

DEPARTMENT OF TRANSPORT



CSIR Industrialization Conference

05 October 2017



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Transport
REPUBLIC OF SOUTH AFRICA

Abram Chego



PRESENTATION OUTLINE

Introducing the Department of Transport

- Mandate
- Vision, Mission and Agencies
- Road Transport Mandate
- Agencies founding legislation and nature of business
 - Road
 - Rail
 - Civil Aviation
 - Maritime
- Dot Projects with Industrial Development Potential per Mode
 - Road
 - Rail
 - Civil Aviation
 - Maritime
- DOT Collaboration with other Departments and Private Sector
- Policy Developments
- Challenges and Possible Interventions



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CONSTITUTIONAL MANDATE

The Constitution identifies the legislative responsibilities of different levels of Government with regard to **airports, roads, traffic management** and **public transport**. Transport is a function that is legislated and executed at all levels of government. The implementation of transport functions at the national level takes place through public entities, which are overseen by the Department. Each public entity has a specific delivery mandate.

The Department is therefore responsible for conducting sector research; formulating legislation and policies to set the strategic direction of sub-sectors; assigning responsibilities to public entities and other levels of Government; regulating through setting norms and standards; and monitoring implementation.



DEPARTMENT OF TRANSPORT

Minister of Transport

Deputy Minister

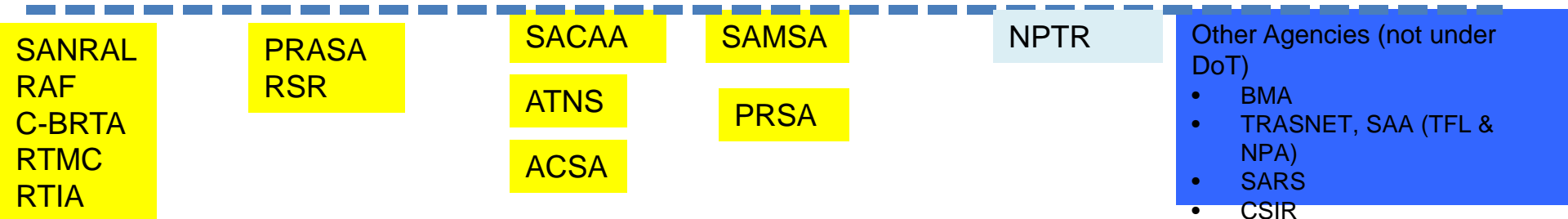
Director General

Vision

“Transport, the Heartbeat of Economic Growth and **Social** Development”

Mission

The Department of Transport aims to lead the development of efficient integrated transport systems by creating a framework of **sustainable policies** and regulators; and implementable models to support government strategies for **economic, social** and international development.



ROAD MANDATE LEGISLATION, POLICIES AND STRATEGIES

Constitution of the Republic of South Africa

- **Schedule 3 Part A and B defines:**
 - Provincial Roads as exclusive competency of Provincial Administration
 - Municipal Roads as exclusive competency of local government (metro, district and local)
 - National roads as exclusive competency of Minister of Transport

White Paper on National Transport Policy (1996)

- Identified fragmentation of responsibility and co-ordination of infrastructure across government levels and with parastatals
- Enabled creation of SANRAL to plan, develop, maintain S.A. National Road network
- Mandated the creation of national forum to improve the “co-ordination of infrastructure planning for all modes of transport” and encouraged the creation of provincial /local co-ordination structures

Road Infrastructure Strategic Framework for South Africa (RISFSA) and Rural Transport Strategy

- Provided framework for Intergovernmental co-operation on the management and maintenance of national, provincial and local road network (RCB)
- Establishment of national norms for information and decision support systems to manage roads as a network (including functional road reclassification)
- Sustainable roads funding
- Development of human capacity for roads development and maintenance
- Development of rural road infrastructure in support of social and economic development in rural areas



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ROAD AGENCIES

NAME OF ENTITY	LEGISLATION	FUNDING	NATURE OF BUSINESS
Road Traffic Infringement Agency	Administrative Adjudication of Road Traffic Offences (AARTO) Act, 1998 (Act No. 46 of 1998)	DoT Budget (R 17 million , Transfer Payment)	Supports the road traffic law enforcement and judicial authorities and oversees the administration and implementation of the AARTO Act.
Road Traffic Management Corporation (RTMC)	RTMC Act 1999 (Act No. 20 of 1999)	DoT Budget (R 198 million , Transfer Payment)	Provide for co-operative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by national, provincial and Local spheres of government
The South African National Roads Agency Limited	Limited and National Roads Act, No 7 of 1998, as amended	DoT Budget (R 15.9 billion , Transfer Payment)	Established for the purpose of taking charge of the financing, management, control, planning, development, maintenance and rehabilitation of the South African national roads system.



