitoring works.

Where possible we envisage that, in time, the technical committees will take over the management of the monitoring of bus contracts in the area. They will assist us in setting up the standards for the bus contract.

- As the existing monitoring contracts draw to a close, the Technical Committees will consult communities and identify needy people along the bus route who will act as **monitoring agents**. The number of monitoring agents will depend on the length of the route. Monitoring agents will be armed with communication tools and will liaison with commuters and report all contraventions of the bus contract back to the Department of Transport for hard-hitting action.
- The monitoring agents, representatives of the technical committees, the contractor and the Department of Transport will **meet on a monthly basis** to assess how the contract is working, and whether the services that were promised are being delivered.
- A portion of the monitoring contract will go to **satellite monitoring** that will provide back-up information to verify any transgressions in service delivery.

In this way, the Department of Transport will be able to ensure:

- True **accountability** to commuters regarding the public transport services they rely on
- **Job creation, life skills development and poverty relief** to communities along our bus routes.
- **Value for money** from bus contractors

We will start with a test case, and will be prepared to amend our programme where necessary to suit the needs of different areas.

Tender rules regarding ring-fencing

No tender will be considered if it does not comply with the following:

1. operating on business principles with financial ring fencing;
 - have no unfair access to financial resources other than on a commercial basis;
 - be registered as a taxpayer and sign a declaration that his, her or its tax affairs are in order:

where financial ring fencing in relation to a business entity or undertaking means that – the business of the entity or undertaking is conducted separately from that of another entity or undertaking or any other organisation:

2. it keeps separate accounting records, in accordance with generally accepted accounting practice and procedures, its assets, liabilities, income, expenditure, profits and losses;

it is financially sustainable; and

it has no unfair advantage as regards access to financial or other support or resources.

In the context of this definition and without detracting from the generality of the meaning of “unfair” in that context, any advantage that may be enjoyed by such an entity or undertaking-

On any basis that it is commercially justifiable and lawful, will not be regarded as unfair; will be unfair if any organ or functionary in any sphere of government, directly or indirectly

Guarantees or honours any of the obligations of the entity or undertaking connected or associated with or arising from its business, operations or activities:

Makes any grant, whether in money or in kind, to the entity or undertaking: or

Provides the entity or undertaking with a loan bearing no interest or interest at a nominal rate, or arranges or facilitates the granting of such a loan to the entity or undertaking by any other institution or person:

Corporatisation of Bus services

1999/2000 has seen key players in the bus industry in KwaZulu-Natal contend with new legislation that sets conditions for publicly-owned bus companies if they are to receive government subsidies.

This legislation states that government-owned bus companies can only receive subsidies if they operate on business principles with financial ring-fencing, and pay income tax.

Financial ring-fencing means that while still owned by government, these companies must conduct their business at arms length from government. They must keep separate accounting records, and be financially sustainable.

The rationale behind this legislation is to ensure that when financial crises arise in state-owned bus companies, these have **no unfair advantage over the private sector through direct access to resources from any organ of state.**

Two large companies that have been affected by this legislation are KwaZulu-Transport and Durban Transport.

KwaZulu-Transport has completed its corporatisation, or ring fencing, and is financially much healthier. A better service is offered to commuters and many of the hidden, inefficiencies have been rooted out.

Durban Transport is in the process of corporatising for this very purpose.

For Durban Transport, corporatisation will be a holding stage before full privatisation, because of a municipal by-law which stipulates that after a specified period, corporatisation has to be followed by full privatisation.

Asiphephe – Let Us Be Safe Road Safety Programme

Road Safety Statistics

Since the formation of the Victoria Project, and after the Asiphephe “Let us be Safe” Road Safety programme, there has been a substantial decrease in fatalities in the roads of KwaZulu-Natal. In every category of transport barring pedestrians, there has been a decline over and above the national average.

