

ABRIDGED SPEECH

Budget Vote 12 Speech 2014/15 delivered in the KwaZulu-Natal Legislature by MEC for Transport, Community Safety and Liaison, Honourable T.W. Mchunu

Pietermaritzburg

Thursday, 14 August 2014

- Madam Speaker, Honourable Lydia Johnson;
- The Premier of KwaZulu-Natal, Honourable Senzo Mchunu;
- Deputy Speaker, Honourable Dr. Meshack Radebe;
- Honourable Members of the Provincial Executive;
- Honourable Members of the Provincial Legislature;
- AmaKhosi AseNdlunkulu akhona;
- Your Worships, the Mayors and Councillors of Municipalities;
- The Director-General;
- Heads of departments and state agencies;
- Distinguished guests, and members of the media;
- Fellow citizens.

Introduction

Madam Speaker, I rise to present Vote 12, which is the Budget Policy Speech for the Department of Transport, under the theme –

“Road safety is our collective responsibility.”

The **R9 billion** budget for 2014/15 will fund roads and transport infrastructure development programmes to move KwaZulu-Natal forward.

We are in the Second Phase of Our Transition, carrying the popular people’s mandate to implement radical socio-economic transformation.

This mandate entrusts the African National Congress the task of advancing the national democratic South African society.

Our commitment is to support this task by delivering roads and transport infrastructure that is safe, accessible and affordable to meet citizens’ developmental needs.

In the face of constrained budgets, we will build 226 kilometres of new, tarred roads by 2016/17. We will also connect more communities by constructing 60 new pedestrian and vehicle bridges in the same period.

We take great pride in the progress already made. To give context, **458 kilometres** of new, tarred roads were constructed in the last five years. This is well in excess of the distance one travels from Durban to Umtata!

In addition, more than **827 kilometres** of surfaced roads were re-tarred – bringing the total to **1 285 kilometres** of tarred roads in the last five years.

In spite of the evident progress, the backlog remains huge.

Based on the department's analysis of the state of our current **7 400 kilometres** provincial network of tarred roads, we need **R17 billion** to address the maintenance backlog.

Members surely understand that when roads are not maintained on time, they deteriorate into a shameful network of potholes.

While we fare better than other provinces, our rate of poor to very poor roads is sitting at 43 percent. This is far higher than the global benchmark of less than 10 percent.

Honourable members; it is this scale of the backlog that informs our realistic response today. Our ongoing task is to close the backlog.

We have to do this while developed countries are advancing to a technology-driven not-too-distant future, of building intelligent highways that will improve safety, increase capacity and reduce congestion.

Road Safety

Let me assure you, Honourable members, that, we too, are very interested in the future without car crashes, accidents and congestion.

This is the future President Jacob Zuma, our Premier, and citizens at large, strongly desire, when they raise their ire on the continuing road carnage.

We must turn the tide.

The question is; what can we do differently and collectively today to effect the change we seek on road safety?

I dare challenge this House, and this provincial government led by the Premier, to lead from the front and pledge to champion road safety.

By pledging, we are opening a new chapter of commitment to doing the right thing. We are beginning a process of engaging society to take full responsibility.

Government taking the lead

As a start, government must lead. Concretely, we must discuss and agree how we should strengthen the Code of Conduct to infuse principles of Administrative Adjudication of Road Traffic Offences (AARTO)?

How do we strengthen laws and regulations to be more stringent and punitive to enforce compliance and achieve desired results?

Immediately, we are calling on all government and state agencies to ensure that the state fleet and personal vehicles of leaders, officials and employees comply with roadworthiness requirements.

We are advocating for a mind-set change across society. We are inviting the business sector, especially the trucking industry; civil society; public transport sector; as well as private vehicle owners, to play their part.

KwaZulu-Natal must be a zero-tolerance zone for traffic violators. This entails rooting out drunk drivers, speedsters and unlicensed drivers and vehicles from our roads.

Our campaigns, anchored on "*Operation Valingozi*", will henceforth see our law enforcement teams paying special attention to seat-belts, roadworthiness and pedestrian safety compliance.

It is critical that the safety of the people comes first, for our nation to truly enjoy the gains of our freedom.

RTI Commission of Inquiry

Honourable members; by now you are very familiar with the content of the report by the Commission of Inquiry into the Road Traffic Inspectorate's recruitment process that was marred by the unfortunate deaths of eight young people in late December 2012.

