

EMPOWERING COMMUNITIES FOR PROSPERITY: ADDRESS

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MR S'BU NDEBELE MINISTER OF TRANSPORT KWAZULU-NATAL

Master of Ceremonies AmaKhosi present Members of Parliament present Members of the Transport Portfolio Committee present Mayors and Councillors present Members of Diplomatic Corps present Members of the Rural Road Transport Forums present Members of the Community Road Safety Councils present Members of Taxi Councils present Members of the Emerging Contractors Association present Head Of Department Senior Officials from various Departments present Members of the Media present Distinguished Guests Ladies and Gentlemen

Let me begin by thanking you for your attendance. It has become part of the tradition of the KwaZulu-Natal Department of Transport to report to the public at large, through various stakeholder organisations, on the progress made by my Department in the previous financial year and to outline our plans for the current financial year.

These Summits are important because they provide an annual occasion which allows all of us present to critically assess how much distance we, in the KwaZulu-Natal Department of Transport, have put between the apartheid practices of our past and those shaped by the democratic rule of our present government. It allows us to critically assess what we have achieved and to analyse what building blocks are in place that will guarantee lasting empowerment and lasting prosperity, particularly of those communities that were most disadvantaged under apartheid.

I say "lasting empowerment" and "lasting prosperity" in the full knowledge that currently one out of every three South African citizens is unemployed and that the unemployment situation is most severe for rural populations, for women and amongst our youth.

It is a fundamental truth of South African society that severe poverty, constant hunger and despair occur alongside incredible wealth, extravagant lifestyles and ambition. Both the pervasiveness of our poverty and the monopolies of our wealth are a cause for concern. Democratic government in South Africa has committed itself to a levelling process that involves the redistribution of economic and social opportunities. This is why Government termed its transformation strategies RDP - Reconstruction and Development Programme - and GEAR - Growth, Employment and Redistribution programme. These programmes are expected to achieve socio economic transformation which is why the words reconstruction and redistribution form part of their titles.

Our mandate as Government is to deliver a better life for all, but particularly for those so unjustly disadvantaged under apartheid. We are expected to deliver on this mandate despite the pace of our economic recovery and the impact of globalisation on job losses. There can be no excuses. Many of you will be familiar with the old excuses both from the private sector who claim that redistribution can only occur when the economy grows and from some public sector institutions who claim that they first require an increase in their budget before they can redistribute their resources and services. This is simply not true.

Allow me to explain further.

Picture, if you can, our economy, access to health, education, social welfare, transport and other services as a cake. The cake is cut into slices. Under apartheid rule the

majority poor and disenfranchised received the smallest slice of the cake while the minority rich and enfranchised received by far the largest slice of the cake. Under conditions of economic growth the cake will expand, not dissimilarly were you to add an increased measure of baking powder to a real cake. The bigger cake simply means that the rich and the poor will now receive a larger slice of cake but that their proportional shares will remain the same. Economic growth without redistribution will result in a very gradual increase in work and life opportunities for the poor. This is not what Government means by tackling poverty through redistribution.

Redistribution, in democratic South Africa, means re-slicing the economic and social cake so that the poor and disadvantaged receive a larger share than they did previously. Redistribution is an issue that concerns political will and is not dependent on economic growth or larger budgets. These are simply the icing on top of the cake.

Redistribution requires the will to redirect opportunities away from the more affluent sector of society towards the more impoverished sector of society. We should all be aware that redistribution results in conflict situations that require skilled and committed management to achieve a peaceful solution and sustainability.

Clearly if Government is to lead the way in securing economic and social justice in South Africa then Government must succeed in refocusing its portfolios to establish truly non-racial, non-sexist and people centred departments which are committed to broadening democratic participation resulting in both the social and economic empowerment of disadvantaged communities.

Knowledge Is The Most Democratic Source Of Power

The foundation or cornerstone of any democracy and just society is a well informed public. This is because a well informed public is a public that can intelligently assess our performance as Government and, at the same time, contribute meaningfully to assist us to improve on the way we deliver our services and programmes to the public. In the KwaZulu-Natal Department of Transport our annual Summits create an opportunity for critical, but hopefully constructive, assessment not only of our performance but also of your performance as organised stakeholders. It is for this reason that these Summits also afford us the welcome opportunity to acknowledge the outstanding contribution the Rural Road Transport Forums make towards both the development and implementation of the vision of the Department.