During the end of year school holiday period in 1999, there was a reduction in deaths in KwaZulu-Natal despite the fact that in their data collection the national Arrive Alive programme incorrectly allocated deaths to this province and duplicated the counting of some collisions. Over Christmas 98/99 there were 171 fatalities in KwaZulu-Natal – over Christmas 99/2000 there were 162. This was in spite of the heaviest rainfall in 40 years, 25% more holiday traffic than usual, concentration of traffic at beachfront festivals and high alcohol usage attributable to Millennium Madness. Indeed, we estimate a saving of at least 50 lives was achieved in a six week period. Here I refer you to the statistics on the opposite page.

Arrive Alive statistics

Between 1994 and 1998, petrol and diesel consumption increased by 13.23% in this province. During the same time road fatalities were reduced on rural roads by 31.94% and on urban roads by over 10.6% - an overall reduction of more than 20%. The Asiphephe program officially began its work in February 1998.

During 1997, 1575 people died on the roads of KwaZulu-Natal. This is more than 131.25 per month, 30.28 per week and 4.3 per day. During the nine months October 1997 to June 1998, the average monthly fatality rate was 120 or 27.71 per week and 3.9 per day.

54% of the deaths occurred in urban areas.

	1997 (Ave over 12 months)	1998 (Ave over 9 months)
Annual fatalities	1575	1441
Deaths per month	131,25	120
Deaths per week	30,28	27,71
Deaths per day	4.3	3.9

Estimated lives saved 1998 over 1997: 134

Estimated cost benefit for fatalities only: R42,8 million
(another R50 million saved in serious injuries)

In 6 out of 8 Categories of vehicles, (sedan cars, motor cycles, LDVs etc.) KwaZulu-Natal has the lowest traffic violation rates in the country. Average speeds of all categories of motor vehicles except taxis showed a reduction between April 1998 and June 1998. During Easter 1998, high speed was a direct cause of 31% of all fatal crashes, with 29,2% of those killed being pedestrians.

At this stage let me remind you that there were three main venues in South Africa for the millennium – Durban, Robben Island and Pretoria. Of these, Durban saw the only people centred celebrations for the millennium – due to Durban's reputation as the cheapest holiday destination for ordinary people in South Africa.

Asiphephe Strategy

Let me return to the Asiphephe strategy.

The Asiphephe – Let Us Be Safe programme is designed to ensure co-operation and collaboration be between all departmental and other Road Safety initiatives. It does this by concentrating on high volume enforcement, backed up by enforcement-related advertising, education in schools and communities, engineering projects in hazardous locations and research and evaluation of all the various elements and campaigns.

The programme is data-driven, based on scientific research.

This year, the Department of Transport has accelerated discussions on the re-structuring of Asiphephe in order to create a permanent Road Safety Directorate. This re-structuring is in response to recommendations from the original 1996 Victorian Assessment, the 1997 Status report, team deliberations at Easter 1999 at a good governance workshop, and most importantly a major external evaluation carried out during September 1999.

Enforcement

In 1999/2000, the Traffic Camera Office, which is responsible for the high-volume speed-timing enforcement in the greater Durban area, completed its move to new offices. Presently, enforcement levels are at an all time high, with 80,000 offender notices having been issued over the six week Christmas period alone.

2000/2001 will see the formation of a dedicated booze bus operation team, as these activities, together with road blocks, heighten perceptions of heavy enforcement, and are effective across all critical areas – alcohol, seatbelts, licenses of vehicles and drivers, tyre condition and road worthiness.

In the Department of Transport we are presently addressing concerns over the under-regulated vehicle testing stations and the fraud and corruption which enables un-roadworthy vehicles to be driven on the roads of our country. Although KZN has a higher percentage of testing stations which comply with regulating than any other province, we will not let this issue rest until we have 100% compliance. The National Department of Transport has identified this as a serious problem and contributory factor to crashes, particularly of taxis, and we are starting to deal strictly with those who contribute to allowing dangerous vehicles on our roads. I am confident that I will be able to report excellent progress in this area to you next year.