I have stated before, and do wish to repeat in this House today, following the release of the Commission's report by the Premier yesterday; that the loss of lives of prospective candidates was and remains deeply regrettable. There are not enough words to express the sincere regret and apology to the families, relatives and friends who lost their loved ones.

Our commitment is to ensure that such an episode does not ever occur again. We have learnt the hard lessons, and should now move forward to shape a better future. I also wish to apologise to the thousands of young people who had to endure this emotionally draining process.

Again, I do confirm that as the KwaZulu-Natal Department of Transport we will abide by, and respect the findings and recommendations of the Commission. Where we are instructed to implement certain actions, we will do so with speed.

Delivering national and provincial priorities

Our mandate is best carried out in tight alignment to national priorities – especially through the National Development Plan 2030, the Provincial Growth and Development Plan (PGDP) and local government plans.

Job Creation

Transport is central to economic development and growth. Because it is the lifeblood of the economy, the prioritisation of our planned roads and transport infrastructure will aim to address the triple challenges of unemployment, poverty and inequality. It will be directed towards growing our provincial GDP and bolster tourism, agriculture and manufacturing development. In this regard, we aim to create an estimated **60 000** job opportunities targeting women and youth in 2014/15.

Rural development

Approximately **60 percent** of our budget is already directed at underdeveloped areas including rural, peri-urban and township communities. This balances our road and transportation network and fosters inclusive growth. In this financial year, we will upgrade

78 kilometres of gravel to tar roads as part of "*Operation kuShunquthuli*". More communities will be connected to major corridors, towns and amenities such as schools, clinics and hospitals when **255 kilometres** of new gravel roads, as well as **20** vehicle and pedestrian bridges, are constructed.

Education and Skills Development

Expanding our technical skills base of engineers and technicians through internships, apprenticeships and bursary programmes will change lives of hundreds of young people. Already, our bursary programme has produced **70 young people** who have graduated with construction, civil, mechanical, surveying and transportation engineering degrees and diplomas.

Currently, we have enrolled **24 in-service interns** and **150 candidate technicians** who are working in the department. A further **60 interns** are plying their trades across directorates of the department. Interns will grow gradually to represent 5 percent of the total workforce in the next five years.

Health

Our increased focus on health will build on the existing Employee Health and Wellness programme, which has raised employee awareness about killer diseases including HIV and AIDS, as well as TB.

In partnership with the Department of Health and other stakeholders, we will extend this to address non-communicable diseases such as diabetes.

We will take advantage of growing employee clinic attendance, which has risen in the last three years from 1 470 to nearly 2 000 to date.

For us saving people's lives on our roads also means escalating Mobile Health programmes that extend awareness to taxi ranks, road blocks and other platforms where people live.

Fighting crime and corruption

We will intensify our fight against crime and corruption. Working with the Integrity Unit in the Premier's Office, the Anti-Corruption Task Team, the Hawks and the Special Investigative Unit, we will clean our administration, as well as vehicle licensing and testing centres. This will entail rooting out corrupt practices such as fraudulent issuing of roadworthiness certificates, learner driver licences and cloning of number plates. Our working agreement with the Driving School industry will also help in these processes. In the medium term, we will work towards modernising testing stations.

National Infrastructure Projects

Our department continues to participate in the coordination of strategic infrastructure projects in the province, as required by the PGDP.

These include increasing capacity of our ports to accommodate larger ship vessels while upgrading road and rail to meet freight demands.

Part of the Strategic Infrastructure Programme 2 (SIP 2), these projects are aimed at developing the Durban (KZN)-Free State and Gauteng corridor, and involve SANRAL, Transnet and eThekweni.

Programmatic approach to delivery

Madam Speaker, Honourable Members; the Department of Transport continues to operate in a programmatic approach, which helps us effectively track service delivery.

Programme 1: Administration

Clean governance is a prerequisite for escalated service delivery and accountability to citizens. As such, our total allocation of **R254.6 million** for the Administration programme is aimed at ascertaining the enabling machinery for service delivery.

Critically, we will soon finalise the organogram in the levels 12 and below, accommodating it within available financial resources.

Filling critical posts – currently at 850 – is another key priority that will be fast-tracked while improving employment equity scores. Women of all races occupying posts at Senior Management Service levels increased from 50 percent to 51.42 percent between 2009 and 2013. Employment of women in the entire department has risen from 39.07 percent to 44 percent between 2009 and 2013.