The vision of the Department is summed up in "Prosperity Through Mobility". I think that all of us here today appreciate only too well that it is one thing to vote a budget to achieve a specific objective or outcome but it is another thing altogether to implement programmes to achieve the desired social and economic impact. Historically Rural Road Transport Forums have played an important role in bringing budget allocations and what they are intended to achieve closer together. It gives me pleasure therefore to announce that in future years we will introduce awards for other stakeholders including Community Road Safety Councils, Emerging Contractor Associations and Taxi Councils. These awards are intended to extend the Batho Pele principles of good governance.

I will now outline how the KwaZulu-Natal Department of Transport is allocated its budget and what we intend to achieve in spending our budget allocation.

Every year national Government collects revenue from its citizens in the form of various taxes and duties, for example personal income tax, company tax, VAT, estate duties and

customs and excise duties. Taxes are a form of prepayment for services that are to be provided by the different spheres of government, namely national, provincial and local. Accordingly every year the Minister of Finance tables a Division of Revenue Bill that, if accepted, becomes the Division of Revenue Act. The Division of Revenue Act provides for "the equitable division of revenue raised nationally among the national, provincial and local spheres of government".

Schedule 1 of the Act outlines the Equitable Division of Revenue Raised Nationally Among the Three Spheres of Government.

Sphere of Government Column A Column B 2001/02

Allocation

R'000

MTEF Outer Years

2002/03 R'000 2003/04 R'000

National

151 563 153 161 760 371 173 756 979

Provincial

104 136 460 112 560 356 120 215 824

Local

2 618 123 3 002 123 3 551 123

Total Allocated Expenditure

258 317 736 277 322 850 297 523 925

Note that local government's equitable share of revenue is, proportionately, a relatively small allocation because it is only intended to subsidise local government initiatives. For the most part local government's main source of revenue is generated through the trade in services such as electricity, water and sanitation and through the collection of local taxes, particularly taxes on land and property.

Schedule 2 of the Act outlines the Determination of each Province's Equitable Share of the Provincial Sphere's Share of Revenue Raised Nationally.

Province

Column A Column B 2001/02

Allocation

R'000

MTEF Outer Years

2002/03 R'000 2003/04 R'000

Eastern Cape

17 964 631 19 220 517 20 317 001

Free State

7 017 865 7 531 358 7 985 693

Gauteng

15 848 350 17 288 850 18 633 961

KwaZulu-Natal

21 034 301 22 944 445 24 727 753

Mpumalanga

7 205 792 7 919 122 8 597 022

Northern Cape

2 532 623 2 730 222 2 908 143

Northern Province

14 009 930 15 233 045 16 364 996 North West 8 761 128 9 390 757 9 944 981

Western Cape

9 761 840 10 302 040 10 736 274

TOTALS

104 136 460 112 560 356 120 215 824

You will see from Schedule 2 that KwaZulu-Natal receives the highest allocation out of all the provinces followed by the Eastern Cape and Gauteng. This is because size of population is a critical determining factor in allocations to provinces.

Schedules 3 to 6 of the Act deal with a wide variety of grant allocations to provinces, local government and municipalities that are also intended to further co-operation between spheres of government.

I will now focus on KwaZulu-Natal's budget allocation and on the KwaZulu-Natal Department of Transport's budget allocation.

Allocations

Column A Column B 2001/02 Allocation R'000 MTEF Outer Years 2002/03 R'000
2003/04 R'000

KwaZulu-Natal

21 034 301 22 944 445 24 727 753

KwaZulu-Natal Department of Transport

1 083 120 1 143 889 1 316 602

The KwaZulu-Natal Department of Transport therefore is allocated approximately 5% of the provincial budget. It is important that you appreciate that 85% of all provincial budget allocations in South Africa are earmarked for the critical social services of Health, Education and Culture and Welfare and Population Development. This means that, in KwaZulu-Natal, the portfolios of Transport, Housing, Agriculture and Environmental Affairs, Economic Development and Tourism, Public Works, Traditional Affairs, Local Government and Safety and Security all compete for only 15% of the overall budget allocation.

The KwaZulu-Natal Department of Transport has, with some success, motivated that its share of the provincial budget is inadequate. We have repeatedly motivated that if our road network is inadequately funded then this will impact negatively on the economic performance of KwaZulu-Natal and on the costs of providing Government services, particularly to relatively isolated communities. These motivations have resulted in the KwaZulu-Natal Department of Transport increasing its share of the provincial budget from less than 4% to 5%. I am belabouring this point because it is important that the performance of the Department be judged against the fact that it manages only 5% of the provincial budget. Under these circumstances the KwaZulu-Natal Department of Transport alone cannot possibly upgrade and maintain its entire road network nor create the number of work and business opportunities that are critical to level the playing fields in KwaZulu-Natal.