I can also announce that **from May this year, it will be illegal to talk on a cell-phone while driving a motor vehicle unless you have a hands-free kit. All traffic agencies throughout this province will strictly enforce this legislation, and fines will be in the region of R100,00.**

Road Traffic Inspectorate figures

These statistics show that RTI is working smarter - for a minimal increase in man hours RTI has apprehended nearly double the number of traffic offences. This is largely attributable to the traffic camera office. In some areas we have decreased the people driving above the legal limit from about 40% to 3% (Winkelspruit and near the Airport are examples). We are getting fewer offenders for the number screened. The success of the Asiphephe drunk driving campaign is evidenced by the decrease in arrests despite an increase in the number of booze bus operations. The RTI strategy is to keep enforcement levels constant despite the decrease in the number of drunk driving offences as the booze bus road blocks provide a constant deterrent against drunk driving.

Category	First six months : 1998	First six months : 1999
Fatalities	553	433
Serious injuries	1102	899
Grand total of traffic violation notices issued	129 325	248 590
Total moving offences	89 110	199 635
Arrests for drunk driving	717	499
Total man hours worked	226 881	274 107
Overtime worked	68 401	60 704
Kilometres travelled	2 011 018	1 382 644

Advertising

In 1999/2000, the province produced and flighted a comprehensive television and radio campaign nationally, which peaked during the Christmas holiday season. This was supported by a billboard campaign comprising 58 billboards with synergised messages.

In addition, four videos were produced and are now available for distribution.

These include a promotional video for the programme, and three videos on critical behaviour – speed, alcohol and overloading. 100 copies are being made and these will be shown to magistrates and prosecutors, offenders, schools, communities, business and industry and to all traffic officers in the province. They are aimed at creating understanding of main road safety issues. **We believe that this will assist us in sensitising magistrates especially, to the need for harsh penalties for drunk driving offences.** Honourable members will remember the report in last Sunday's Tribune in which I called for an examination of a specific case where a woman with three times the legal blood alcohol level got off scot-free due to a lenient magistrate. We are determined that this will not happen again in the future.

These videos, along with our road safety adverts, are being screened in the foyer of Parliament today.

Education

Education projects in schools and communities continue, with 20 Community Road Safety Councils having been established to date.

Engineering

Work continues to take place in communities where hazardous locations have been identified, in terms of our strategy.

Crash statistics and analysis are, from 1999, a provincial responsibility rather than a national one. It is envisaged that this function will form an integral part of the new Asiphephe directorate in order to ensure data driven research and evaluation guiding our strategic interventions in road safety.

CSIR Statistics:

When 1998 figures are compared with those of 1997, there are gains over and above the national average in every area except for pedestrians. In 2000/2001, a comprehensive pedestrian campaign will be rolled out through the length and breadth of KwaZulu-Natal.

	1997	1998	%
Fatalities			
Fatalities KZN	1575	1432	-09.08%
Fatalities RSA	9691	9068	-6.43%
Deaths/100000 KZN	16.55	14.75	-10.8%
Deaths/100000 RSA	21.35	19.56	-8.35%
Deaths/10000 m/v KZN	16.92	14.97	-11.5%
Deaths/10000 m/v RSA	15.37	13.99	-8.92%
Casualties			
Casualties KZN	23.022	20.649	-10.3%
Casualties RSA	140.753	129.969	-7.6%
Casualties/100000 KZN	241.84	212.66	-12.0%
Casualties/100000 RSA	310.05	280.41	-9.56%
Casualties/10000 /v KZN	247.26	215.86	-12.7%
Casualties/10000 m/v RSA	223.18	200.59	-10.1%
Pedestrian casualties			
Pedestrian deaths KZN	658	635	-3.5%
Pedestrian deaths RSA	3722	3452	-7.25%
Pedestrian deaths/100000 KZN	6.91	6.54	-5.39%
Pedestrian deaths/100000 RSA	8.20	7.45	-9.16%
Pedestrian deaths/10000 Vehicles KZN	7.07	6.64	-6.07%
Pedestrian deaths/10000 Vehicles RSA	5.9-	5.33	-9.74%

Research

The University of Natal Accident Research Centre (UNIARC) was established by the Department of Transport in 1999 and is working well, with a focus-group based evaluation of our Christmas television and radio campaigns; presently under way. This will be completed by the end of March. Other projects include a survey of the effectiveness of emergency services on the N3, and a behaviour/attitude survey of heavy-vehicle-drivers in the Midlands.