ROAD AGENCIES CONTINUES...

NAME OF ENTITY	LEGISLATION	FUNDING	NATURE OF BUSINESS
Cross- Border Road Transport Agency (C-BRTA)	Croos- Border Road Transport Agency (Act No.4 of 1998)	No transfer from the the DOT Self-funding	Provide for co-operative and coordinated advice, regulation, facilitation and law enforcement in respect of cross border road transport by the public and the privates sector
Road Accident Fund (RAF)	The RAF is a juristic person established by an Act of Parliament, namely the Road Accident Fund Act, 1996 (Act No. 56 of 1996), as amended.	National Treasury	The RAF administers claims in accordance with the aforementioned Act and the provisions of the Road Accident Fund (Transitional Provisions) Act, 2012 (Act No. 19 of 2012)

RAIL AGENCIES

NAME OF ENTITY	LEGISLATION	FUNDING	NATURE OF BUSINESS
Passenger Rail Agency of South Africa (PRASA)	Legal Succession to the South African Transport ("SATS") Act, No 9 1989	Transfer payments	To ensure that rail commuters services is provided for in the public interest and to provide for long haul passenger rail and bus services within, to and fro the Republic in terms of the principles set out in the section 4 of the National Land Transport Act, 22 of 2000)
Rail Safety Regulator (RSR)	National Rail Safety Regulator Act 16 of 2002	Transfer payments	To oversee and promote safe railway operations through appropriate support, monitoring and enforcement, guided by enabling regulatory framework and regulations



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CIVIL AVIATION AGENCIES

NAME OF ENTITY	LEGISLATION	FUNDING	NATURE OF BUSINESS
South Africa Civil Aviation Authority (SACAA)	South Africa Civil Aviation Authority Act, 1998 (Act no. 40 of 1998)	Transfer payments	To control and regulate civil aviation safety and security within the Republic
Air Traffic and Navigational Services (ATNS)	Air Traffic and Navigation Air Services Company Act, 1993 (Act no. 45 of 1993)	No transfer from the DOT	To provide for the establishment, development, provision, maintenance, management and operation of air navigation infrastructure and air navigation services
Airports Company South Africa SOC Limited (ACSA)	Airports Company Act, 1993	No transfer from the DOT	To own and operate the Republic's nine principle airports, providing airlines with world-class safe and secure airports infrastructure



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MARITIME AGENCIES

NAME OF ENTITY	LEGISLATION	FUNDING	NATURE OF BUSINESS
South African Maritime Safety Authority (SAMSA)	South African Maritime Safety Authority Act 1998 (Act No 5 of 1998)	Transfer payments	To ensure safety of life and property at sea, prevent and combat pollution and maritime environment by ships and promote South Africa's maritime interest
Ports Regulator of South Africa (PRSA)	National Ports Act 2005	Transfer payments	To regulate activities of the ports industry in accordance with the policy and mandate of the state



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DOT PROJECTS WITH INDUSTRIAL DEVELOPMENT POTENTIAL PER MODE



ROAD PROGRAMME/ PROJECTS

Programme/P roject	Implementing Agent	Brief description and industrilization potential	Budget
<p>Moloto Road (R573) Corridor Development</p> <p>SIP 1 - Unlocking the northern mineral belt with Waterberg as the catalyst</p>	<p>SANRAL</p>	<p>Moloto Road (R573) is one South Africa`s busiest and most important economic route, connecting Gauteng (46,7km) from Dr Seako Makgatho road , Mpumalanga (54,9km) and Limpopo (37,5km) provinces at Marble Hall. The total network length is about 139km</p> <ul style="list-style-type: none"> • 30% will go to Small Black Owned Business <p>Jobs estimated for the project 12 500 jobs will be created per province as follows</p> <ul style="list-style-type: none"> 3 250 jobs in Mpumalanga 3 000 jobs in Limpopo, and 6 250 jobs in Gauteng 	<p>R4.5 billion over the MTEF cycle</p>



