

Address: The Department Of Transport Budget Vote 33 By Mr Jeff Radebe, MP Minister of Transport 27th March 2007

27 March 2007

Budget Vote Speech 2007

Honourable Chairperson and Members,

I rise before you on this solemn occasion to announce the passing away of Dr Ian Phillips, my Special Advisor. He was a former and inaugural member of the first democratic Parliament. Dr Phillips was admitted to the Christiaan Barnard Memorial Hospital, here in Cape Town, on 26 February 2007 suffering from a (Cytomegalovirus induced) pneumonia, a complication of his reduced immune status caused by the Human Immuno Deficiency Virus. He passed away in the early evening of 26 March 2007.

His demise is a serious loss to me personally. Ian has served me with loyalty, humility and dedication. His small frame belies the great stature and contribution he made for the Liberation of our people. He was not only a friend and comrade but was a brother to me. We fought many hard battles together.

Ian's departure will leave a glaring void in academia, the intelligentsia and the broader progressive forces and democratic movement. His resourcefulness was best demonstrated when he place resource available to him as a academic at the disposal of our movement at very difficult times.

He was more than an intellectual, making practical interventions in the course of struggle. He understood that knowledge could have value and be material force of change to the quality of life of our people. He was highly regarded amongst his peers in academia and government for his consistency, righteousness and being principled. His own research and teachings bears testimony to his deep commitment to fundamental transformation of our society.

We will all remember him as the humble servant of our people, he's been aptly described as the flower of the nation, a rare gem, a great patriot, an internationalist and revolutionary. His special quality was putting others first, and himself last. In his humility and conviction, he lived by the principle of being my brother's keeper, and in this way touched the lives of many.

I hope you will join me in extending our heartfelt condolences to the Family, Friends and Comrades. We wish them strength in this difficult time.

Honourable Chairperson and Members, May I ask that we rise and observe a moment of

silence in memory of Dr Phillips.

I thank You

Today, honourable members I dedicate this speech to the Memory of Dr Phillips, himself a user of our public transport system and an author of many of my speeches over the years. The Spirit of Dr Phillips should help to strengthen our peoples victorious march to freedom and continuous efforts to transform the unthinkable devastating effects of Apartheid to the tolerable and desirable restoration of dignity for all, the integrated society that thinks of no colour, no creed, no religion but just humanity.

This ANC-led Government's objectives of accelerated economic growth, underpins our goals to develop strategies to modernise our public transport services and infrastructure and thus fight poverty and inequality. Through our interventions in the transport sector we have facilitated the economic and social transformation of our country, with targeted programmes aimed at providing access to work opportunities in our cities, integrating our human settlements and business districts and provided rural access roads to our poor and marginalized communities.

The World Bank points out that South Africa has recently experienced an impressive acceleration of economic growth. On the heels of strong macro-fundamentals, South African growth accelerated in 2005 to 4.9 percent, from 4.5 percent a year earlier. The economy has registered its highest growth in 21 years and this bodes well for achieving the Government's ASGISA objective of 6 percent target by 2010.

Despite the size of the economy and the recent improvements in growth, South Africa continues to face major social challenges of widespread unemployment, poverty and challenge with service delivery at the local level. Strategic interventions in all sectors of the economy are required and development in transport infrastructure and services is fundamental in meeting the country's objectives of sustained economic growth, increased investment, job creation and poverty alleviation.

Honourable members, investment in transport infrastructure coupled with proper planning and distribution of resources will lead the country to efficient and sustainable growth and success. Key elements such as input sector transport, energy, and telecommunication costs require effective management in order to reduce the cost of doing business and ensure our economy remains competitive in the global market.

The concept of integrated transportation including freight logistics, aviation, ports, road and rail and the safety and security of transport services and infrastructure requires sophisticated multimodal planning, modern efficient intermodal transfer facilities and streamlined institutional and intergovernmental arrangements for implementation. The levels of infrastructure investment in the economy is how South Africa has maintained a competitive urge and further investments will sustain growth and create employment.

Our priority for this MTEF period will be our public transport system which will aim to

radically change the lives of our people for the better to similar and at par with what other society take much for granted. It is indeed the public transport system or lack thereof together with apartheid human settlements patterns that continue to keep our people in marginalized communities despite the significant constitutional, economic and social transformation we have achieved in the last decade.

But, of relative significance is the challenge faced by our people still seen shuttling out of central business districts, to far flung townships by dusk before the public transport stops operating. This will and must change. For what we cannot do, to relocate all of them from townships to well located economic nodes, we can at least ensure full access to economic, social and recreation facilities through affordable public transport at all times.