Department of Transport and Durban Metro Rail Partnership

Durban Metro Rail and the Department of Transport are to combine their road safety initiatives in their efforts to promote safe travel on all modes of commuter and public transport.

The pooling of resources, both monetary and human, will reach a greater target audience more cost effectively. It will reinforce the safe travel message and this will certainly contribute significantly in changing attitudes and behaviour patterns. This will ultimately contribute to the reduction of fatalities and injuries associated with all modes of public transport in KwaZulu-Natal.

Global Road Safety Partnership

After my visit to Atlanta last year, where I represented our country at the US-Africa Transportation Ministerial, the department of Transport was contacted by the Global Road Safety partnership, which is an exciting initiative of the World Bank. Their organisation identifies 17 key issues for Road Safety success in developing countries, and they have corroborated the fact that our strategy has covered all of the required elements. **We are quoted on the World Bank Internet site as a good example of Road Safety in a developing country**, and are hoping to officially join this organisation as a prime mover in Road Safety in Southern Africa.

Road Safety Evaluation

It is my belief that there are many areas of very positive and influential reform in Road Safety initiatives in our province. A permanent Asiphephe Directorate, properly managed, will pull together the elements in a more effective manner, and will also manage the re-constitution of the co-ordination committees – the Road Safety Board, Management Committee, and team meetings which are vital to ensure collaboration by all role-players.

One party cannot take responsibility for Road Safety – it must involve a co-operation of all organisations and stakeholders who have an interest in Road Safety, and must also include communities. For this reason my Department has created 20 community road safety councils throughout KwaZulu-Natal.

I am particularly pleased that my confidence in Asiphephe has been confirmed through an impartial road safety evaluation process. The Asiphephe Evaluation Report, completed late last year, makes 50 recommendations for the future of our road safety programme and under the current Acting Directorship of Vicky Cunliffe, these are being addressed.

A quotation from the Road Safety Evaluation, commissioned as a part of your road safety partnership with Victoria, Australia (September 1999) reads as follows:

“The review panel concluded that the Asiphephe Road Safety Programme as implemented in KwaZulu-Natal, is a good example of what can be achieved in South Africa when the will of political leaders, the commitment of government officials and dedicated funding are merged to work together to reduce road trauma and the carnage on our roads.

Highlights of the Evaluation are:

- We need to move from a project to a programme – we are doing this through the formation of a permanent directorate – and we need to redirect the role and function of the Road Safety Board and management groups. In 2000/2001, I intend to personally encourage our Road Safety Board to become active road safety champions. I envisage that Board members will play a critical role in road safety communications and that we will also engage famous provincial TV and sports personalities to endorse our road safety programmes.
- The advertising strategy of Asiphephe was particularly praised, with the suggestion that this province is given responsibility for all national advertising.
- Road Safety data must be brought under the new Directorate as it is an essential ingredient in running a data-driven strategy – this will be undertaken this year.

AARTO

Looking ahead, we eagerly await the implementation, in October this year, of the national AARTO legislation – this is the Administrative Adjudication of Road Traffic Offences legislation.

As with the taxi process, we are proud that the AARTO legislation had its beginnings in KwaZulu-Natal, where we identified the need to streamline the involvement of too many stakeholders – like the police and the judiciary – in the administering of traffic fines.

AARTO brings judicial sanction to our enforcement initiatives by putting the onus on the offender to prove innocence in the case of traffic offences – instead of the current system that places the onus on the judiciary to prove an offenders' guilt.