ROAD PROGRAMME/ PROJECTS

Programme/ Project	Implementin g Agent	Brief description and industrilization potential	Budget
<p>N2 Wildcoast Highway (East London to EThekwini)</p> <p>SIP 3 -South-Eastern node & corridor Development</p>	<p>SANRAL</p>	<p>The N2 Wild Coast road project is about upgrading of the N2 Highway greenfield section (from Port Edward to Ndwalane) and the associated bridge structures two (2) mega-bridge structures on the Msikaba and Mtentu Rivers, Seven (7) additional major river bridges and five (5) interchange bridges at the same time, stimulating the socio-economic activities by connecting the Eastern Cape and Kwa-Zulu Natal provinces</p> <p>30% procurement will be directed to local SMMES</p>	<p>The total budget required for the N2 Wild Coast Road Greenfields portion is approximately R8.5 – 9.0 billion</p>



ROAD PROGRAMME/ PROJECTS

Programme/Project	Implementing Agent	Brief description and industrialization potential	Budget
S'hamba Sonke Road Maintenance Programme	DOT in collaboration with Provinces	Is a programme of the Department to maintain provincial road network, and at the same time to place the rural economy on a labour absorptive growth path through contractor development.	R 34 billion Over the MTEF period

OTHER ROAD INFRASTRUCTURE PROGRAMMES

Provincial Roads Maintenance Grant (PRMG)

PROVINCES	CURRENT	MEDIUM TERM ESTIMATES		
	2016/17 R'000	2017/18 R'000	2018/19 R'000	2019/20 R'000
Eastern Cape	1 245 877	1 319 364	1 395 882	1 474 051
Free State	1 245 600	1 319 076	1 395 592	1 473 745
Gauteng	505 696	535 522	566 586	598 315
KwaZulu-Natal	1 912 947	2 025 789	2 143 300	2 263 325
Limpopo	994 630	1 053 325	1 114 419	1 176 826
Mpumalanga	1 637 077	885 392	936 699	989 154
Northern Cape	955 021	1 011 356	1 070 022	1 129 943
North West	865 778	916 849	970 033	1 024 355
Western Cape	839 877	889 362	940 952	993 645
Unallocated	0	797 629	1 002 183	1 058 305
Total	10 202 503	10 753 664	11 535 668	12 181 665



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RAIL PROGRAMME/ PROJECTS

Programme/ Programme	Implementin g Agent Project	Brief description and industrilization potential	Budget
Rolling Stock Fleet Renewal Programme	PRASA	<p>The PRASA Fleet Renewal Programme is the catalyst for the transformation of Metrorail services and public transport as a whole. It is the rollout of the Government's Comprehensive Rail Programme over the next two decades.</p> <p>65% of value of coaches to be procured locally</p> <p>Total SMME benefiting = 47</p> <p>Targettted SMME spend = R104m</p> <p>Actual SMME spend = R219m</p>	R123.5bn over 20yrs
Refurbishment of Existing Fleet	PRASA	2241 Jobs Created	2017/18 R1.36bn

AVIATION PROGRAMME/ PROJECTS

Programme/Programme	Implementing Agent	Brief description and industrilization potential	Budget
Cape Town Intenational airport • Development of Terminal 2	ACSA	Various Construction Projects	R138m over medium term period commencing 2017/2018
Oliver Tambo International Airport • Termainal A departures refurbishments • Freight Warehouse Refurbishment • Western Precint replacement parking • Fuel Farm Refurbishment • New Domestic Arrivals	ACSA		
King Shaka International Airport • Taxiway Extension	ACSa		



AVIATION PROGRAMME/ PROJECTS

Programme/Programme	Implementing Agent	Brief description and industrialization potential
<p>National Aviation Civil Transformation Strategy (NCATS)</p>	<p>DOT</p>	<p>Aviation industry development is characterized by the under-supply of critical skills which remains dire amongst the Previously Disadvantaged Individuals (PDIs) as well as limited market share of black owned businesses throughout the aviation industry value chain. The likely impact of this Strategy include:</p> <ul style="list-style-type: none"> • Access to skills development • Access of training • Review of current funding model for human capital development • Increase of start up capital • Improved participation throughout the aviation industry value chain through broad based black empowerment