In the same period, we achieved two clean and unqualified audits, and regrettably regressed to a qualified audit in 2013/14. Our commitment remains to uphold clean governance principles as captured in the Public Finance Management Act, and sustainably achieve clean audits.

We will soon report on the progress of our assessment of the value we derive from contracts with consultants and service providers.

Already running a Business Process Management system that manages the Supply Chain Management Cycle from need identification through to invoice receipt and supplier payment, will ensure that we pay suppliers on time.

Programme 2: Transport Infrastructure

Madam Speaker; our tangible progress in the transport sector is fundamentally assessed against our deliverables on core infrastructure, namely roads and bridges.

We remain convinced that continuing to invest the bulk of our budget into maintenance of existing surfaced and gravel roads, is a plausible strategy. Approximately 75 percent of the **R9.06 billion** budget will be invested into upgrading and maintaining road and transport infrastructure.

Of the total, **R6.9 billion** is allocated to Transport Infrastructure. Of the latter, **R3.8 billion** will go into maintenance and **R2.9 billion** in the construction and upgrade projects, respectively.

Roads Infrastructure

We are already in the second quarter of 2014/15. The roll out of our programme through the "*African Renaissance Roads Programme*" (ARRUP), "*Operation kuShunquthuli*" and "*Roads for Rural Development*", is steaming ahead. Special focus is being paid on completing running and committed, strategic projects that link communities to economic hubs and major corridors.

Projects to be completed in the medium term

Honourable Premier, in the next year to three years, we will complete the following major roads construction projects:

- **Main road P-700**, a 95-kilometre stretch located between Ulundi and Empangeni, of which 46.7 kilometres has already been completed;
- **Main road P-230**, stretching 31.3 kilometres and located between Empangeni and Eshowe, of which 18 kilometres has been completed;
- We will finalise the upgrade into a dual carriageway of **John Ross Highway**, that is, **main road P-496** between Empangeni and Richards Bay, which already carries well more than 20 000 vehicles per day;
- **Main road P-68**, stretching 47 kilometres from St. Faiths to Ixopo;
- The 24 kilometres-long **main road P-36** between Nquthu and Nondweni;
- The 23 kilometres long **main road P-49** from Nongoma to Vryheid; and
- **Main road P-435** from Skhemelele to Ndumo, which is 17.3 kilometres long.

Focusing on upgrading gravel to tar roads, the following are among the major projects:

- A 55-kilometre, **main road P-127**, from Impendle to Himmeville, of which nearly 24 kilometres have been completed; and the 75-kilometre **main road P-73**, between Sipofu and Ixopo, of which 21.5 kilometres has already been completed.
- More than half of both main roads P-58 (between Diemount Store and Eziqoleni) and P-72 (between Eziqoleni and Bushy Valley) has been completed.

KwaZulu-Natal is home to the country's busiest Durban and Richard Bay ports, as well as the Dube Trade Port at the King Shaka International Airport, making us economically strategic.

Our province connects South Africa to Mozambique, Swaziland and Lesotho, making it the country's "gateway to Africa and the world". Promoting trade and investment with these neighbouring countries is important for regional growth. In the medium term:

- We look forward to beginning the second phase of 19 kilometres of **Sani Pass** (Main road P-318), linking South Africa and Lesotho.
- In support of manufacturing, agriculture and tourism, the upgrade of **R102 and main road P2-1 and 2**, between Mount Edgecombe and King Shaka International Airport, stretching to Stanger, and providing access to Dube Trade Port, will be fast-tracked.

Honourable Premier, we have an expansive programme of roads infrastructure development currently been undertaken – across all districts.

These include main roads P-16 from Kranskop to Qhudeni; P-17 from Greytown to Ngubevu in Umzinyathi – and we hope to resolve current challenges to in respect of this road will be resolved soon.

It also includes P-179 in Wembezi in Uthukela; P-602 from Franklin to Creighton in Sisonke; and district roads such as D-883 from Endulinde to Samungu Clinic linking Ilembe and Uthungulu districts; as well as D-1867 from Belgrade to Orangedaal in Pongola, in Zululand, to name a few.

Roads Naming Project

I am excited about embarking upon the roads naming initiative which is aimed at giving true names and identity to our roads. This is currently at concept stage, but I will return to brief this House on the implementation approach and plan.