Obviously, as the final sanction to fast driving is a fine, the actual payment of this fine will change driver behaviour. We presently collect between 15 and 35% of fines issued so we are only influencing that small percentage of drivers. This is because, under the present system, if you choose to ignore paying your fine the matter goes out of our hands and the justice system picks up the process.

AARTO will remove the responsibility for collection of fines from the courts, and will be an administrative process that we ourselves will oversee. Penalties will be levied for non-payment after the first notice, and we as the AARTO agency will be responsible for collection – with powers to issue demerit points (which can result in loss of license), confiscate property, and the like.

Road Traffic Inspectorate

The budget allocation for the Road Traffic Inspectorate for the 1999/2000 financial year was R62,155 million and achievements to date are as follows:

- Drivers Licenses tests undertaken: 47 408
Learners Licenses tests undertaken: 56 261
PRDP Processed 39 354
Credit Card License Conversions Processed 62 504
Motor Revenue collected R12 202 569
Kilometres patrolled 3 637 436
Summonses issued i.e. Admission of guilt under R1500 : 286 059
Serious offences involving arrests and admission of guilt over R1500: 1 879
Number of Heavy vehicles stopped and weighed 74 243
Number of prosecutions for overloading 14 949

It must also be mentioned that RTI's post establishment has increased from 575 to 744 over the last two years, as per the under-mentioned schedule.

OLD POST ESTABLISHMENT	POSTS	NEW POST ESTABLISHMENT	POSTS
Chief: Provincial Inspection Services	1	Director: Road Traffic Inspectorate	1
Deputy Chief: Provincial Inspection Services	3	Deputy Director: Road Traffic Inspectorate	1
Chief Provincial Inspector	9	Control Provincial Inspector	6
Principal Provincial Inspector	57	Chief Provincial Inspector	11
Provincial Inspector	280	Principal Provincial Inspector	69
Chief Administrative Clerk	2	Provincial Inspector	374
Administrative Clerk	145	Senior Administrative Officer	1
Typists	2	Administrative Officer	2
GA I	30	Chief Administrative Clerk	6
GA II	3	Administrative Clerk	154
GA III	43	Groundsman Aid	5
		Tradesman Aid	35
		Other	79
TOTAL	575	TOTAL	744

This same process in Australia led to very high compliance from a situation very similar to ours (they now collect 93% of fines within 30 days). AARTO will themselves take a percentage of the fines collected, and the balance will come to the province as additional revenue.

AARTO will ensure that it is more difficult for Joe Citizen to get away with not paying his fines. He will get demerit points, he will not be able to re-license his vehicle unless all his fines are paid, and he may even have his goods confiscated in lieu of fines. AARTO is the brainchild of KwaZulu-Natal and we are 100% ready for its implementation. Our Traffic Camera office is in an ideal position to begin implementation of AARTO in KZN. It should raise man millions for the province annually once it is implemented and , more importantly, lead to behaviour change which will save precious lives on our roads.

Remember, fines are a voluntary contribution to government coffers – you choose to pay when you choose to break the rules of safe driving. No one is compelled to incur a fine – everybody is compelled to pay their fines.

Also this year, the national Department of Transport will implement the Road Traffic Management Corporation which will be a joint initiative, with the national Minister and nine provincial Ministers – including myself – as shareholders.

There will be provincial offices, and these will co-ordinate mainly the work of the various enforcement agencies. It will work closely with AARTO. It will also harmonise the enforcement focus areas of the various authorities, spread the optimal utilisation of resources, build capacity and collect outstanding monies – such as fines and other revenue – while reimbursing the issuing agency for the work they have done.

As the provincial Minister of Transport, and as a member of the RTMC board, I will be in a position to guide and direct its deliberations.

With the introduction of , chronic repeat offenders will get their licenses endorsed, suspended or cancelled through the road safety demerit points system. Along with stringent drivers license enforcement, and heavy fines issued for unlicensed driving, we will use this as a very powerful deterrent against bad driving.

The KwaZulu-Natal Department of Transport will be embarking on a massive campaign to enforce the carrying of drivers licenses in the build-up to the implementation of AARTO in October.