Honourable Chairperson and Members it gives me great pleasure to announce that Cabinet last week approved the Public Transport Strategy and Action Plan through which we will really create a lasting legacy and a better life for all and will continue to focus on the marginalized rural communities and the urban poor. The Action Plan aims to translate the Public Transport Strategy into a Phase 1, 2007-2010 Programme that targets up to 12 cities and 6 districts for initial implementation of Integrated Rapid Public Transport Networks.

Our strategic approach for 2007 to 2020 will be the Transformation from the Basic Commuter Operations to Accelerated Modal Upgrading and Integrated Rapid Public Transport Networks. These will be characterised by:

- Upgraded modal fleet, facilities, stops and stations;
- Extended hours of operation to between 16 to 24 hours;
- Peak frequencies of 5 to 10 minutes, Off Frequencies of between 10 to 30 minutes and hourly night service;
- Target 85% of all residents in urban areas to be within 1km of Rapid Public Transport Network by 2020;
- Safe and secure operation monitoring by Intelligent Transport System Control Centres;
- Electronic fare integration and single ticketing when making transfers;
- Integrated feeder service including walking, cycling and taxi networks;
- Integration with metered taxi services and long distance intercity services; and
- Car competitive public transport option which enable strict peak period car use management.

These will comprise the Metrorail rail Priority Corridors, the Gauteng Rapid Rail Link as well as Bus Rapid Transit Corridors, recapitalised and regulated taxi services including Mini and Midi Bus taxi as well as metered taxis. It is envisaged that the three spheres of Government will work closely together through Intergovernmental Task Teams to ensure that the speedy identification and implementation on these corridors. In most of the Metropolitan areas the planning process is already advances and we will witness implementation sooner.

As has been highlighted by President Mbeki in the State of the National Address, Bus Rapid Transit systems provide an exciting and innovative mechanism for implementing high quality public transport networks that operate on exclusive right of way and which will incorporate current bus and minibus operators into a high quality system with no loss of income or jobs.

The Department has been engaging the metropolitan cities and related provinces in this regard and BRT Phase 1 scoping plans have been completed or are underway in Johannesburg, Tshwane, Cape Town, and Nelson Mandela Metros. It is envisaged that detailed planning will be completed in September 2007 for implementation to commence, in order to meet our 2010 Phase 1 target.

In this regard I would like to encourage current minibus, bus and rail operators in these cities to work closely with Government in creating a win-win model for implementing BRT systems, which together with the Rail Priority Corridors will serve as the primary mobility network in our large cities and will be prioritised as an attractive alternative to private car use.

The Road to a Better Life For All, indeed we have paved through the Integrated Rural Mobility Access, the Taxi Recapitalisation Programme, Roads Infrastructure Programme, the Consolidation of MetroRail into South African Rail Commuter Corporation, the Public Transport Infrastructure Fund and financing of public transport projects over the last two financial years.

Our Road-based public transport subsidy should benefit the commuter through a more equitable subsidy system for buses, taxis and rail, by integrating transport networks suitable to specific commuter needs.

The physical rollout and implementation of the Taxi Recapitalization Project (TRP) started in earnest on the 28th October 2006 at Botshabelo Stadium in the Free State. Since the Botshabelo launch, scrapping facilities exist in all Provinces, with the most recent being North West and will be followed by Gauteng. To date over 2 224 applications for scrapping of old taxis have been processed by the Taxi Scrapping Administrator on behalf of Government. Of this no less than 1 940 old taxi vehicles had been de-registered from the National Traffic Information System (NaTis) and owners thereof paid out R50 000 scrapping allowance and 1 823 physically scrapped vehicles.

Since the initiation of the scrapping process, about R97m has been paid out as scrapping allowance to qualifying operators and we are confident that scrapping figures will see a dramatic increase as the scrapping process is gaining momentum.

We have further committed to host the Best World Cup ever, on the African Continent and to meet the World Cup requirements through my Department, as well as our

counterparts in the Provincial and Local Government and Transport Agencies in general, to achieve the following:

- Ensure efficient and safe transportation for all visitors
- Ensure sufficient air, road and rail transport operators to accommodate the event and
- Ensure sufficient transport infrastructure to accommodate projected travel demands

As part of our preparations we developed the Transport Action Plan for 2010 which aims to provide a lasting legacy for public transport, which was approved by Cabinet last year. This plan now supplements the Public Transport Action plan and focused on Host Cities.