Expanded Public Works Programme

The department will continue to expand the community-based and labour-intensive road construction and maintenance programme, aiming to create an estimated **60 000** jobs.

Provincial Roads Maintenance Grant

The **R1.8 billion** Provincial Roads Maintenance Grant will be invested into the maintenance of road infrastructure, re-gravelling and blading. Of this, R107 million is set aside for repairs relating to flood damage until 2016.

Pothole Strategy

The implementation of the potholes-patching strategy as a response to aging roads network remains on course. It is simultaneously presenting opportunities for youth economic empowerment. A **R5-million** budget has been set aside to support a pilot in the eThekweni metropolitan municipality.

Public Transport Infrastructure Development

The implementation of intermodal facilities in KwaDukuza and Port Shepstone continues and is expected to progress in the current financial year. The Weneen and Maphumulo facilities, which are implemented in partnership with the Department of Co-Operative Governance and Traditional Affairs, are currently under construction and will be completed in this financial year.

The construction of Ulundi and eMondlo facilities has been completed – and handed over to local municipalities. Umtshezi and Umzimkhulu facilities are currently under construction. In addition, we have constructed 150 shelters over the past five years in areas including Amajuba, uMzinyathi, and Abaqulusi.

Programme 3: Transport Operations

We have allocated a total **R1.1 billion** toward Transport Operations, including **R904.7 million** for Public Transport Operations Grant, which is used to cover bus subsidies, **R168.4 million** for learner transport.

Public Transport Stability and Growth

Honourable members; we have made significant strides to secure peace and stability in the taxi industry. Out of 246 taxi associations, less than five remain to be fully stabilised. We

are now proactively investing in training of officials of taxi associations in conflict mediation and resolution, as a proactive measure to achieving last peace.

We also believe that a province-wide study on the industry's economic viability will inform issuance of new licences and consolidate stability.

The taxi industry must be engaged with business-oriented development and growth. Operators need to realise the benefits of spreading interests across the transport value chain and mainstream economy.

In this regard, we applaud the recent announcement of the acquisition of a 10 percent stake by the KwaZulu-Natal Transport Commuter Corporation (formed by SANTACO and the KZN Transport Alliance) as a step in the right direction.

Learner Transport

With only **R168.4 million** allocated for learner transport, we currently provide for 21 760 learners who attend 226 schools out of an estimated 6 000 schools. We will also distribute more than 10 000 bicycles in the next five years, which are used by learners attending mainly rural schools.

However, the demand clearly far outweighs the resources available. Identifying priority learners to prevent use of inappropriate vehicles such as bakkies remains our key task as we build the business case for more funding.

Subsidised Bus Services and Integrated Public Transport Plans

We are looking forward to finalising the signing of 38 contracts with the existing bus operators to ensure the participation of smaller operators in the medium term.

We will also continue to support municipalities in finalising Integrated Rapid Public Transport Networks (IRPTN) and Integrated Public Transport Networks (IPTN). Already, implementation of the IRPTNs is currently underway in eThekweni and uMhlabathanyane Municipalities.

Programme 4: Transport Regulation

Ensuring the provision of a safe road environment through regulation and law enforcement remains critical, and we have thus allocated nearly **R700 million** for achieving our objectives.

First to establish the Provincial Regulatory Entity (PRE), in terms of the National Land Transport Act (NLTA), we have showed other provinces the way. The PRE has a full-time Adjudication Committee that oversees the issuing of Operating Licences and Permits for public transport operators.

To improve the licensing process speed, we have developed and implemented an information technology system.

We will work with taxi industry associations to strengthen their governance structures, using the Cabinet approved framework.

We will also finalise the Public Transport Strategy and decentralise PRE offices to five districts, namely Amajuba, UThungulu, UMkhanyakude, Zululand, and Ugu.

Road Traffic Inspectorate (RTI)

Madam Speaker, traffic police visibility on our roads plays a critical role in preventing accidents. Therefore a stable, dedicated, professionally skilled and well-staffed RTI is critical. As such, the recent appointment of the Senior Manager for RTI and 90 new traffic officers who started their training earlier this month, is also crucial.