Perhaps it is because our budget is too small for our vision that we, in the KwaZulu-Natal Department of Transport, have demonstrated a willingness to confront problems and not just wish them away. Thus we were the first provincial department to appoint a Chief Financial Officer to improve our levels of efficiency and productivity and to stamp out corruption. Our current Chief Financial Officer is Mr Roger Govender. His role extends to both financial and operational audits and he has played a key role in the development of Department business plans that are, for the most part, outcomes based. The net result of this is that in the 2000/2001 financial year the KwaZulu-Natal Department of Transport spent only 35,23% of its budget on personnel and that by 2003/2004 this is targeted to decrease to 30,7%. This means that the KwaZulu-Natal Department of Transport increasingly spends most of its budget on services to you, the public, and not on overheads.

Our performance compares very favourably with other government departments in KwaZulu-Natal. In fact we are KwaZulu-Natal's top performer with some departments spending more than 95% of their budgets on overheads.

We were also the first provincial department to introduce the concept of "One Stop Shops" with the view to fast tracking regional service deliveries and, at the same time, reducing the costs to the public associated with having to deal through a central office. I do appreciate that the One Stop Shops have not been fully implemented as speedily as

anticipated. However, several bottlenecks have now been sorted out and I am confident that the regional One Stop Shops will become a working reality this year.

By and large the KwaZulu-Natal Department of Transport has performed well during this past financial year. Our achievements have received considerable acknowledgement by independent assessors. We were awarded Gold, Silver and Best Practice in the Premier's Batho Pele Good Governance awards. Impumelelo selected the KwaZulu-Natal Department of Transport as one of the top 300 affirmative action companies in South Africa. What makes this very special for me and our Department is the fact that we are the only provincial department nationwide that was acknowledged to have performed within the top 300 affirmative action companies.

Impumelelo also awarded their coveted top prize to Zibambele for the reduction of poverty and improvement in the quality of life of poor people.

Public Transport

Although we did not win any prizes for the progress made in regulating the minibus taxi industry, I want to congratulate all involved for their truly tremendous efforts. I especially want to acknowledge the important contribution that the leaders within the taxi industry have made in this regard. Despite its turbulent history, despite the fact that during apartheid it was unregulated, the minibus taxi industry is today the most critical pillar of our public transport sector. Not only is it the most available mode of transport, it is also the most affordable to the public. This, in itself, is testimony to the Black entrepreneurial spirit in South Africa.

The KwaZulu-Natal Department of Transport has now completed the democratisation process of the taxi industry within KwaZulu-Natal.

We received in total 315 applications, which have since been rationalised into 252 taxi associations. These 252 taxi associations are now properly constituted and have democratically elected office bearers by secret ballot. These associations have in turn been organised into 16 Regional Taxi Councils who, in turn, have elected their representatives to the Provincial Taxi Council. The members of the Provincial Taxi Council are:

NAME POSITION

C B Ngiba Chairperson M J Mthiyane Vice Chairperson J M Lekokotla Secretary S O Kubheka Vice Secretary L T Mtumi Treasurer M C Cele Public Relations Officer T Ndabana Chaplain P E Gumede Regulation & Control Leader S G Manyathi Training & Development Leader M A Mzelemu Conflict Management Leader A Sangweni Labour Relations Leader

NAME POSITION

B B Zondi Economic Development Leader M E Mkhize Communication Leader L V Gumede Discipline Leader B V Molefe Grievance Leader R H Majola Marketing & Research Leader

I want to congratulate all newly elected leaders and look forward to a renewed programme to assist you in transforming the taxi industry into a safer form of public transport and, at the same time, into a more profitable and diversified industry. I also want to stress that these members of the Provincial Taxi Council are the legitimately

elected representatives of the taxi industry in KwaZulu-Natal. This is the only leadership that we in the KwaZulu-Natal Department of Transport are now legally bound to talk to on all matters affecting the Taxi Industry in our Province.

It is important that the public appreciate that we have now initiated what is termed the "Be Legal" campaign. Under the Be Legal campaign any illegal taxi operator who was a member of a recognised taxi association in June 1997 has until 30 September 2001 to legalise. Being legalised means that the operator is granted a permit that specifies his or her route as well as starting and end points. Taxi operators that have not been granted permits will be considered illegal and will not be allowed to operate.

