

Department of Transport 2019/20 Quarter 2 & 3 performance

[Transport](#)

03 March 2020

Chairperson: Mr M Zwane (ANC)

Meeting Summary

The Department of Transport briefed the Committee on its 2019/20 second and third quarter performance reports.

In the second quarter, it had 26 planned targets, of which 23 had been achieved, with an overall performance of 88%. 283 staff members had been trained and 18 new bursaries awarded in the first intake against an annual target of 50. A draft action plan that addressed audit findings raised by the Auditor-General (AGSA) had been developed. The draft National Road Traffic Amendment Bill had also been submitted to the Justice, Crime Prevention and Security (JCPS) development committee as targeted, and the draft South African Maritime and Aeronautical Search and Rescue Amendment Bill had also been developed. A draft business case for the government-owned Aviation Academy had also been developed.

In the third quarter, the Department had 27 planned targets, of which 20 had been achieved, with an overall performance of 74%. A monitoring report on the implementation of the risk management strategy had been developed as targeted, and the updated Economic Regulation of Transport Bill had been approved by Cabinet on 20 November 2019. The first draft of the Rail Access Regime Guidelines had also been developed as targeted.

Some Members questioned the relationship between the ruling party and the South African National Taxi Council, and wanted to know whether the Council received preferential treatment from the government. They welcomed the creation of a government-owned aviation academy and called on the Department of Transport to forge partnerships with existing institutions of higher learning. The Department was also commended for the policy consideration to allow private entities to enter the mass rail network in South Africa. The Passenger Rail Agency of South Africa (PRASA) had clearly illustrated that it was overwhelmed, and everyday South Africans were subjected to inefficiency. They expressed concern over the use of converted panel vans as taxis, and converted trucks being used as tourist buses. They also cautioned the Department to prevent backlogs from occurring with the issue of drivers' licences, as ordinary South Africans should not be made to pay for the incompetence of its officials.

Meeting report

Department of Transport (DoT): Quarterly performance report

The Department of Transport briefed the Committee on the 2019/20 quarter 2 and 3 performance reports, and focused on the progress made with the implementation of programmes and projects for the period covering 1 July 2019 to 31 December 2019.

For the second quarter (July to September), the Department had 26 planned targets of which 23 had been achieved, with an overall performance of 88%. 283 staff members had been trained and 18 new bursaries awarded in the first intake against an annual target of 50. A draft action plan that addressed audit findings raised by the Auditor-General (AGSA) and internal audit for the 2017/18 and 2018/19 financial years had also been developed as targeted.

A monitoring report on the implementation of the risk management strategy had been developed as targeted.

The Department also conducted a detailed literature review on autonomous vehicle technology, and a draft report had been produced.

The draft National Road Traffic Amendment Bill had also been submitted to the Justice, Crime Prevention and Security (JCPS) development committee as targeted, and the draft South African Maritime and Aeronautical Search and Rescue Amendment Bill had also been developed. A draft business case for the government-owned Aviation Academy had also been developed.

On Integrated Public Transport Networks (IPTNs), the Department had had bilateral project meetings with Ekurhuleni, Buffalo City, Johannesburg, Tshwane, Mangaung and Polokwane.

For the third quarter (October to December), the Department had 27 planned targets, of which 20 had been achieved with an overall performance of 74%.

On Integrated IPTNs, the Department had held bilateral project meetings with Msunduzi, Mbombela, Rustenburg, eThekweni, George and the City of Cape Town.

A progress report on the implementation of action plans to address audit findings had been drafted and tabled at the audit committee.

A monitoring report on the implementation of the risk management strategy had also been developed as targeted, and the updated Economic Regulation of Transport (ERT) Bill had been approved by Cabinet on 20 November 2019. The Gazette notice of intention to introduce the Bill to Parliament had also been issued.

The first draft of the Rail Access Regime Guidelines had also been developed as targeted.

Discussion

Mr T Mabhena (DA) said his bone of contention was the wider challenge of under-expenditure by the Department of Transport (DoT).

He also welcomed the various pieces of legislation touted by the DoT, and indicated his readiness to interrogate it when it was tabled before the Committee.

The DoT was also commended for the policy consideration to allow private entities to enter the mass rail network in South Africa. The Passenger Rail Agency of South Africa (PRASA) had clearly illustrated that it was overwhelmed, and everyday South Africans were subjected to inefficiency. It was imperative that these private entities should be allowed to operate rail networks exclusively, and that they should be held to the highest standards.