Administration

Human Resources Development / Equity Programmes

In 1999, the Administration Directorate put in place a comprehensive Equity Plan for the Department of Transport. This is a fully consultative programme that has been designed to allow each and every staff member a proper opportunity to make input into, and gain ownership of, the Equity Plan.

The Equity Plan formalises our longstanding race, gender and disability targets and puts in place transparent processes that mean that all levels of staff agree with, and actively assist in, meeting the agreed ideals. By June 2000, an Equity Programme that is fully in keeping with national legislative requirements will be in place.

Right now, skills audits, workshops, and communication programmes are taking place throughout the Department of Transport. These encompass the national qualification framework, affirmative action, and human resources development. Issues such as cultural diversity are also addressed through the Equity Plan, and after June we will finalise a Human Resources Charter that will inform and empower staff around the common cause of better service delivery.

The Administration Directorate has also run a Management Development Programme for the Department of Transport which has seen 10 managers graduate in 1999 and a further 14 new registrations for 1999/2000. Allowing for staff turnover, the directorate aims to get all middle management through this programme over the next three to four years.

Motor Licensing

I am pleased to announce new developments to the Department of Transport's Personalised Number Plate initiative.

As you know, we have run our personalised number plate programme – consisting of six characters followed by a dash and the provincial mark ZN – since Cabinet approved this in November 1996. In this, we have been the country's leaders, with the Eastern Cape following us with a personalised number plate programme and Free State, Western Cape, Northern Province and Gauteng all expressing strong interest in the programme.

Recently, however, improved technology in the number plates manufacturing industry has led to the production of larger number plates that still comply with DABS standards. These new number plates can accommodate up to seven characters. We believe that they will also be able to accommodate the incorporation of additional colours besides the standard green used for personalised plates.

Consequently, from May this year, the **Department of Transport will offer members of the public a seven character alpha-numeric combination for personalised number plates.**

Later on in the year, we also intend to allow registered logos to be used in personalised number plates.

A new fee structure will come into place, ranging from R1 500,00 for standard seven-digit number plates to up to R3 000,00 for personalised plates that include registered logos.

This new scheme has nothing to do with the fact that there are seven characters in “Ndebele” Indeed, we have been constantly lobbied by the public for these additions to our programme, and are pleased to be able to respond in this manner.

A test-case for the introduction of logos in personalised number plates will be run with the Comrades Marathon Association. Both the Comrades Marathon and our Personalised Number plate programme are initiatives that the people of KwaZulu-Natal are proud of. We are pleased, therefore, to bring them together. Runners who complete more than ten marathons, are allocated special **green numbers** that become their registration numbers for all future marathons they run. Our test case will involve making personalised number plates out of these numbers, with the Comrades marathon logo incorporated on the plates. This will come into being once the license plate manufacturers meet SABS requirements for this purpose.

I remind you that the personalised number plate programme is a money-spinner for our province, bringing dedicated funds to our road safety and roads for rural development programmes.

Let me also offer a warning that the Road Traffic Inspectorate has put the new number plates through rigorous camera testing. Vehicles with personalised number plates caught breaking the law will be prosecuted in exactly the same manner as vehicles with standard registration plates.

We have also issued a policy directive to the Motor Licensing Bureau instructing them to identify the 40-odd personalised number plates that are too close to each other for comfort and differ merely by one digit. We will offer new registration options to the owners of these numbers, at our own cost, to clear up recently reported problems of mistaken identities between personalised number plate owners.

Provincial Motor Transport

In 1999, running costs for the provincial vehicle fleet have stabilised despite fuel price hikes and the ever increasing age of the vehicle fleet. The Provincial Motor Transport Directorate of the Department of Transport has put the finishing touches to its transformation process that effectively brought the ineffective, and often faulty, provincial motor transport systems of KwaZulu and Natal prior to 1994 into a watertight, economic unit.