MARITIME PROGRAMME/ PROJECTS

Oceans economy targets as informed by Operation Phakisa

Programme/Programme	Implementing Agent	Brief description industrialization potential	Budget
Maritime Transport and Manufacturing Programme	TNPA	Envisaged to create 40 000 to 50 000 jobs	R42bn
Maritime Construction, Communications Technologies and Equipment	TNPA	425 to 459 000 job Opportunities	R27bn
Marine Tourism	SAMSA and NDT	150 000 to 225 000	R25bn to R35bn



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OTHER INFRASTRUCTURE PROJECTS & BUDGET

Public Transport Network Grant (PTNG)

MUNICIPALITIES	CURRENT	MEDIUM TERM ESTIMATES		
	2016/17 R'000	2017/18 R'000	2018/19 R'000	2019/20 R'000
EC: Buffalo City	35 289	60 167	166 393	175 711
EC: Nelson Mandela Bay	0	330 095	370 079	390 803
FS: Mangaung	200 142	200 042	215 049	227 092
GT: City of Tshwane	950 011	975 000	1 000 141	1 056 149
GT: Ekurhuleni	500 002	700 034	800 017	844 818
GT: City of Johannesburg	1 015 508	1 102 932	1 177 000	1 242 912
KZN: Msunduzi	200 031	200 023	212 033	223 907
KZN: eThekweni	950 078	1 000 197	1 000 023	1 056 024
LP: Polokwane	200 026	201 003	215 050	227 093
MP: Mbombela	200 058	200 014	215 023	227 064
NW: Rustenburg	285 039	300 074	317 014	334 767
WC: George	106 444	115 275	105 295	111 192
WC: City of Cape Town	950 063	975 039	1 000 152	1 056 161
Overall Total	5 592 691	6 359 895	6 793 269	7 173 692

DOT COLLABORATION WITH TO OTHER DEPARTMENTS AND PRIVATE SECTOR

The Department is collaborating with the Department of Co-operative Governance and Traditional Affairs as well as Municipal Infrastructure Support Agent on Roads and Storm Water Programme in the Municipalities

Implementation of Contractor Development Programme within the guidelines of the Department of Public Works

The Department is working closely with Mining Sector on maintenance of coal haulage network

B-BBEEE

Transport Sector B-BBB charters

- Aviation
 - Domestic Aviation
 - International Aviation
- Bus Commuter and Coach Services
- Forwarding and Clearing
- Maritime Transport and Services
- Public Sector
- Rail
- Taxi
- Road Freight



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POLICY DEVELOPMENTS

1. National Rail Policy - [Approved by Cabinet for Public Comments](#)
2. Comprehensive Maritime Policy – [Approved by Cabinet](#)
3. Green Transport Strategy – [Approved by Cabinet for Public Comments](#)
4. Road Accident Benefit Scheme (RABS) – [In Parliament](#)
5. Roads Policy – [In Cabinet](#)
6. Road Safety Strategy for South Africa – [Passed by Cabinet](#)
7. Rollout AARTO Amendment Act – [En-route to NCOP](#)
8. Access Road Development Plan – [Further Consultations with Stakeholders](#)
9. Anti-Fraud and Corruption Strategy for Driving Licence Testing Centres and motor vehicle licensing and testing environment – [Consultations in Progress](#)
10. SANRAL Transformation Policy – [Receiving public comments](#)



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CHALLENGES AND PROPOSED INTERVENTIONS

CHALLENGE	PROPOSED INTERVENTION
Inadequate Funding for the Sector	<ul style="list-style-type: none">• Transport Infrastructure compete on a hierarchy of Social Needs• Explore alternative funding method Draft Road Policy <ul style="list-style-type: none">✓ Fuel levy✓ Vehicle Licenses✓ User-pay principle (Tolling) Other funding mechanisms <ul style="list-style-type: none">✓ Developer contributions (Concessions)✓ Use of the road reserve✓ Hybrid funding model (PPP)



CHALLENGES AND PROPOSED INTERVENTIONS

CHALLENGE	PROPOSED INTERVENTION
Slow Economic Transformation	<ul style="list-style-type: none">• Implementation of SMMEs development program to include women, youth and people living with disabilities (30% minimum of allocation spent)
Lack of compliance to policies	<ul style="list-style-type: none">• Increase oversight role for positive impact
Lack of Technical Capacity	<ul style="list-style-type: none">• Ensure effective human resources development plans are in place to include succession planning• Developing meaningful partnerships with private and public sector – skills training initiatives



THANK YOU

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