

**Abridged Budget Vote 12 Policy Statement 2016/17 delivered by MEC for
Transport, Community Safety and Liaison, Honourable T.W. Mchunu, at the
KwaZulu-Natal Provincial Legislature**

Pietermaritzburg

Thursday, 14 April 2016

- Madam Speaker, Honourable Lydia Johnson;
- The Premier, Honourable Senzo Mchunu;
- Deputy Speaker, Honourable Dr. Meshack Radebe;
- Honourable MECs;
- Honourable Members of the Legislature;
- Your Worships, the Mayors, and Councillors of Municipalities;
- The Acting Director-General;
- Heads of Departments and State Agencies;
- Traditional Leaders present;
- Leaders of Transport Stakeholder Organisations;
- Various sectors of our Society;
- Officials of Government Departments;
- Distinguished guests;
- Members of the media; and
- Fellow citizens.

Introduction

Madam Speaker, I rise to table Vote 12, the budget policy statement for the KwaZulu-Natal Department of Transport for the financial year 2016/17.

This budget statement reflects our intensified focus on executing the department's mandate of providing KwaZulu-Natal citizens with mobility through a safe, integrated, regulated and accessible transportation system to meet our developmental objectives. It underpins our strategic policy thrust of uplifting citizens in mainly underdeveloped, rural communities.

As we mark the 40th anniversary of June 16, we proudly recall the courageous youth of 1976, whose brave actions escalated our Struggle for freedom and democracy.

Recognising that defining era, former President of the African National Congress, the late Oliver Tambo, observed in his address at the *"World Conference for Action against Apartheid"* on the 23rd of August 1977 in Lagos, Nigeria, that:

“The contempt of our youth for death and their heroism have a dimension that only manifests itself in a people when their march to freedom reaches the point of no return. They are an expression of the determination of our people to overthrow racism, apartheid, colonialism and fascism in all its manifestations, no matter what the price.”

Indeed 18 years later, the brutal dictatorship of the apartheid government was defeated. We defeated apartheid colonialism through a people-based Struggle. Almost 22 years on, our country is now faced with the pressing urgency of our delayed transformation project. This urgency finds expression in student uprisings and violent public protests that today characterise our society.

As part of celebrating the 20th anniversary of our Constitution, with its integral Bill of Rights, we must defend our democratic gains. Our best form of defence is to intensify socio-economic transformation to unlock our latent opportunities and possibilities.

Ours is a land of opportunity and possibility

Madam Speaker; I wish to state that our nation is well endowed, with great opportunity and possibility. We must steadfastly focus on achieving our strategic objectives, building on our gains, such as we have accomplished in KwaZulu-Natal in the last seven years, including:

- Investing **R36.3 billion** in roads and transport infrastructure into upgrading more than **500 kilometres of roads from gravel to tar**;
- Re-tarring **1 860 kilometres of roads**, constructing **1 700 kilometres of new gravel roads**, and building **100 pedestrian and vehicle bridges**;
- Providing an estimated **8 million citizens** with affordable public transport, from **67.8 million trips in each year**, which we subsidise;
- Supporting close to **44 000 learners in 315 schools** with free and safe scholar transport, and giving **9 305 learners bicycles**; and
- Creating an average **58 000 jobs** per annum, amounting to **406 000 job opportunities** from a **cumulative investment of R617 million**, through the Expanded Public Works Programme (EPWP), and incorporating the Zibambele Roads Maintenance programme.

Our 2016/17 budget

Our **R9.5 billion** budget allocation for 2016/17 will continue to be invested into expanding roads and transportation infrastructure. We are acutely mindful of budgetary constraints brought about by the global and domestic economic downturn. Our greater focus will thus continue to be on developing rural communities, from

more than **73 percent of our total budget** invested in roads construction and maintenance.

Radical Socio-Economic Transformation

Honourable members; we remain resolute in our commitment to drive radical socio-economic transformation. In this financial year, we will improve participation of Black African-owned companies in roads infrastructure projects and subsidised public transport services. This will be extended across the department's programmes to achieve a fair and equitable distribution of work and wealth.

Road Safety

Madam Speaker, our drive to create national consciousness on road safety continues through "*Operation Valingozi*" education and awareness campaigns. It will be anchored on our running theme of "*Road Safety is Our Collective Responsibility*".

We cautiously noted the modest decline in road crashes and fatalities during the Festive and Easter holiday seasons, because we remain very concerned about each person's loss of life. We have also sadly note this week's two horrific accidents involving minibus taxis that took place in Ntunjambili and Pietermaritzburg, altogether claiming 14 lives.

