

Budget Debate on Vote 40: Transport

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After lockdown was lifted a year ago, we now find ourselves in a new setting with new circumstances. In a generalised context that includes a deteriorating economy, acute cash difficulties, business confidence at a low, fiscal credit-rated grey listing, unresolved supply- and value-chain operations, catastrophic brand damage & the biggest indicator of worse times lying ahead: our GDP data, which came in three times worse than expected – seven out of the ten major sectors shrank.

It is far more difficult to make transport in South Africa function after the shutdown than it was before. The 750-day shutdown and how it was handled will have long-term implications on transit, transport, transportation and the ability to regain traction on the necessary enabling economic climate.

In scrutinising this budget, signs of impactful measures to win-back on what was lost should stand out. From a budget in these conditions measures to prioritise facilitating growth-enablers should be clear & upfront.

Instead, Peter Ferdinand Drucker famous quotation surfaced (quote): "There is nothing worse than doing the wrong thing well" (end quote). The unmet budget expectations, however, is just one layer of the disappointment.

Despite the critical need for an absolute focussed approach to this year's budget under ANC control the portfolio committee interviewed the least number of entities that I have seen in nine years.

Even worse, it appears that the committee's oversight procedures have remained in shutdown mode. There hasn't been a single formal site visit by this portfolio committee to any of the 12 transport organisations. In contrast the DA has undertaken a multitude of inspections & engagements because we believe in 'seeing for ourselves'.

You cannot fix everything with budget. For this reason, with the start of this term, four years ago, the DA requested combined portfolio committees' meetings. Disappointingly the ANC decided to ignore this proposal & avoid interaction with other portfolio committees which shows the disinterest to address & solve problems. The involvement of SAPS in finding solutions to safety & investigation concerns relating to public transport on roads & by rail was not seen as being beneficial by the Transport portfolio committee. Furthermore, it was not thought necessary for this committee to meet with the Justice Portfolio Committee to discuss major trends in asset theft & vandalism, how punishments are applied in courts, & what legal

changes are required to protect users & property. These serve as two pertinent examples among others, like coastal matters with endowment, education about scholar transport, and Defence on marine disasters preparedness.

The DA also requested for the Schedule of proposed pieces of legislation four years ago so that we may plan more effectively, gain insight, and set priorities for significant change. Such a list or pipeline has never been able to be given to the committee. Under ANC control the portfolio committee's role has largely been reduced to line-following and rubber-stamping. With the couple of Bills & amendments that were tabled, as in 2009, the National Land Transport Act was rushed through process & embarrassingly had to be returned to the committee. As with the AARTO-bill our warnings about conflicting content with the constitution was not taken serious by the ANC.

Similarly, for the same reason, implementation of the AARTO Act is in suspense pending a Constitutional Court ruling. For the same reason, the hasty ERT Bill will likely also end up at the ConCourt. Such delayed and under designed Acts and regulations, ripple-effects to the ongoing annoyance of; in the case of AARTO; traffic law enforcement; because trough this, inappropriate road user behaviour is seemingly tolerated.

Despite being encouraged with the specific appointments of the latest Transport Ministers we have now had six transport ministers eight years, most with a replacement DG to lead every new regime or scheme. The widening gap between the need for regulation and its creation is one aspect of governance that has been badly hampered by this rapid adjustment & game of musical chairs. With this, the much-needed consistency in direction through vision and stability has been disregarded. The DA sees this as one reason for the continuation of compensation for competency shortfalls within the Department; also, in this budget; by planning to spend R250 million on consultants in the field of Public Transport.

One such consultant-driven product was the under considered, Economic Regulation of Transport Bill. A matter of great concern since it will introduce yet another Transport Entity. It received the ANC's approval despite having very little information about how tariff, tax, and fee-related functions will be moved from all the 12 existing entities into this new fantasy entity.

Prof. Shabir Madhi, Dean of the Faculty of Health Sciences at Wits University, accurately described similar conditions during lockdown when he said (quote): "Pretending that we are achieving anything with regulations that are obsolete & not fit for purpose, & pretending you are still achieving anything with them, demonstrates the incapacity of the government to understand what it is trying to achieve." (Close quote). A statement made during lockdown but with profound application at nearly all levels, sectors & events.

The most recent example is the Road-to-Rail Dream project. A newly adopted KPA with all sorts of imaginations & detached ideas. Ten years ago, TRANSNET enjoyed nearly 30% of the container share between Durban & Gauteng & in 2022 TRANSNET had less than a 13% share of container movement. The balance is what we experience on the road & in the form of truck volumes. Because, from 2008 to 2021 containers through Durban harbour grew by 40%, 25% in the first 3 years. TRANSNET simply missed out & the trucking industry gained the competitive edge. The two important economic elements to acknowledge in this equation is that market share lost is not gained back over the same period unless dynamic measures are included in a convincing turnaround plan. It boggles the brain how the Department of Transport imagines having any impact on reducing trucks & increasing rail freight when they have no control or administrative authority over TRANSNET since it is an entity under The Department of Public Enterprise.

Given the same challenge, under DA control; we would immediately engage in merging PRASA & TRANSNET & lay the outdated Succession Act to rest. With this, we will get rid of the current ridiculous habit of cross-invoicing & absurd payments between passenger & freight rail operations. Yes, PRASA pays TRANSNET & vice versa for using different sections of the same Railtrack, platforms & locomotives while all assets belong to one state. A ridiculous & absurd state of affairs which only makes sense to the ANC. In merging PRASA & TRANSNET more than a Billion Rand will be saved every year. This saving can be used to for instance re-establish freight terminals along active transportation routes instead of trying to make the current freight route configuration work. A billion Rand saving every year would go a long way in fixing infrastructure, securing assets & expanding on current networks.

While we do acknowledge the progress made & efforts demonstrated to get Metrorail trains running again in the four main urban Metro-regions the same progress in administration & management control remains to be seen. The so-called ghost-employees' being the case in point. Payments to the approximately 3000 mystery employees of PRASA as a portion of the R28 billion in unauthorised expenditures reported with National Treasury. Pay checks were drawn by "ghost employees" whose existence had failed to be confirmed. This, in the presence of the PRASA Board of Control, which assumed office in October 2020, still in place and ostensibly, still in charge. The DA criticises this reckless and unacceptable situation.

Apart from SANRAL, no more engagements about any other of their Strategic/Corporate Plans & APPs materialised with more entities. PRASA & the RAF also decided to disregard fiduciary necessities.

With several entities' board members that will expire this year, the DA is concerned that there are no backup plans in place; - that appointments won't be synchronised with the cycle of business operations & that organisations will continue to operate without the required linked accountability & oversight in place.

This Transport budget under ANC control does not reflect the advancement of opportunities for the people of South Africa. Proof of this can be found with:

- Rail Infrastructure maintenance & investment that will decrease by 55% from R42 million to 19,7 Million Rand;
- The Road program Budget will decrease by 32% from R60 billion to R42,6 billion; and
- Aviation Budget will decrease by 29% from R424, 8 million to R314,5 million.

Talk is cheap & ANC promises are free. The tradition of fiscal dumping & careless management must end. The DA is ready for the opportunity to be entrusted with this & this budget. Vote DA & let's fix this.

I thank you.