It is equally important for the public to know what the recommendations of the Judicial Commission of Enquiry into Taxi Violence and Related Matters were. Cabinet has resolved to support the implementation of The Commission's recommendations as speedily as possible. The Commission was chaired by Judge Gerald Alexander and in many ways acted as the TRC of the taxi industry in KwaZulu-Natal in its attempt to understand why violence exists, what form it takes and who is behind the violence. Recommendations made by the Commission include:

- * That State bodies investigating taxi violence and related problems should be co-ordinated into one investigative unit;
- * That the prosecution of the perpetrators of taxi violence should be speeded up to protect witnesses;
- * That the current system of appointing rank managers who are employed by taxi associations should be replaced with independent rank managers appointed by the relevant municipalities;
- * That taxi associations be appropriately constituted and that the finances be duly audited;
- * The introduction of a uniform tariff, applicable to all routes;
- * The introduction of season tickets for daily commuters
- * The introduction of clearly visible and distinctive markings on taxis that identify the taxi operators, taxi associations and routes;
- * The establishment of commuter associations to protect the interests of commuters and to put an effective brake on improper operating standards;
- * The training of taxi operators;
- * A 24 hour taxi "hotline" to allow the public to report any transgressions; and
- * The appointment of a neutral Taxi Registrar.

Last week on 2 May the Judicial Commission presented its recommendations to Cabinet. These were approved by Cabinet and we have already started to implement some of these recommendations. We are in the process of

- * Establishing special courts and special investigating units that will prioritise taxi violence.

* Consulting with the Provincial Taxi Council the appointment of neutral Taxi Rank Managers. Council have undertaken to provide me with their considered view by the 31 May 2001.

* The reviewing with the Provincial Taxi Council the position of the Taxi Registrar. Council have undertaken to provide me with their considered view by the 31 May 2001. We intend to advertise the position in June and an appointment will be made in accordance with the recommendations of the Judicial Commission and the consultation process with the Provincial Taxi Council.

* Introducing the use of colour coding and symbols to identify taxi routes, taxi operators and taxi councils. This has been agreed upon. Every district will have a distinctive colour and all 21 000 taxis will carry appropriate colours and symbols by the 30 June 2001.

* Developing the terms of reference to establish commuter associations.

While dealing with public transport it is my pleasure to inform you that both KZT and DTMB are in the process of being privatised. It is our intention to ensure that the taxi industry in KwaZulu-Natal become shareholders in the newly privatised bus companies formed out of KZT and DTMB.

I believe that, once these recommendations have been implemented, together with the findings of the Independent Taxi Tribunal which is dealing with the problems of the long distance taxi associations, we will begin to see an end to taxi violence in KwaZulu-Natal and that the minibus taxi industry will undoubtedly grow and develop as a triumphant model of the Black entrepreneurial spirit and take its rightful place in the African Renaissance.

Before I ask my Head of Department to report to you the details of the 2001/2002 budget, as well as on the progress made in meeting the conditions of his Annual Performance Agreement, I would like to highlight some aspects of the 2001/2002 budget which specifically address the theme of this year's Summit, namely Empowering Communities for Prosperity.

The KwaZulu-Natal Provincial Roads Bill is now the KwaZulu-Natal Provincial Roads Act (Act No. 4 of 2001). The Act provides the legal framework for the transformation, restructuring and establishment of the KwaZulu-Natal Provincial Road Network. The Act recognises that local roads form an integral part of the provincial road network. The Act compels all KwaZulu-Natal Department of Transport staff to recognise the legitimacy of all roads that make up our network and to work diligently to establish the success of our Roads for Rural Development initiative, including support to the Rural Road Transport Forums, Community Road Safety Councils, Emerging Contractors and Zibambele Contractors. I would like to thank the Portfolio Committee for the way they participated and contributed to the KwaZulu-Natal Provincial Road Act.

The roads budget has increased from R673 976 000 to R810 449 000. This is still 47% (R378 million) less than what I consider to be the minimum budget that should be spent on road infrastructure annually to sustain and grow the KwaZulu-Natal economy. Despite this, funds have been allocated to ensure:

* An increased budget allocation to our Roads for Rural Development initiative.

* A guarantee of at least R250 million in contract opportunities for Emerging

Contractors.

* The establishment in partnership with Bell Equipment and Bell Finance of plant depots in all four One Stop Shop regions. The first plant depot will be established in the Empangeni One Stop Shop region and will begin operating soon.

* The establishment of an Emerging Contractor Trust to administer the objective of transferring the plant depots to the Emerging Contractor Associations in the form of co-operatives.