We believe it is critical that we all work together to change people's mind-sets and attitudes on road safety. Speeding, driving under the influence of alcohol, unlicensed drivers and vehicles with defects, continue to be areas of great concern. We call on all stakeholders, from government to business, labour, freight, public transport, driving schools, private vehicle owners, bikers, cyclists, passengers, and pedestrians, to play their part. We also welcome the development of the *National Road Safety Strategy 2016-2020* by the national Department of Transport, through the Road Traffic Management Corporation. It should assist our efforts to reduce road deaths by 50 percent come 2020.

Implementation of the RTI Commission's recommendations

Madam Speaker; we have previously provided updates on the implementation of recommendations of the Commission of Inquiry into the Road Traffic Inspectorate, emanating from the unfortunate incident of December 2012.

I wish to confirm that we have paid all claims as per the Commission's recommendations for all applicants who suffered some injuries, reparation to parents of the deceased, and for loss of support. The department had also appointed an independent firm to investigate the basis for instituting disciplinary measures against

officials involved in the recruitment process. The report has been submitted to the Premier for his input and guidance.

National and provincial priorities

Honourable members; we carry our mandate in close alignment with the national, provincial and local priorities, as spelt out in the National Development Plan 2030, Provincial Growth and Development Plan 2030, and local government Integrated Development Plans.

Job creation

For the current financial year, a total of 62 700 job opportunities will be created through EPWP and Zibambele programmes, a figure that will remain constant for the medium term. In addition, the department will fill vacant, critical posts. A total of 207 posts were filled last year.

Rural development

Through “*Operation Kushunquthuli*”, we will continue to build **230 kilometres of new gravel** and access roads in 2016/17, which will total 650 kilometres by 2018/19. In addition, 13 new pedestrian and 7 vehicle bridges will be built this financial year, totalling to 60 by 2018/19. The real transformative effect of our work is to be seen in the smiles of villagers in communities such as Umsinga, Nkandla, Maphumulo, and others, who now seamlessly walk and drive across UThukela and other rivers.

Youth and skills development

We are building a steady pipeline of skills to address gaps created by poaching of experienced, mainly technical staff, and retirement of aging employees. In the last seven years, the department has invested a cumulative **R12.9 million into funding 244 external and 95 internal bursaries**, and recruited **234 candidate technicians**. Since 2014, **101 unemployed graduates** were appointed as interns.

Health

Our focus on employee health and wellness continues with awareness programmes for HIV and Aids, diabetes, cancer as well as TB. Moreover, we will intensify joint activations with the Department of Health, during road safety campaigns, in road blocks, taxi ranks, and taverns.

Fighting corruption

We have to tackle fraud and corruption with precision and speed.

This involves having continued engagements with the Provincial Internal Audit Services, Forensic Investigation Unit, and other law enforcement agencies, to ensure that investigations are speedily finalised to uphold administrative justice.

Supporting provincial tourism and agriculture

All our investment in roads and transportation infrastructure as well as skills bolsters economic activity through the movement of people and goods. Specifically, we contribute to other provincial priorities through upgrades of roads that support tourism and agricultural growth. These include:

- **Sani Pass**, linking us to Lesotho;
- **P700**, from Empangeni to Ulundi and Ntambanana, to Ecengeni Gate of Hluhluwe and Mfolozi Game Park;
- **P435**, which is a major boost to the Ndumo development node;
- **P127** in eMpendle linking to the Underberg;
- **P73**, from uMzumbi to Highflats; and
- **P104** in KwaDukuza.

National infrastructure projects

KwaZulu-Natal is strategically located as a gateway to Africa and the world. As such, we stand to benefit massively from national Strategic Infrastructure Projects, which will create jobs, including:

- Unlocking of the northern mineral belt, through increased rail capacity from Limpopo to Mpumalanga and Richards Bay in KZN;
- Plans to shift coal transportation from road to rail;
- Development of 570 kilometres-long rail network to Mpumalanga with Richards Bay via Swaziland;
- The multi-billion Rand's investment to increase containerisation capacity at the Port of Durban, and Durban Dig-Out Port; and
- SANRAL's R8 billion investment in current projects including the Dr. Chota Motala, Umngeni and Ballito interchanges, which are already completed, and those currently underway such as Mount Edgecombe-Gateway; Kokstad; Mtubatuba (KwaBhoboza) and Eteza.