He recalled the Director General's (DG) comments on the creation of a singular training academy for the aviation industry as a good idea, but he questioned how efficient such an academy would be. He called on the DoT to ensure that proper planning and assessments be conducted to ensure the viability and efficient operation of such an academy.

He further proposed that the DoT should engage with the Department of Higher Education and Training (DHET), as well as the numerous Skills Education Training Authorities (SETAs), on possible funds and structural support for the envisaged academy.

Mr Mabhena also broached the bilateral project meetings the DoT had had with municipalities,

and wanted to ascertain what the outcomes of these meetings were and whether the DoT was sufficiently satisfied with the answers they had received.

He said South Africa was moving in the right direction in the area of autonomous vehicles, and that the country could not afford to be left behind or caught wanting. He cited the challenges with e-hailing services as an example of where South Africa had dropped the ball.

The planning and implementation of integrated public transport networks would consequently be suspended in the Buffalo City, Mbombela and Msunduzi municipalities. He requested information on the views of these municipalities on this policy decision.

He also touched on the Taxi Recapitalisation Programme (TRP) and the government's relationship with the South African National Taxi Council (SANTACO), and questioned the continued government funding that SANTACO received. He wanted to know what benefit the government received from the continued grants it provided to SANTACO, and said that it seemed to border on economic sabotage. On the one hand, the government said that it wanted to professionalise the taxi industry, and on the other hand the informality of the taxi industry and their not being taxed, was still being entertained.

He expressed dismay at the vacancy rate in the DoT, and wanted to ascertain whether this was as a result of scarce skills. What was the DoT doing about the situation?

Mr C Hunsinger (DA) acknowledged the quality feedback by the DoT and the straightforward answers provided, coupled with the specifics, as it painted a particular picture. It was important to hear what the real issues were, especially as they related to the measurement of performance versus expenditure.

He stressed that he had a problem with "target setting," as these targets and their deliverables hardly corresponded with the actual situation on the ground. He asserted that the targets had not been aligned.

The DoT was encouraged and cautioned to ensure that it would still be able to issue drivers' licences. It should prevent backlogs from occurring, and ordinary South Africans should not be made to pay for the incompetence of DoT officials.

He recalled that in 2019, the Public Protector had found that the DoT had failed to take effective and efficient measures to ensure commuters were safe while traveling in panel vans that had been illegally converted into minibus taxis. He called on the Committee to scrutinise the Public Protector's report on converted panel vans, especially considering the Director General's (DG's) exasperated comments in the submission. He called on the DG to make use of the Electronic National Administration Traffic Information System (eNatis) system to track down these illegally converted panel vans.

Ms N Nolutshungu (EFF) asked whether SANTACO had been adding any value, and why the government kept on providing funds to the organisation. It seemed that South African taxes continuously had to come to the rescue of certain entities. She wondered whether it was not time for the government to reconsider continued funding to SANTACO.

She also took issue with the DoT's plan to introduce private entities into the South African rail network. There was a tendency to talk of the privatisation of state-owned enterprises (SOEs) instead of interrogating the root causes of mismanagement and maladministration at these SOEs.

Mr M Chabangu (EFF) asked whether SANTACO was an arm of the ruling party, and whether it was true that the government favoured SANTACO over the other taxi "federations".

At this juncture, the ANC Members expressed their displeasure at the comments by Mr Chabangu, while Mr Chanbangu asked for protection from the Chairperson.

The Chairperson replied that Mr Chabangu was protected -- protected by the ruling ANC.

Ms M Ramadwa (ANC) asked about the taxi value-chain, and whether the DoT knew of and had relations with all taxi operators. She also wanted to know which associations the DoT interacted with.

Mr L Mangcu (ANC) requested information on what had happened to the proposed Green Transport Strategy, the Rail Safety Bill, and the Merchant Shipping Bill.

He added that the submission by the DoT had failed to mention anything about road traffic or the redundancy of the current machines that issued driver licences. He was emphatic that if the DoT did not act speedily, the entire system might collapse.