As part of beefing up enforcement on main national roads, we will expand Average Speed Over-Distance technology coverage along the N3 from Cato Ridge to the Four Level Interchange, and from the N2 Illovo River to Umtentweni. But successful prosecution and conviction of those found to have violated the law must accompany these enforcement efforts.

Similarly, our work of rooting out unroadworthy vehicles conducted by the Public Transport Enforcement Services (PTES) should be complemented by our justice system. Otherwise efforts that led to the impounding of 4 951 vehicles, execution of 64 430 charges, suspension of 11 159 vehicles, and issuing 6 900 warrants of arrests, would be rendered ineffective.

We are planning to double the successes of our Traffic Fine Tracing Team, which from a low base, has to date served **6 064** warrant of arrests to the value of **R4.2 million** since its launch last July.

Madam Speaker; allow me to take this opportunity to express our deepest condolences to the families and friends of traffic officers who have passed on. Our law enforcement team is poorer without Control Provincial Inspector Hamilton Nzimakwe who passed on last week Sunday after he complained of chest pains.

We are also very concerned about the loss of our officers in the line of duty, including at the hands of criminals. Earlier this month, we lost Provincial Inspector Mzwandile Dinga, from our Umdloti RTI office, after he was shot during an attack on him and his colleague while conducting a speed timing exercise on M-25, known as Dumisani Makhaye Highway.

We acknowledge the noble work of these men and women – and encourage them to remain dedicated and committed to serve. They are our proud heroes and heroines, and we will do our best to safeguard their lives.

Motor Transport Services (MTS)

Our Motor Transport Services attends to approximately **2.8 million citizens** in the province across 83 Registering Authority Agency Offices per year. These include provincial and municipal offices – which help renew vehicle licences and update customer details.

Our registered vehicles are also growing exponential, now sitting at close to 1.5 million, making KwaZulu-Natal the third largest after Gauteng and the Western Cape. It is important that we continue to enhance our administration in this section which has also grown revenue generated from licensing from **R978 million in 2009/10** to nearly **R1.4 billion in 2013/14**. Of the total revenue, nearly **R85 million** is retained by registering authorities including local municipalities.

New number plate system

Members will recall the statement I made in this House about our plans to introduce a new numbering plate system, one which reflects the KwaZulu-Natal or "KZN" identity. The National Department of Transport has since begun a process to provide national guiding standards. We will continue with our own planning in line with the national guidelines.

Programme 5: Empowerment programmes

Empowerment programmes are instrumental in addressing unemployment and poverty, and receive a **R44.4 million** allocation. As we start the third phase of the EPWP which will end in 2019, the province is set to achieve a total of **725 340** work opportunities. This should result into **282 062** full time employment equivalent (FTE).

In the 2014/15 financial year, we will be targeting **123 439** work opportunities and **23 200** FTEs. The province is due to receive additional funding to the tune of **R247.2 million** in EPWP incentive funding over the next five years if it meets its job creation target. We wish to express support to Cabinet's decision to transfer the EPWP Provincial Coordination function to the Provincial Department of Public Works as it will bring better alignment to national structures.

Vukuzakhe Emerging Contractors

Last year we signed a Memorandum of Understanding with the Vukuzakhe Emerging Contractors Association through which capacity building initiatives are now undertaken to advance their participation in the industry. A further funding allocation of R1.4 million has been made towards building capacity of contractors.

We will continue to engage with the Department of Economic Development and Tourism as well as Public Works to explore other opportunities where the Vukuzakhe contractors could participate.

Conclusion

Madam Speaker; Honourable members, I wish to thank the Head of Department, Mr. Sibusiso Gumbi, and his team for ensuring that the department stays on the service delivery course.

I also appreciate the support rendered by the members of staff in the Office of the MEC. The support from my family, comrades and friends, is forever invaluable. But most importantly, I profoundly understand the confidence Premier Mchunu and the African National Congress have shown, by again entrusting me with the responsibility to lead this economy-critical department.

We will continue to work constructively with the agile Parliamentary Portfolio Committee on Transport, under the capable leadership of Honourable Mxolisi Kaunda. More than anything, the call for radical socio-economic transformation is one that reignites the spirit to serve our people wholeheartedly and vigorously.

Madam Speaker, it is my privilege to formally table the KwaZulu-Natal Department of Transport's Budget Vote 12.

I ask this House to approve this investment in the socio-economic development and growth of our people - to the tune of R9.06 billion for the 2014/15 financial year.

I thank you.