Our programmatic approach to service delivery continues.

Programme 1: Administration

We believe enhanced service delivery to citizens depends upon a clean, accountable, efficient and effective administration system.

The **R310.1 million** allocation for administration is aimed at supporting the enabling machinery for service delivery. In view of budgetary constraints, we are reprioritising critical posts to be filled in the medium term, while ensuring employment equity.

Women of all races in Senior Management remain steady at 50 percent, and make up 45.68 percent of the total workforce. People with disabilities make up 0.71 percent of the workforce, up from 0.69 percent.

We are also working to improve our audit performance with the implementation of the department's Audit Improvement Strategy. As well, the implementation of Provincial Treasury-led electronic procurement system and Central Suppliers Database by the National Treasury, should assist our efforts.

Programme 2: Transport Infrastructure

Improving road and transport infrastructure is central to the development of the provincial and country's economy, to which we allocate a massive **R7 billion**. Of this, **R3.6 billion** is for maintenance and **R3.1 billion** for construction of new roads.

Medium-term projects

Madam Speaker; let me provide an update of key projects that will be completed in the next three years. They include:

- Completion of **73.5 kilometres** of the **83 kilometres-long main road P700**, between Empangeni and Ulundi, and straddling uThungulu and Zululand districts. The remaining 9.5 kilometres will be completed within the medium term.
- Completion of **30.15 kilometres** of **main road P230**, stretching from Empangeni to Eshowe, with the remaining 1.15 kilometres to be finalised this financial year.
- Completion of the full stretch of **17.3 kilometres** of **main road P435**, between Skhemelele to Ndumo, in uMkhanyakude District, with the major bridge structure to be finalised in this financial year.
This road is key to the Ndumo Inkululeko Development initiative of the provincial government.
- Completion of **46 kilometres** out of **49 kilometres** of **main road P68**, from St. Faiths to iXopo, with the last 3 kilometres to finish this year.
- Completion of **13.5 kilometres** of **D168** between Highflats and Nhlanguwini in Harry Gwala District, with the remaining 5.5 kilometres to be finalised in this financial year.

- **Main road P36/2**, between Nquthu and Nondweni under uMzinyathi District, which is 24 kilometres long, will be completed within the medium term.
- Among other projects currently underway or soon to begin construction are main road P16/2 between Kranskop and eQhudeneni; P711 between KwaMaphumulo and Glendale, and D883 from eNdulinde to Samungu, linking iLembe and uThungulu districts.
- They include the first phase of D1867 from Belgrade to Orangedaal, which will shorten the distance from Pongola to eDumbe; and R102 and main road P2–1&2 (R102), from Mount Edgecombe through King Shaka International Airport to KwaDukuza.
- Importantly, the construction of the **R97 million, dual carriageway Tugela Ferry River Bridge** will also commence in this financial year, following the finalisation of designs and recent receipt of environmental impact and water use licence authorisation.

The reality Madam Speaker is that the backlog remains huge. We estimate conservatively that we would need **R18 billion** to maintain our existing provincial network of **8 100 kilometres of tarred roads**. This is apart from upgrading **23 100 kilometres of gravel** to tar, and building bridges.

EPWP

Our labour intensive EPWP receives **R66.7 million** budget to create 62 700 job opportunities in this financial year, a figure that will grow to 77 700 in 2018/19.

Graders

Late last year, we handed over **52 graders**, with an extra **22** to be distributed this year towards maintaining our 23 100 kilometres network of gravel roads. The department currently employs **344 grader operators**, and is increasing the number of female drivers, with **27** already employed. Today, we take our hats off to these drivers, especially the female drivers, who are bravely entering the predominantly male dominated terrain, and helping advance rural roads development.

Provincial Roads Maintenance Grant

The Provincial Roads Maintenance Grant allocation of **R1.9 billion** will continue to be used to carry out maintenance and construction of our roads infrastructure.

Drought and Quarry challenges

Madam Speaker; climate change and drought affect all of us, especially roads construction, because of its heavy use of water.

As such, alternative technologies and methods to reduce water dependence and the drought impact on service delivery are being investigated.

We are also working to address the challenge of access to the quarry in areas within the Ingonyama Trust, which is due to the misplaced expectation of payment of royalties by some traditional leaders. We continue to engage both the Ingonyama Trust and the Provincial House of Traditional Leadership to resolve the matter.