On 23 January, the Transport Ministry had announced that the number of festive season roads deaths had decreased. It had stated the number of fatal road crashes had been reduced by 3%, from 1 438 in 2018/19, to 1 390 in 2019/20. This had resulted in a 10% reduction in the number of fatalities from 1 789 in 2018/19, to 1 617 in 2019/20. He questioned the validity of this claim, and asked for more information. He also took issue with the DoT continuously changing its road safety campaigns.

Mr L McDonald (ANC) said that during a previous engagement, the Committee had requested the DoT to include a separate column that detailed the amount of money spent on consultants. He said the Mangaung Municipality had spent R283 million on consultancy fees with GladAfrika, and another R60 million on buses, yet no one had given an account for the whereabouts of these buses, as they were certainly not in operation.

He further lamented the dire state of South Africa's railway system that already received a capital injection of R13 billion.

On illegally converted panel vans, he castigated Toyota's lack of responsibility in the matter, saying that Toyota knew exactly what they were doing.

He informed the Committee that he had driven behind a truck that had been converted into a tourist bus. He asked whether this was legal, as it would have major ramifications for South Africa's tourism industry, should anything happen to tourists on these converted trucks.

In another development, he relayed an anecdote of South Africa selling its sole rescue tugboat to a Dutch national, who had promptly leased it back to the government, as the government had found itself without the capacity to conduct patrols and rescues anymore. The Committee should consider dealing with this matter, as South Africans could not be held captive by foreigners.

The Chairperson expressed his reservations about the DoT's target setting, and asked that the Department interrogate this.

He further questioned why the DoT had become mired in changing laws at a time when laws had to be implemented to better the lives of South Africans. He was adamant that the changing of laws would not better the lives of ordinary South Africans, and that the DoT should be concerned with what was happening at grass roots level, instead of in the boardroom.

He also referred to the recent bus accident in the Eastern Cape that had claimed the lives of 29

people. He wanted to know who should be held responsible for this tragic accident, as all accounts pointed to the bus being overloaded. Other reports indicated that the bus driver was also speeding. Children had been left without parents, and it seemed as if South Africans' lives held no value. It was not acceptable for the South African government to continuously express its condolences when these tragic events occurred.

He asserted that South Africa was not winning the battle on road safety.

He informed the DoT that the Committee would not support any calls to privatise the Passenger Rail Agency of South Africa (PRASA), and that efforts to privatise struggling state-owned enterprises (SOEs) were problematic. It was not ANC policy to privatise PRASA.

He turned his attention to the comments that the DG made about the DoT's contract with TELKOM for watch-keeping services that included voice, COSPAS-SARSAT and Digital Selective Calling. The DoT said it had been able to re-negotiate its contract with TELKOM down from R100 million to R52 million. This contract with TELKOM was labeled as an "evergreen" contract by the Chairperson, and was said to be indicative of a lack of transformation in this sector.

In the same vein, he took the DoT to task for the chaos that had ensued in Cape Town when ESKOM had cut electricity to PRASA due to non-payment, leaving thousands of commuters stranded in the Western Cape. He said this was unacceptable, and should never happen again.

The DoT had also shifted funds meant for rail transport to air transport, a decision that was questioned, since the majority of South Africans made use of public transport that included road and rail transport.

He also took time to address the questions posed on SANTACO's relationship with the ruling ANC. He stated categorically that the ruling ANC was not aligned to SANTACO. He called on the taxi industry to be properly managed and regulated.

He also proposed that the Committee should find time in its schedule to call a meeting with all relevant stakeholders on illegally converted panel vans.

DoT's response

Mr Alec Moemi, DG: DoT, replied that it was the DoT's intention to partner with existing universities on the proposed aviation school.

On the decision to suspend plans to introduce Bus Rapid Transit (BRT) systems in the Buffalo City, Mbombela, and Msunduzi municipalities, he said that these entities had not been able to spend the funds allocated to them for the intended purpose. These funds had been continuously rolled over, and this had eventually led to the DoT issuing notices to suspend these funds. There had been no objections from these municipalities regarding the decision to suspend and recall the funding.

He admitted that SANTACO received favourable treatment by the government, and that this had been by design. Before the creation of SANTACO, South Africa's taxi industry had been dominated by at least seven major taxi federations that acted almost like "super gangs". This had led to the industry being riddled with strife between the warring federations. To stem the violent tide, the government had called a national conference that brought these federations together under a singular association, SANTACO. This arrangement had not lasted and a rival association, the National Taxi Association (NTA), had been established.