* The establishment and training of 30 Emerging Contractor Associations.

* Increasing Zibambele contract opportunities from 6 000 to 10 000.

* Introducing, subject to the approval of Treasury, a savings incentive scheme for Zibambele contractors to organise collectively into savings clubs. We calculate that were Zibambele contractors subsidised to save R32,00 per contractor per month then 10 000 Zibambele contractors will collectively save R3,84 million per annum. We will accordingly establish a savings and investment portfolio within the KwaZulu-Natal Department of Transport to assist Zibambele savings clubs to invest in small enterprise developments, in establishing Zibambele bursary schemes and even in making investments on the Johannesburg Stock Exchange. We will obviously involve all relevant Government Departments wherever necessary to ensure that the Zibambele Programme does indeed break the poverty cycles of poor rural households.

* The systematic introduction of a labour intensive road construction programme which will encompass both poverty relief principles and create sustainable work opportunities for large numbers of unemployed rural men, women and youth.

* Allocating a dedicated budget to design, plan and upgrade key roads that carry more than 500 vehicles per day. Our initial priority roads include:

- Main Roads 235, 52 and 49 extending from Mtubatuba to Vryheid via Nongoma and from Nongoma to Pongola (105,3 kilometres at a cost of R136,8 million)

- Main Roads 15 and 50 extending from Kranskop to Nkandla and Eshowe (89,2 kilometres at a cost of R115,9 million)

- Main Road 100 extending from Verulam to Inanda via Ndwedwe (41,5 kilometres at a cost of R53,9 million)

- Main Road 68 extending from Highflats to Umtentweni via Dweshula and St. Faiths (51,2 kilometres at a cost of R66,6 million)

- Main Road 399 extending from Edendale to Taylors Halt via Nxamalala (12,2 kilometres at a cost of R15,9 million)

- Main Road 296 extending from Osizweni to Buffalo Flats (48,6 kilometres at a cost of R63,2 million)

* This programme will be known as our African Renaissance programme in that it is intended to build a truly representative construction industry in KwaZulu-Natal. I introduced this notion during my budget speech on 20 March 2001 and am certain that Kwazi Mbanjwa will report on the progress made towards the implementation of our

vision.

The road traffic control and road safety budget has increased from R153 784 000 to R159 389 000.

Our Road Traffic Inspectorate and Road Safety Directorate are committed to working co-operatively to focus their resources on strategic high accident risk areas. Our intention is to introduce a comprehensive programme of Zero Tolerance coupled with community road safety awareness and education campaigns, including pedestrian education, to communities that fall within each high accident risk area. The programme relies heavily for its success on the active participation and co-operation of our Community Road Safety Councils and AmaKhosi as patrons of road safety.

Finally, it would be remiss of me not to single out the pioneering work of our Provincial Motor Transport team for their efforts in empowering communities for prosperity.

Provincial Motor Transport has outsourced the province's fleet management contract to Wesbank with a condition that 80% of all repair work is allocated to Emerging Contractors. Although this initiative was only launched in 1999, 593 of the 850 merchants contracted by Wesbank to maintain and repair the provincial motor fleet are categorised as either SMME or Emerging Contractors.

The systems developed by Provincial Motor Transport and Wesbank KwaZulu-Natal have been accepted in principle by the Board of First National Bank. The intention is to roll out the programme nationally. This will not be confined only to government contracts but will also include the corporate business sector. The potential business opportunities and other spin offs from this programme are quite staggering.

It now gives me great pleasure to officially launch the KwaZulu-Natal Department of Transport's Cargo Tricycle Programme.

In my budget speech 20 March 2001 I announced the intention of introducing Cargo Tricycles into KwaZulu-Natal with a view of filling an important transport market niche to meet rural mobility needs. Cargo Tricycles will fill a huge market niche in rural areas to transport groceries, water, firewood, garden produce and even people. For the most part these are presently transported by women.

We have investigated the legal steps that must be taken both to import Cargo Tricycles from China and to ensure their roadworthiness. I am happy to report that as far as pedalled powered Cargo Tricycles there appears to be no legal constraint preventing their immediate introduction. No special licence is required and pedal power Cargo Tricycles will be allowed to operate on any public road other than a freeway and national highway.

An application to register as an importer of motor driven Cargo Tricycles will have to be submitted to the Motor Licensing Bureau, and forwarded to both the SAPS and SABS for approval. Provided both the e key to empowering communities for prosperity.

Thank you.