Potholes patching strategy

Madam Speaker; our approach to addressing potholes is boosted by an allocation of R36 million budget this year, aimed at training and incubating emerging contractors with Construction Industry Development Board (CIDB) grade 1. **These emerging contractors will be developed over a two-year period to CIDB grade 3**, and this is a major, progressive shift.

Roads naming and renaming legacy project

Honourable members, we are pleased to announce that we have **finalised a Memorandum of Understanding with the Department of Arts and Culture**, have identified priority roads, and community consultation processes will soon begin, as part of the Roads naming and renaming project. The project will be launched during the first half of the current financial year.

Public transport infrastructure development

Working with municipalities, we have completed the development of all Integrated Public Transport Network (IPTN) district plans, except for Harry Gwala, which will be done this financial year. The **department will be securing expert support to assist with fast-tracking the implementation of these plans**, because local municipalities do not have capacity.

The construction of intermodal facilities in KwaDukuza, Port Shepstone and Umzimkhulu is progressing with these municipalities now securing developers.

I am proud to announce that we will soon be launching the **R87 million's Estcourt facility**, which adds to already completed facilities in Ulundi and eMondlo.

Programme 3: Transport Operations

Transport Operations involve planning, regulation and the provision of integrated land transport services, as well as road safety education, gets **R1.3 billion** allocation.

Securing sustainable taxi industry peace, stability and growth

Madam Speaker; we have continued to record emphatic progress in our sustained efforts to attain taxi industry peace, stability and growth. This is notwithstanding conflict challenges that remain in a few areas such as KwaNdengezi and Molweni.

Our major achievement over the last year is concluding a record 34 Operational Agreements with five associations in Newcastle. The Newcastle process was extensive and involved the participation in these agreements of affected associations from Gauteng, Mpumalanga and Free State provinces. Integral in the agreement is the implementation of the Taxi Rank Management System, which has restored rank control to the local municipality.

We also successfully ended conflict in Hibiscus Coast Municipality, which was over the use of the Port Shepstone taxi rank. Here too, an Operational Agreement was signed between Nyandezulu, Gamalakhe and Bambanani taxi associations. On the 24th of March 2016, we introduced a security company, to safeguard the lives of commuters.

Similarly, in KwaDukuza and Maphumulo, we successfully diffused the deadly conflict through the enforcement of our Provincial Executive-approved law enforcement strategy. This strategy entails implementing an extensive, intensified, intelligence-led and legally supported law enforcement drive to ensure peace and stability.

Litigation strategy

Our proactive approach to dealing with violent conflict in the taxi industry has been augmented by our litigation strategy, which sees both Transport as well as Community Safety and Liaison departments working closely with the Criminal Justice system to ensure speedy prosecutions. A case in point where this strategy was effected, was to deal with the Durban's Brook Street Taxi Rank shooting incidence of last year, which resulted to the death of three people. The suspects spent a month in jail because we opposed their bail applications.

Decentralisation of public transport licensing offices

We continue to lead the country in terms of bringing public transport licensing services closer to the people. We have decentralised the offices of the Provincial Regulatory Entity, which administers the issuance of operating licences for public

transport, among others. In addition to the Pietermaritzburg offices, we have opened new offices in Empangeni, Ladysmith and Port Shepstone, which serve nearby districts. We plan to open another office in Jozini.

Operating licences

The issue of operating licences continues to bedevil our efforts to secure lasting peace and stability in the taxi industry. We are working with the industry to resolve it, including by conducting a provincial economic viability study to ascertain supply-and-demand. We are also considering the implications of the industry's call for the lifting of a moratorium on issuing new operating licences.

Remarkably, the recent taxi strike again proved that the problem in the main lies with taxi operators who do not uplift or fetch their licences for one reason or the other.

Delays in processing licence applications are because of failure to submit all required documentation. To illustrate this point; there are **7 305 operating licences** the department has issued since 2013, **3 995 applications in progress**, meaning already being processed, and **559 licences issued, but awaiting operators to uplift**. Effectively, the **department does not have a backlog of unprocessed operating licences**.

Regulations

As MEC for Transport, in terms of the National Land Transport Act, No. 5 of 2009, I have instructed the department to develop provincial regulations to close gaps in the law, in relation to the public transport industry. These regulations, which are currently undergoing public consultation, will ensure effective regulation and stability of the public transport industry.