Corruption has been rooted out of the system, and checks and balances ensure efficient and non-fraudable processes. In 1999 we embarked on successful court action against those companies at the forefront of corruption in this sector. We also successfully defended ourselves against claimants who undertook repair-work on vehicles without the necessary authorities. In total, we saved nearly R80 000 in this way.

From 2000, Provincial Motor Transport intends to set up a number of pilot projects for vehicle identification technology that will ensure optimal use of our vehicle fleet – this is in keeping with national trends. The aim of these projects will be to use technology to, for example, prevent vehicles filling up with fuel over weekends, or if the petrol tank is not authorised via information technology. Vehicles will not be able to be started after hours without special authorisation codes that identify the driver, his or her route, and the like.

In 1999, the Provincial Motor Transport worked with Westbank to develop a SMME Programme aimed at targeting emerging entrepreneurs to give them a share of government repair contracts.

Provincial Motor Transport: key data

- In 1999, the Department of Transport dismissed four members of staff for vehicle repair fraud. In 2000, monies will be recovered from the merchants involved via First Auto. Fraud cases were identified either via telephonic or written reports from the public, or via First Auto and Auto net reports and databases. We have also recommended disciplinary action against staff in other departments we believe to be following incorrect procedures that could result in fraud.
- First Auto and Auto net reports have also alerted us of fuel fraud resulting from tank overfills or AutoCard abuse. The Department of Transport has instituted disciplinary action against guilty parties and in 2000, money will be recovered via our Loss Control section.

From 2000, PMT will draw random samples of subsistence and travel claims for officials and these will be checked against functions attended, venues and monies claimed.

The aim is to empower street-side mechanics who repair exhaust pipes and windscreens, do welding work, etc. We aim to nurture these businesses through a staged advancement programme until they can take on engine overhauls and the like.

Should this proposal be accepted by the Board of First National Bank, it will become their national policy that will be rolled out into the entire corporate business world of South Africa. It is anticipated that this programme will be finalised in 2000.

Examples of where this could happen are

- **Government garages and fuel depots**
In-house repairs and fuel depots are considered to be non-core activities. This, compounded with the cost of holding large ranges of spare parts and stock items, results in inefficiencies and wastage of funds. A long term vision or goal of the province is to outsource these activities whilst still ensuring jobs for existing staff.
- **The chauffeur service**
This area provides an ideal opportunity for true development. The regional offices of PMT have post establishments for several drivers who are not fully utilised. Outsourcing the function to the drivers themselves will result in greater efficiencies and higher service standards being attained with these drivers having to service the private sector as well.
- **The fleet management contract**
The fleet management contract has been outsourced to Westbank First Auto. One of the conditions of the contract is that 80% of the repairs work has to be allocated to emerging contractors. Westbank First Auto is responsible for the allocation of all repairs work.

I look forward to being able to report great progress on this programme to you in the future.

Concluding Remarks

In a province with our history, good governance is about the democratic management of our society. It is about reforming the state to make it efficient, effective, and consultative. It is about the provision of basic services to the public. It is about closing the gap between rich and poor. This necessarily requires budget reform, and a re-prioritisation of budgets to tackle key objectives.

In the Department of Transport, we have tackled the key objective of developing a balanced road network by setting aside budgets to meet critical backlogs, in which community leadership can

prioritise their most pressing road infrastructure needs with the assistance of our departmental officials.

We have tackled the objective of a safe road environment by introducing a wide range of programmes to make public and private transport safer. These include the transformation of the taxi and public transport industry, community education programmes through Asiphephe and zero tolerance for traffic offences.

We have tackled the objective of Black economic empowerment at all levels of society, from destitute widows in remote communities who have Zibambele contracts, to taxi operators who will benefit from the recapitalisation of the taxi fleet.

It is with great pleasure that I conclude my budget speech today by welcoming the new Head of the Department of Transport, Mr Kwazi Mbanjwa – who is well known to members of this house as a leading development activist in KwaZulu-Natal.

Over the past five years, I have worked closely with Kwazi, especially on issues of transformation and conflict management. Kwazi brings with him a leadership quality that is essential in times of profound change and challenge for the public service.