Our planning for 2010 World Cup and Public Transport were rewarded by an allocation of R9billion over the MTEF period that will be spent by various Host Cities and State Owned Entities for the preparation of the event. For the current MTEF, the following allocations will benefit Public Transport :

R8.5bn for Passenger Rail Infrastructure

R8.2bn for Public Transport Infrastructure excluding rail

R5.5bn for National Roads Infrastructure

R19.2 bn for Airports Infrastructure

Outside of this vote an additional R3bn has been allocated through the Provincial Infrastructure Grant for Expanded Public Works Programme focusing on Rural Access Roads

The implementation of the 2010 Transport Action Plan is well on track. While most of the Host Cities were last year busy with detailed planning and designing, some have already started implementation of physical projects. These projects are funded through the Public Transport Infrastructure and Systems Grant, include among others the following broad categories:

- Public transport links and facilities
- Public transport interchange facilities
- Rail infrastructure and systems upgrade
- Inter-modal facilities
- ITS infrastructure and systems
- NMT infrastructure
- Airport- city – accommodation – stadia links
Stadia precincts upgrade
- Travel Demand Management schemes
- Bus Rapid Transit Systems

The aviation sector has witnessed a spectacular growth of 14% over the last few years and the emergence and rapid growth of the Low Cost Carriers has significantly changed the character of domestic air transport services for which we have planned to develop appropriate infrastructure. With the increased volume of air passengers predicted, Airports Company South Africa (ACSA) has already started implementation on a five-year investment programme in all the major airports in the country. A total amount of R19.2 billion will be spent on airports infrastructure over 5 years to accommodate the 2010 Soccer World Cup and our own growth in air travel.

It is envisaged that the three spheres of Government and the various transport agencies, will work closely together to ensure that the speedy implementation. This process will be finalised by September 2007, to allow time for implementation of projects and procurement from then through 2008 and testing and fine tuning the systems, in time for the Confederations Cup in 2009 and then the main event in 2010.

Whilst our plans are achievable, the constant challenges of capacity in the Department of Transport, the various Provincial Departments, the Transport Agencies remain requiring bold action to eliminate the current 41% vacancies by December 2007 assisted by the additional allocation of R15m in 2007/08 for organisational establishment. We are implementing a use or lose it principle applies where vacancies remain for more than six months. This year we make firm commitments to address the much known skills shortage across the sector in order to be poised to respond to the opportunities brought about by huge investments.

I also call upon the manufacturing sector to make clear commitments to increase their capacity to meet the requirement of our ambitious investment programme through the manufacturing of buses, taxi, rail tracks, signalling systems and refurbishment of rail coaches.

The Department of Labour and the Department of Transport will ensure that the Transport Sector Education and Training Authority is not left loitering with funds best kept with Asset Managers. We will prioritise training in areas of scarce skills, such as engineering, technical skills, traffic police men and women and public transport operators.

A monitoring and evaluation framework, with a dedicated M&E team has been put in place and this function will be expanded to incorporate more focused and detailed project management. For this function the Department has been allocated an additional R20m in 2007/08.

The South African Rail Commuter Corporation (SARCC) and Metrorail have concluded the first phase of the consolidation, which saw Metrorail consolidated within the SARCC. The one off cost of this consolidation amounted to some R800 million. The second phase of the consolidation that involves the merger of the long distance passenger rail entity, Shosholozza Meyl within SARCC is currently planned to be completed by April 2008.

In order to move towards 5 minutes frequencies, improve the reliability and availability

of commuter rail services, an accelerated rolling stock investment programme has been successfully implemented during the 2006/2007 financial years. Earlier implications of the programme are that the number of coaches refurbished has increased from 264 coaches refurbished during the 2005/2006 at a cost of R688 m to 330 coaches at a cost of R834 million. The Plan increases the number of coaches going through refurbishment to 515 and 700 over the 2007/2008 – 2009/10 MTEF period, totalling 2000 coaches by the end of the MTEF period.

This is supplemented by a further investment of R680m per annum in infrastructure and developments in the form of signalling and station upgrades. An additional R1.1 Billion has been allocated over the MTEF 2007/08–2009/10 budget cycle for upgrade signalling and telecommunications and to support the accelerated rolling stock programme.

Special attention is being given to improve security measures within the railway environment. This strategy includes a co-operative agreement with SAPS to invest in security related infrastructure required for the establishment and rollout of a dedicated Railway police unit. To date the construction of police stations in Cape Town, Retreat, Bellville and Phillippi Stations has been completed. Construction has also started on Durban, Reunion, Cavendish, KwaMashu, Tshwane, Denneboom, Mabopane, Germiston, New Canada and Johannesburg Stations.

The Cape Town network has already seen a 31,6 % reduction in crime related incidents and fare evasion has reduced from 9% - 4%. More than 5000 SAPS Rail Police will be in place by 2010. The Rail Safety Regulator has further strengthened its compliance and monitoring function. As at the end of December 2006, the number of Safety Permits issued increased to 233 from 197 issued at the end of March 2006.