Learner Transport

This financial year we will continue to provide learner transport to **43 990 learners** attending **315 schools**. We will distribute **3 000 bicycles**, on top of **9 305 bicycles** already distributed to **536 schools** since 2009. All these will be catered for within the allocated **R186 million** budget for 2016/17. It remains our view that the demand far exceeds supply, and the backlog is estimated at **R4.5 billion**.

Learner transport support is critical to ensure access to education and learner safety.

Already, the Provincial Executive has directed the departments of Transport; Education; and Economic Development, Tourism and Environmental Affairs, to explore a model of phasing out the use of bakkies, and empowering “oMalume” to

become operators of safer transport modes. A needs analysis is currently underway to identify priority areas for learner transport.

Programme 4: Transport Regulation

The Transport Regulation programme focuses on law enforcement and ensuring a safe road environment through regulation of traffic on public infrastructure, and the registration and licensing of vehicles and drivers. It receives **R811.7 million**, most of which (R626 million) goes to law enforcement operations.

Road Traffic Inspectorate (RTI)

Honourable members; increased traffic police visibility on our roads, including for 24-hours during peak seasons, plays a critical role in preventing accidents. It involves introducing new innovation and technology, including:

- The pilot electronic booking system at Umkhondeni Testing Grounds, to minimise backlogs currently experienced in Driving Licence Testing Centres.
- Rolling out a tablet-based electronic system for driver licence testing in our provincial Driver Learning and Testing Centres in Umkhondeni, Pinetown, Rossburgh, Newcastle and Empangeni, to minimise fraud and corruption.
- Launching the Accident Investigation Unit.
- Deploying 12 high-speed pursuit vehicles in certain areas to intercept reckless drivers and speedsters.
- We are also keenly awaiting the Road Traffic Infringement Agency's processes for the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO).

Motor Licensing

Honourable Members, we continue to improve systems and processes to eradicate fraud and corruption at our Registering Authorities. The motor licensing unit manages the renewal of approximately **1.5 million** vehicle licences annually, and generates **R1.5 billion in revenue** for the fiscus. Notably, the province maintains a **4 percent annual increase in licence fees** over the medium term, as we gradually move towards standardising our fees with the rest of the country.

In terms of the proposed, provincial **Motor Vehicle Licence Numbering System**, the department awaits the finalisation of the national Department of Transport's processes. These include consultation on the Bill to amend the National Road Traffic Act, to factor the standardisation of the national number plate.

Programme 5: Community based programmes

Community based programmes remain critical in our empowerment drive, with **R40 million allocation** for support of job creation and poverty alleviation initiatives.

These are EPWP and Zibambele programmes, which are aimed at empowering the youth, women and people with disabilities, I have already mentioned. Emerging contractors will receive about **R2 billion's** worth of contracts in this financial year, and at least **R350 million's worth of contracts** will be awarded to Vukuzakhe contractors on Grades 1 to 3.

We will also direct an investment of **R42 million towards a training and incubation programme** to develop emerging contractors over a two-year period. In addition, **R36 million has been budgeted for the pothole patching pilot project**, aimed at giving CIDB grading 1 contractors the opportunity to specialise in pothole patching contractor work.

Conclusion

Madam Speaker, Honourable Members; let me express my sincere gratitude to the African National Congress for affording me the opportunity to serve the people of KwaZulu-Natal and South Africa.

I also greatly appreciate Honourable Premier Mchunu's continued support.

Similarly, the effective oversight of the Portfolio Committee on Transport, under the leadership of its chairperson, the Honourable Mxolisi Kaunda, is well recognised.

In addition, our effectiveness as a department also rests on the support and good working relations with all our transport stakeholders, which we deeply appreciate.

I value the contributions of the management and staff of the department, and the Office of the MEC, led by the Head of Department, Mr. Sibusiso Gumbi.

My family, especially my wife (uMaNkosi), continues to be my pillar of strength.

The Struggle to attain socio-economic transformation in South Africa is not going to be easy, just like the Struggle for freedom and democracy. Let us always remember Inkosi Albert Luthuli's poignant words when he addressed the Annual Provincial Conference of the then Natal Branch of the ANC, on the 5th of July 1956:

"It is appropriate at this stage in thinking about our subject 'The Struggle Must Go On!' to pay tribute to those men and women who have suffered or died for freedom in our country. If all those lovers of freedom are not to have died or suffered in vain it behoves those of us who still, in some way, can act, to play our part faithfully."

I ask this House to approve this investment in the accelerated socio-economic development and growth of our people in the amount of **R9.5 billion** for 2016/17.

I thank you.