To date, the NTA controlled the taxi industry in Gauteng, the Eastern Cape and Kwazulu-Natal.

SANTACO was not supposed to charge membership fees, yet reports had emanated that it charged membership fees. This effectively meant that SANTACO was now acting as a federation. This situation was untenable, considering that the government wanted a singular association, and another conference was on the cards to sort out continued challenges.

He added that the DoT had encouraged the taxi industry to consider value chains, as this was linked to professionalism in the industry.

He recalled that when e-tolls were introduced, the taxi industry had been encouraged to register for it, but it had balked at this suggestion. It apparently feared that this move would lead to formalisation of the taxi industry. As things stood now, taxis did not pay for e-tolls.

Responding to the question on drivers' licences, the DG said his Department had meetings with the National Intelligence Coordinating Committee (NICOC) to discuss the situation as it related to the machines that issued drivers' licences. According to the DG, State Security had dragged its feet on this matter. State Security was responsible for providing the specifications for the new drivers licence cards.

The German manufacturer of the machines that issued drivers licenses had informed the DoT that these machines had become outdated and fell outside their purview, and that the specific ink used by these machines had also been discontinued. It had only limited stock available. The DoT had taken a decision to secure the remaining stock from the manufacturer to prevent an untenable situation.

He offered a solution, in the form of the new identity document (ID) cards. The DoT had recommended to State Security that the same specifications be used as with the new bar-coded ID cards. This would save the government money, and the system proved to be efficient.

The DoT had also approached the owners of illegally converted panel vans and encouraged them to make use of the recapitalisation programme. However, many had proved to be reluctant. He explained that many black-owned businesses would be affected if the government impounded these vehicles, so the government was trying to nudge them towards accepting the "start-up" costs".

The Committee was also informed that the high vacancy rate within the DoT and its agencies had been as a result of scarce skills, especially in the maritime and aviation sectors. It had been an uphill battle to recruit suitably qualified candidates.

There had also been a slow uptake from the DoT in terms of other senior positions, and to mitigate this, it had started the short-listing of Chief Director (CD) and Deputy Director General (DDG) positions. The DoT had also embarked on the shifting of posts internally.

On the question related to consultants that had been employed by municipalities, the DG promised that the DoT would submit a separate report on consultancy fees. There had been challenges in obtaining information from local governments.

Trucks that had been converted into buses were allowed on South African roads, provided that these converted vehicles received the necessary approval. It was thus not illegal, as the Land Transport Act made provision for it.

On the proposed legislation by the DoT, the DG commented that some bills -- like the Merchant Shipping Bill -- had been four years in the making, and that there was a need for these bills to be concluded. At the moment, the DoT had 18 bills that had to be processed. The DoT intended to submit those bills that were most pressing. In 2019, it had written to the Leader of Government Business's office on the bills under consideration after the former had requested all

departments to do so. The Deputy President's office had also indicated that bills with a socio-economic impact had to be prioritised.

As a signatory to international conventions such as the International Convention on Maritime Search and Rescue, the International COSPAS-SARSAT Programme Agreement, and the Global Maritime Distress and Safety System embodied in the Safety of Life at Sea (SOLAS) Convention, South Africa had a duty to domesticate any amendments to these conventions. That was the nature of the system.

He acknowledged the comments made by the Chairperson on the need for transformation in the transportation industry, as well as the comments on the "evergreen contract" the DoT had with TELKOM.

He said TELKOM was the only entity in South Africa that could provide watchkeeping services.

On Mr Mangcu's question about road fatalities, the DG promised that he would furnish the Committee with the data, and said that no new road safety campaigns had been launched. The Arrive Alive campaign remained the government's sole road safety campaign.

Traffic authorities had taken a decision to be even more forceful in enforcing the road traffic laws, and recently the entire Sandton had been closed off and about 86 drunken drivers had been arrested.

He added that the DoT had received additional funding to pay for nightshifts as many provinces did not employ traffic officers at night.

On privatisation, Mr Moemi was at pains to explain that the DoT did not call for the privatisation of PRASA. Instead, it would allow for private operators to enter the public rail transport sector.

Mr Mabhena proposed that the Committee should conduct oversight visits to DoT facilities to familiarise itself with the conditions on the ground.

The meeting was adjourned.