The increased movement of freight among our towns is an indication that we need to invest more in Freight Logistics and Corridor Development. The major sub-sectoral strategies will be finalised by the end of this calendar year, with various sub-sectoral strategies emerging during the year. The remaining Provincial Freight Forums will be established in this year. The few remaining freight databanks will be completed in the first half of this year, giving us a national level perspective on freight movements.

The Department will continue to focus on the Durban - Gauteng Corridor and its development projects. We aim to develop the Dube Trade Port, the King Shaka Airport and develop Ekwethini freight plan to unlock and streamline goods transportation in and through the city. This will lead to the decommissioning of the Durban International Airport in 2009.

In line with the National Freight Logistics Strategy, the first draft of the Branchline Strategy was developed to articulate a vision and strategic approach to revitalising non-core rail lines to ensure economic sustainability of small towns and rural communities. Our 2007 plan will ensure the finalisation of the Branchline strategy and its implementation; the Nkwalini in KwaZulu-Natal, Belmont - Douglas in the Northern Cape and Kei Rail in the Eastern Cape Branch Line revitalisation project.

For transport to be a driving force for economic growth and social development, the requisite road infrastructure must be in place for efficient transportation.

In this regard SANRAL 's main objectives are the financing, management control, planning, development, rehabilitation and maintenance of the South African National Roads network. It is responsible for the existing national road network of 15 595 Km at an estimated asset value of over R40bn. Over the MTEF period, transfers are expected to increase due to additional allocations of R350m in R2007/08, R550 m in 2008/09 and R1, 2 billion in 2009/10. The funding is for non-toll national road infrastructure.

At the end of September 2006, through SANRAL we launched the Intelligent Transport System, (ITS), on the N1 Ben Schoeman Highway. This includes closed circuit television cameras and variable message signs and the utilisation of the shoulder lane between the Allendale and Buccleuch Interchanges in peak hours. During the same period we piloted the High Occupancy Vehicle Dedicated Lanes which was a huge success. We are now gearing up scheme fully across our national road network

Since its inception the ITS has reduced travel time in peak periods, provided accurate traffic information to road users to make informed decisions and assisted emergency services with improved incident information. The estimated costs to date for the project amounts to R80m.

Last year, we approved the New Road Safety Strategy which we will be implementing with vigour this financial year. Central to this is the enhanced role of the Road Traffic Management Corporation (RTMC) which has been established to oversee Road Traffic Law Enforcement. Traffic law enforcement officers have a key role to play in encouraging improved road user behaviour.

The finalization of the National Road Traffic Law Enforcement Code and subsequent agreements in respect of Key Performance Indicators and Service Level Agreements between the Corporation and Road Traffic Authorities will ensure that authorities are capacitated, empowered and supported in the planning, execution and reviewing of their road traffic strategies, programmes and campaigns.

The establishment of a National Training Academy and Integrated Management Model engaging current Traffic Training Colleges in standardized integrated, aligned and co-ordinated training facilities, material and standards is a very important strategic priority for the RTMC. The training and development of all traffic officials remains one of the RTMC's highest priorities. In addition the implementation certain elements of the Adjudication of Road Traffic Offences Act through the RTMC will facilitate the pilot programme in Tswane for the merit and demerit system on driver's licences.

The RTMC 's effectiveness will enhance positive contribution to the Road Accident Fund

in that fewer claims will result in reduced accidents on our roads. This year has been a stabilization period for the RAF. It has set a tone for a more secure organization prior to the RAF moving into the next phase of sustainable development. It has embarked on the implementation of a new business model that will improve information collection and management, ensure pro-active claims origination, risk management and fraud management. The short-term solvency of the RAF has improved with the RAF having been able to meet its short-term obligations. The longer-term solvency of the RAF is currently being addressed with National Treasury and the Department of Transport in order to return the RAF to financial health.

CONCLUSION

This budget reflects our collective effort as a nation to transform our transport system to a more efficient and sustainable medium that supports growth, equitable access to opportunities and development. As you are aware, practice is the only criterion of truth. It is through practical action that Transport will become the Heartbeat of economic and social development, deliver jobs and shared growth.

We have begun to take the necessary and real steps for a lasting legacy in transport, not just for 2010 but for the benefit of our society beyond 2010. I think of Dr Phillips as I say these words. He would remind us again that words have meaning, but do not by themselves change the world. He would again refer us to Karl Marx's famous words about revolutionary change, "the philosophers have only interpreted the world, the point however is to change it"

Unity in Action for a better transport is the lasting legacy we could give to Dr Phillips and all our fallen Heroes. May He Rest In Peace.

I THANK YOU!