Kwazi Mbanjwa has been the DDG for Transport since 1 February 2000. In a very short time space, he has introduced the following far-reaching reforms which will undoubtedly make the Department of Transport a more effective service delivery agent. These include:

1. Business plans with measurable and quantifiable outputs have been prepared against all budget votes. The business plans are designed to improve management, financial accountability, and service delivery. The business plans allow us to set clear, unambiguous objectives and to monitor our performance against these on a continuous basis.
2. Kwazi commissioned an organisational analysis, which has proved:
 - That the current organisational structure is no longer appropriate to achieve the Department's objectives and aims.
 - That the necessary changes will bring the Department's structures in line with the requirements of the Public Services and Public Finance Management Regulatory Frameworks.
 - And they will ensure that there is optimal and effective utilisation of resources.

The new organisational structure has had the go-ahead from the Department of Public Service and Administration. What this means to the public of KwaZulu-Natal, is that in the near future they will be able to access all Department of Transport functions on a region by region basis through a **“One Stop Shop”**. This central management system will make government more accessible and user friendly to all citizens.

We look forward to a restructuring programme which will open up new and exciting career paths for people with technical and managerial skills. The Department has an urgent need to recruit or train a cadre of professional, management and technical workers who have a proper appreciation and concern for the problems that rural people face on a daily basis. **I am pleased to announce, therefore, that only last week, an agreement was reached with Federal Highway, USA, to establish a technology transfer centre in KwaZulu-Natal which will also serve the Eastern Cape. The technology transfer centre will be supported by the exchange programme as per the memorandum of understanding between KwaZulu-Natal Department of Transport, the Committee of Minority Transport Officials in Atlanta, and the 4 African Working Group, USA.**

Before closing, I would like to acknowledge the presence of Jenny Gray in the public gallery – we thank her for her service done and wish her well as she flies high.

Finally Ladies and Gentlemen, “No man is an Island.” The achievements of the Department of Transport belong to all management who have worked selflessly to implement programmes that were always bold, innovative and sometimes foreign to their life experience. Our successes belong to the thousands of workers who impalement management programmes and are our interface with the public and the communities we serve.

Thank you

ROAD TRAFFIC INSPECTORATE OUTSTANDING ACHIEVEMENTS

The Midlands Region performed very well with outstanding achievements in the number of speed prosecution cases that were finalised at Camperdown, Midway and Ladysmith.

- Mr M Jacobs was sentenced for speeding i.e. 164 kmph to R3 000,00 or 6 months imprisonment, in addition 6 months imprisonment suspended for 5 years on condition that he does not contravene section 85.
- Mr N Edward sentenced for speeding i.e. 162 kmph to R3 000,00 or 6 months imprisonment, in addition 6 months imprisonment suspended for 5 years on condition that he does not contravene section 85.
- Mr Hunt sentenced for speeding i.e. 174 kmph to R5 000,00 or 12 months imprisonment.
- Mr G Kloppers sentenced for being over the alcohol limit i.e. 0.63 grams per 1000m to R10 000,00 or 2 years imprisonment, in addition 18 months suspended for 5 years.

OFFENCE	TARGETS	01/04/1999 – 31/01/2000
Vehicles Weighed	100 000	72 325
Drivers License Conversions	100 000	96 602
Drivers License Checks	100 000	371 922
Breath Tests	180 000	271 287
Vehicles Screened Speed	6 000 000	4 487 470
Booze Bus Operations	300	294
Seat Belt Checks	100 000	326 036

- The obstacles that this Directorate faced in 1999/2000 was limited funds and over expenditure. In order to overcome the aforesaid this Directorate implemented control measures to curtail over spending and to improve efficiency.

Due to the fact that this Directorate was faced with insufficient officers to combat overloading offences effectively, the Department entered into an agreement with SANRA where an additional 54 funded posts were created in order to render 24 hour overloading enforcement on the N3 Corridor (N11).